

Information Memorandum
19 December 2025



A\$10,000,000,000 Debt Issuance Programme

of

Telefónica Emisiones, S.A.U.

(incorporated with limited liability in the Kingdom of Spain)

as Issuer

unconditionally and irrevocably guaranteed by

Telefónica, S.A.

(incorporated with limited liability in the Kingdom of Spain).

as Guarantor

Arranger and Dealer

Mizuho Securities Asia Limited

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Important notices

This Information Memorandum

This Information Memorandum relates to a debt issuance programme ("**Programme**") established by Telefónica Emisiones, S.A.U. (the "**Issuer**"), under which it may issue Notes from time to time. The Notes issued under this Programme will be unconditionally and irrevocably guaranteed by Telefónica, S.A. (the "**Guarantor**").

This Information Memorandum summarises information regarding the Issuer, the Guarantor, the Programme and the issue of Notes in registered form in the Australian wholesale debt capital market. Potential investors in other debt instruments which may be issued by the Issuer under the Programme should refer to any disclosure or offering document relevant to the issue of those debt instruments. This Information Memorandum has been prepared by, and is issued with the authority of, the Issuer.

The Issuer and the Guarantor accept responsibility for the information contained in this Information Memorandum (other than the Programme Participant Information).

Terms used in this Information Memorandum but not otherwise defined herein have the meanings given to them in the terms and conditions applicable to the Notes (as set out in section 6 (*Conditions of the Senior Notes*) or section 7 (*Conditions of the Subordinated Notes*), as the case may be ("**Conditions**")) and/or in section 12 (*Glossary*).

Place of issuance

Subject to applicable laws and directives, the Issuer may offer Notes under the Programme in any country, including Australia and countries in the European Economic Area ("**EEA**") and Asia but (subject to the below) not in the United States or to U.S. persons. Neither the Notes nor the Guarantee have been, nor will be, registered under the U.S. Securities Act and, accordingly, the Notes may not be offered, sold, delivered or transferred, at any time, within the United States or to, or for the account or benefit of, U.S. persons, except in a transaction exempt from the registration requirements of the U.S. Securities Act.

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Guarantor or any Programme Participant to any person in any jurisdiction to subscribe for, purchase or otherwise deal in any Notes.

The distribution and use of this Information Memorandum, including any Issue Materials, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

In particular:

- this Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. Neither this Information

Memorandum nor any other disclosure document in relation to the Notes has been, or will be, lodged with ASIC; and

- no action has been taken by any of the Issuer, the Guarantor or any Programme Participant Party which would permit a public offering of any Notes or distribution of this Information Memorandum or any Issue Materials in any jurisdiction where action for that purpose is required (including circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act).

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum and any other Issue Materials, see section 3 (*Selling restrictions*).

No independent verification

The only role of a Programme Participant in the preparation of this Information Memorandum has been to confirm to the Issuer and the Guarantor that the Programme Participant Information relating to itself is accurate as at the Preparation Date.

Apart from the foregoing, no Programme Participant Party has independently verified any information contained in this Information Memorandum and each such person disclaims any responsibility, and disclaims all and any liability whether arising in tort or contract or otherwise, for such information. Except to the extent related to the Programme Participant Information, no representation, warranty or undertaking, express or implied, is made, to the fullest extent permitted by law, and no responsibility or liability is accepted, by any of them, in relation to the accuracy or completeness of this Information Memorandum, any Issue Materials or any further information supplied by the Issuer or the Guarantor in connection with the Programme or any Notes.

Each Programme Participant expressly does not undertake to review the financial condition or affairs of the Issuer or the Guarantor or any of their respective affiliates at any time or to advise any Noteholder, any potential investor in Notes or any other person of any information coming to their attention with respect to the Issuer or the Guarantor and makes no representations as to the ability of the Issuer or the Guarantor to comply with their respective obligations under the Notes or the Guarantee of the Notes. No Programme Participant makes any representation as to the performance of the Issuer or the Guarantor, the maintenance of capital or any particular rate of return, nor does any Programme Participant guarantee the payment of capital or any particular rate of capital or income return, in each case, on any Notes.

Investors to make independent investment decision and obtain professional advice

This Information Memorandum contains only summary information concerning the Issuer, the Guarantor, the Programme and the Notes. Neither the information contained in this Information Memorandum nor any

other information supplied in connection with the Programme or the issue of any Notes (1) is intended to provide the basis of any credit or other evaluation and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer, the Guarantor or any Programme Participant Party that any recipient of this Information Memorandum (or any other information supplied in connection with the Programme or the issue of any Notes) should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes, or (2) describes the risks of an investment in any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the Conditions of the Notes, the rights and obligations attaching to the Notes and the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the Guarantor and the risks of an investment in any Notes;
- determine for themselves the sufficiency and relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of this Information Memorandum), the Issue Materials and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own financial, legal, tax and other professional advisers about the risks and the tax implications associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

No accounting, regulatory, investment, legal, tax or other professional advice is given by the Issuer, the Guarantor or any of their respective directors, officers, employees, affiliates, agents or advisers in respect of an investment in any Notes or rights in respect of them.

In particular, if any financial product advice is, in fact, held to have been given by the Issuer and the Guarantor in relation to Notes issued in connection with this Information Memorandum, it is general advice only. Each of the Issuer and the Guarantor does not hold an AFSL and is not licensed to provide financial product advice in relation to the Notes. No cooling-off regime applies to investors of Notes.

Notes issued as ESG Notes

The Pricing Supplement relating to a specific Tranche of Notes may provide that it is the Issuer's intention to apply an amount, which at the Issue Date of the relevant Notes, is equal to the net proceeds of the issue of such Notes to fund, in whole or in part, eligible projects ("**Eligible Projects**") as detailed in the Sustainable Financing Framework dated July 2023 ("**Sustainable**

Financing Framework") of the Telefónica Group, as amended and supplemented from time to time and available on the Issuer's website (<https://www.telefonica.com/en/shareholders-investors/rating/sustainable-finance/>) and in the relevant Pricing Supplement, in which case the relevant Notes will be identified as "**ESG Notes**" in the applicable Pricing Supplement.

The Sustainable Financing 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 Information Memorandum.

The Sustainable Financing Framework has been prepared 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 or any more recent versions as specified in the Sustainable Financing Framework or the relevant Pricing Supplement.

The Issuer has appointed a third party to provide an independent opinion (the "**Second Party Opinion**") on the Sustainable Financing Framework to confirm its alignment with the relevant ICMA, LMA, LSTA and APLMA Principles. The Second Party Opinion is available, and any further second party opinions which may be rendered in respect of the issue of ESG Notes in accordance with the Sustainable Financing Framework will be available, on the Issuer's website (<https://www.telefonica.com/en/shareholders-investors/rating/sustainable-finance/>).

The Sustainable Financing 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 Information Memorandum.

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels, whether under EU or UK regulatory frameworks and any related technical screening criteria, optional or mandatory disclosure regimes, or any market standards or guidance (including green, sustainable or social bond principles or other similar principles or guidance published by ICMA (the "**ICMA Principles**")), or any requirements of such labels or market standards as they may evolve from time to time. Any ESG Notes issued under this Programme will not be compliant with the EU or UK green bond regulation or label and are only intended to comply with the requirements and processes in the 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 Information Memorandum and the relevant Pricing Supplement for the ESG Notes and seek advice from

their independent financial adviser or other professional adviser regarding its purchase of the ESG Notes before deciding to invest.

The Arranger and 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 the Issuer's website, the Sustainable Financing Framework and the Second Party Opinion for information.

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 ESG Notes, 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 Arranger or 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 Notes (whether or not solicited by the Issuer or any affiliate). The Second Party Opinion and any such other opinion, review, certification or post-issuance report is not a recommendation by the Issuer, the Guarantor, the Arranger, the Dealers or any other person to buy, sell or hold any such ESG Notes and is current only as of the date it was issued. As at the date of this Information Memorandum, the providers of such opinions, reviews, certifications and post-issuance reports are not subject to any specific regulatory or other regime or oversight. 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 Information Memorandum.

In the event that any such ESG Notes 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 Arranger or 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 Arranger or the Dealers or

any other person that any such listing or admission to trading will be obtained in respect of any such ESG Notes or that any such listing or admission to trading will be maintained during the life of the ESG Notes.

While it is the intention of the Issuer to apply the proceeds of ESG Notes for Eligible Projects and to report on the use of proceeds or Eligible Projects as described in 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 Notes 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 Notes or the failure of the ESG Notes 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 Notes.

MiFID II product governance / UK MiFIR product governance / target market

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" and/or "UK MiFIR Product Governance", as applicable, which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II and/or the UK MiFIR Product Governance Rules, as applicable, is responsible for undertaking its own target market assessment in respect of the Notes (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 and/or the UK MiFIR Product Governance Rules, as applicable, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules, as applicable.

IMPORTANT – EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a

customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the 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 UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore

Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)).

1. Programme summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the applicable Conditions and relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions of the Senior Notes or the Conditions of the Subordinated Notes, as the case may be, or, if not defined in the Conditions, in section 12 (Glossary). A reference to a "Pricing Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to a particular Tranche or Series of Notes.

| The Programme | |
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| Issuer | Telefónica Emisiones, S.A.U. (LEI: 549300Y5MFC4SW5Z3K71) |
| Guarantor and Guarantee | <p>The Notes issued by the Issuer have the benefit of a guarantee ("Guarantee") given by Telefónica, S.A. (LEI: 549300EEJH4FEPDBBR25) (the "Guarantor").</p> <p>The Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts under the Notes.</p> |
| Programme description | A non-underwritten debt issuance programme under which, subject to applicable laws and directives, the Issuer may elect to issue Notes in the Australian wholesale debt capital market in registered uncertificated form. |
| Programme limit | A\$10,000,000,000 (or its equivalent in other currencies, and as that amount may be increased from time to time). |
| Programme term | The Programme continues until terminated by the Issuer. |
| Programme Participants | |
| Arranger and Dealer | <p>Mizuho Securities Asia Limited (ABN 14 603 425 912)</p> <p>Contact details and particulars for the abovenamed Arranger and Dealer is set out in the <i>Directory</i> section.</p> |
| Dealers | Additional Dealers may be appointed by the Issuer from time to time for a specific Tranche or Series (details of such appointment may be set out in the relevant Pricing Supplement) or to the Programme generally. |
| Registrar | <p>BTA Institutional Services Australia Limited (ABN 48 002 916 396)</p> <p>Contact details and particulars of the ABN for the Registrar are set out in the <i>Directory</i> section.</p> <p>Details of the appointment of any alternative or additional Registrar in respect of a Tranche or Series will be set out in the relevant Pricing Supplement.</p> |
| Issuing and Paying Agent | <p>BTA Institutional Services Australia Limited (ABN 48 002 916 396)</p> <p>Contact details and particulars of the ABN for the Issuing and Paying Agent are set out in the <i>Directory</i> section.</p> <p>Details of the appointment of any alternative or additional Issuing and Paying Agent in respect of a Tranche or Series will be set out in the relevant Pricing Supplement.</p> |
| Calculation Agent | If a Calculation Agent is required for the purpose of calculating any amount or making any determination under any Tranche or Series, such appointment will be set out in the relevant Pricing Supplement. |

| The Notes | |
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| Offer and issue | Notes will be issued in Series. Each Series may comprise one or more Tranches having one or more Issue Dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the Issue Price, the Issue Date and the first payment of interest). The Notes of each Tranche of a Series are intended to be fungible with the other Tranches of Notes of that Series to the extent permitted by law or directive. A Pricing Supplement will be issued by the Issuer in respect of each Tranche of Notes. |
| Form | <p>Notes will be issued in registered uncertificated form by entry in the Register.</p> <p>Notes are debt obligations of the Issuer constituted by, and owing under, a Deed Poll (which will be specified in the relevant Pricing Supplement) and the details of which are recorded in, and evidenced by entry in, the Register.</p> |
| Status and ranking of the Notes | <p>The Notes may be issued as senior unsecured notes ("Senior Notes") or as subordinated notes ("Subordinated Notes"), in each case as specified in the relevant Pricing Supplement.</p> <p>Senior Notes</p> <p>Senior Notes will constitute direct, unconditional and (subject to the provisions of Condition 4.3 ("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) in the event of insolvency (<i>concurso</i>) of the Issuer, will at all times rank <i>pari passu</i> 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 as set out in Condition 4 ("Status, ranking and Guarantee").</p> <p>Subordinated Notes</p> <p>Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer (senior only to Junior Obligations of the Issuer) and shall at all times rank <i>pari passu</i> and without any preference among themselves as set out in Condition 4 ("Status, Guarantee and subordination").</p> |
| Status and ranking of the Guarantee | <p>Senior Notes</p> <p>The obligations of the Guarantor in respect of the Senior Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.3 ("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 (<i>concurso</i>) of the Guarantor, will at all times rank <i>pari passu</i> 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. Its obligations in that respect are contained in the Guarantee.</p> <p>Subordinated Notes</p> <p>The obligations of the Guarantor in respect of the Subordinated Notes constitute direct, unsecured and subordinated obligations of the Guarantor (senior only to Junior Obligations of the Guarantor) and shall at all times rank <i>pari passu</i> and without any preference among themselves. Its obligations in that respect are contained in the Guarantee.</p> |
| Negative pledge | <p>Senior Notes</p> <p>The Senior Notes will have the benefit of a negative pledge as set out in Condition 4.3 ("Negative pledge").</p> <p>Subordinated Notes.</p> <p>There is no negative pledge in respect of the Subordinated Notes.</p> |

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| Substitution or Variation of Subordinated Notes | <p>If “Substitution and Variation” is specified as applicable in the relevant Pricing Supplement for the Subordinated Notes, and at any time after the Issue Date of the Subordinated Notes, the Issuer and/or the Guarantor determines that a Tax Event, a Withholding Tax Event, an Accounting Event or a Capital Event has occurred, then the Issuer may (without any requirement for the consent or approval of the Noteholders) and having given not less than 10 nor more than 60 days’ notice to the Noteholders and the Registrar, on any applicable Interest Payment Date either (i) exchange the Subordinated Notes for new securities of the Issuer, the Guarantor or any wholly-owned direct or indirect finance subsidiary of the Guarantor with a guarantee of the Guarantor or (ii) vary the terms of the Subordinated Notes, so that after such substitution or variation the Subordinated Notes remain or become, as the case may be, eligible for the same or (from the perspective of the Issuer or the Guarantor) more favourable tax, accounting or ratings treatment than the treatment to which they were entitled prior to the relevant event occurring.</p> <p>See Condition 9.7 (“Substitution and Variation of the Notes”) of the Subordinated Notes.</p> |
| Substitution of the Issuer | <p>The Issuer and the Guarantor may, subject to the fulfilment of certain conditions, substitute the Issuer. See Condition 17 (“Substitution, merger and consolidation on certain terms”).</p> |
| Events of Default | <p>Senior Notes</p> <p>There will be events of default in respect of the Senior Notes as further described in Condition 13.1 (“Events of Default”) of the Senior Notes.</p> <p>Subordinated Notes</p> <p>There will be no events of default under Conditions of the Subordinated Notes.</p> <p>However, if an order is made or an effective resolution is passed for the winding-up, dissolution or liquidation of the Issuer or the Guarantor (except, in each case, for any solvent amalgamation, merger, reorganisation or restructuring), any Noteholder may by written notice and provided it does not contravene a previously adopted Extraordinary Resolution (if any), declare that such Subordinated Note and all interest then accrued but unpaid shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its principal amount together with any accrued and unpaid interest thereon and any outstanding Arrears of Interest.</p> <p>Following such declaration, the Noteholder may take steps to obtain a judgment for any amounts due in respect of the Subordinated Notes, including, but not limited to, proving and/or claiming in the winding-up, dissolution or liquidation of the Issuer or Guarantor for such amount.</p> <p>Noteholders may also institute such proceedings to enforce any term or condition under the Subordinated Notes or the Guarantee. However, no such proceedings will oblige the Issuer or the Guarantor to pay any sum or sums sooner than the same would otherwise have been payable by it.</p> <p>See Condition 13 (“Enforcement Events and no Events of Default”) of the Subordinated Notes.</p> |
| Early redemption | <p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for, in the case of Senior Notes, certain taxation reasons or following an Event of Default or, in the case of Subordinated Notes, following the occurrence of a Tax Event, a Withholding Tax Event, an Accounting Event or a Capital Event or for rating reasons), or that such Notes will be redeemable at the option of the Issuer and/or, in the case of Senior Notes only, the Noteholders, upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be set forth in the relevant Pricing Supplement, in each case as set out in the relevant Conditions.</p> |
| Maturities | <p>Notes may have any maturity as specified in the relevant Pricing Supplement. Subordinated Notes may also be issued as perpetual notes with no fixed maturity.</p> |
| Currencies | <p>Notes will be denominated in Australian dollars or in such other currency specified in the relevant Pricing Supplement.</p> |

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| Issue Price | Notes may be issued at any price as specified in the relevant Pricing Supplement. |
| Interest | Notes may or may not bear interest. Interest (if any) may be at a fixed, floating or another variable rate as specified in the relevant Pricing Supplement. |
| Optional Interest Deferral in relation to Subordinated Notes | If “Interest Deferral - Optional Interest Payment” is specified as applicable in the relevant Pricing Supplement for the Subordinated Notes, the Issuer may, at its sole discretion, elect to defer (in whole or in part) any payment of interest on the Subordinated Notes in accordance with Condition 8.7 (“Optional Interest Deferral”) of the Subordinated Notes. Non-payment of interest so deferred shall not constitute a default by the Issuer or Guarantor under the Subordinated Notes or the Guarantee or for any other purpose. Any amounts so deferred, together with further interest accrued thereon (at the relevant Interest Rate applicable from time to time), shall constitute Arrears of Interest. |
| Optional Settlement of Arrears of Interest in relation to Subordinated Notes | Any Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, at any given time upon giving not more than 14 and no less than seven Business Days’ notice to the Noteholders and the Registrar prior to the relevant Optional Deferred Interest Settlement Date informing them of its election so to satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date. See Condition 8.7 (“Optional Interest Deferral”) of the Subordinated Notes. |
| Mandatory Settlement of Arrears of Interest in relation to Subordinated Notes | <p>The Issuer shall pay any outstanding Arrears of Interest in whole, but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which any outstanding Deferred Interest Payment was first deferred, where “Mandatory Settlement Date” means the earliest of:</p> <ul style="list-style-type: none"> (a) as soon as reasonably practicable (but no later than the fifth business day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs; (b) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer in whole the interest accrued in respect of the Interest Period; and (c) the date on which the Subordinated Notes are redeemed or repaid in accordance with Condition 9 (“Redemption and purchase”) of the Subordinated Notes or become due and payable in accordance with Condition 13 (“Enforcement Events and no Events of Default”). <p>Subject to certain exceptions, as more particularly described in Condition 8.7 (“Optional Interest Deferral”) of the Subordinated Notes, a “Compulsory Arrears of Interest Settlement Event” shall have occurred if:</p> <ul style="list-style-type: none"> (a) a Dividend Declaration is made in respect of any Junior Obligations or any Parity Obligations (other than in respect of any such dividend, distribution or payment paid or made exclusively in Ordinary Shares of the Guarantor); or (b) the Guarantor or any of its subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations. |
| Denomination | Subject to all applicable laws and directives, Notes will be issued in the single denomination specified in the relevant Pricing Supplement. |
| Title | <p>Entry of the name of the person in the Register in respect of a Note in registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or proven error.</p> <p>Title to Notes which are held in a Clearing System will be determined in accordance with the rules and regulations of the relevant Clearing System. Notes which are held in the Austraclear System will be registered in the name of Austraclear.</p> <p>No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or directive.</p> |

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| Payments and Record Date | <p>Payments to persons who hold Notes through a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.</p> <p>The Record Date for payments of principal and interest is 5.00 pm in the place where the Register is maintained on the eighth calendar day before a payment date or such other date specified in the applicable Pricing Supplement.</p> |
| Transactions relating to the Notes | |
| Clearing Systems | <p>The Issuer intends that transactions with respect to Notes will be within a Clearing System.</p> <p>The Issuer intends to apply to Austraclear for approval for any Notes to be traded on the Austraclear System. Upon approval by Austraclear, those Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes.</p> <p>The rights of a holder of interests in a Note held through the Austraclear System are subject to the rules and regulations of the Austraclear System.</p> <p>Transactions relating to interests in the Notes may also be carried out through Euroclear, Clearstream or any other clearing system outside Australia specified in the relevant Pricing Supplement.</p> <p>Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently, HSBC Custody Nominees (Australia) Limited), while entitlements in respect of holdings of interests in Notes in Clearstream would be held in the Austraclear System by a nominee of Clearstream (currently, BNP Paribas, Australia Branch).</p> <p>The rights of a holder of interests in a Note held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, the terms and conditions of agreements between Euroclear and Clearstream, and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.</p> <p>The Issuer is not responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.</p> |
| Selling restrictions | <p>The offer, sale and delivery of Notes, and the distribution of this Information Memorandum and Issue Materials, are subject to such restrictions as may apply in any jurisdiction in connection with the offer and sale of a particular Tranche or Series. Certain restrictions are described in section 3 (<i>Selling restrictions</i>) and may also be set out in the applicable Pricing Supplement in respect of an issue of Notes.</p> |
| Transfer procedure | <p>Notes may only be transferred in whole but not in part and in accordance with the Conditions.</p> <p>In particular, Notes may only be transferred if:</p> <ul style="list-style-type: none"> • in the case of Notes to be transferred in, or into, Australia: <ul style="list-style-type: none"> • the offer or invitation giving rise to the transfer is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the transferor or its associates) or the transfer does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and • the offer or invitation giving rise to the transfer is not an offer or invitation to a “retail client” for the purposes of section 761G of the Corporations Act; and |

- at all times, the transfer complies with all applicable laws and directives of the jurisdiction where the transfer takes place.

Transfers of Notes held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

Other matters

Taxes, withholdings and deductions

All payments of principal and interest in respect of the Notes by the Issuer or, as the case may be, the Guarantor under the Guarantee will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes unless such withholding or deduction is required by law or directive. In the event that any withholding or deduction on payments in respect of the Notes or the Guarantee for or on account of any present or future Taxes is required to be deducted or withheld by a Relevant Jurisdiction, the Issuer or the Guarantor (as the case may be) shall (subject to customary exceptions provided in Condition 11 ("Taxation")) be required to pay such Additional Amounts on the Notes or the Guarantee as shall result in receipt by Noteholders of such amounts as would have been received by it had no such withholding or deduction been required.

Provided that the special tax regime contained under the First Additional Provision of Law 10/2014 applies to the Notes in accordance with article 44 of Royal Decree 1065/2007, income obtained in respect of the Notes will not be subject to withholding tax in Spain, provided that the Notes 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 Registrar provides the Issuer and the Guarantor, in a timely manner, with certain information relating to the Notes. See section 4 (*Summary of certain taxation matters – Spanish Taxation*).

A brief overview of the Australian and Spanish taxation treatment of payments of interest on Notes and of FATCA and the Common Reporting Standard is set out in section 4 (*Summary of certain taxation matters*).

Investors should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in Notes.

Listing

The Issuer intends to make an application for the Issuer to be admitted to the official list of, and Notes of a particular Series to be quoted on, the ASX. The Issuer may also apply for itself to be admitted to the official list of, and Notes of a particular Series to be quoted on another stock or securities exchange or quotation system (in accordance with applicable laws and directives).

The applicable Pricing Supplement in respect of the issue of any Tranche of Notes will confirm whether or not such Notes will be quoted on any stock or securities exchange.

Credit ratings

Notes to be issued under the Programme may be rated by one or more rating agencies. The credit rating of an individual Tranche or Series of Notes will be specified in the relevant Pricing Supplement for those Notes (or another supplement to this Information Memorandum).

A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

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| Meetings | The Conditions and the Deed Poll contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, and for the passing of resolutions by a vote or circulating resolution. These provisions permit defined majorities to bind all Noteholders of a Series, including Noteholders who did not attend and vote at the relevant meeting or did not sign a circulating resolution and Noteholders who voted in a manner contrary to the majority. |
| Use of proceeds | <p>The net proceeds of the issue of each Tranche of Notes will either be applied by the Issuer, the Guarantor and/or the Telefónica Group to:</p> <ul style="list-style-type: none"> • meet part of their general financing requirements; or • finance and/or refinance, in whole or in part, subject to specific eligibility criteria to be applied to new or existing projects, Eligible Projects as detailed in the Sustainable Finance Framework, in which case the relevant Notes will be identified as “ESG Notes” in the applicable Pricing Supplement. |
| Governing law | The Notes and all related documentation will be governed by the laws of New South Wales, Australia, provided, however, that Conditions 4.1 (“Status and ranking”) and 4.2 (“Guarantee”) of the Senior Notes, Condition 4 (“Status, Guarantee and subordination”) of the Subordinated Notes and Condition 5 (“Status”) of each Guarantee will be governed by, and construed in accordance with, the laws of the Kingdom of Spain. |
| Other Notes | The Issuer may from time to time issue Notes in a form not specifically contemplated in this Information Memorandum. Terms applicable to any other type of Note will be set out in the relevant Pricing Supplement or in a supplement to this Information Memorandum. |
| Investors to obtain independent advice with respect to investment and other risks | <i>An investment in Notes issued under the Programme involves certain risks. This Information Memorandum does not describe the risks of an investment in any Notes, risks related to the Issuer or otherwise. Prospective investors should consult their own financial, legal, tax and other professional advisers about risks and the tax implications associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.</i> |

2. Information about Telefónica Emisiones, S.A.U. and Telefónica, S.A.

Telefónica Emisiones, S.A.U.

Telefónica Emisiones, S.A.U. (the “**Issuer**”), was incorporated for an indefinite period on 29 November 2004 as a *Sociedad Anónima Unipersonal* (limited liability company with a sole shareholder) registered in the Commercial Registry of Madrid at Tome 20,733, Book 0, Sheet 77, Section 8, Page M-367261, Registration 1.

The registered office of the Issuer is at Gran Vía 28, 28013 Madrid, Spain, and the Investor Relations telephone number is +34 91 482 87 00.

The share capital of the Issuer is fully subscribed and paid up by Telefónica, S.A. as the sole shareholder.

The Issuer is governed by the consolidated text of the Spanish Corporations Law, approved by Royal Legislative Decree 1/2010, of 2 July (*Texto Refundido de la Ley de Sociedades de Capital, aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio*).

The objects of the Issuer are the issuance of preferred shares (*participaciones preferentes*) and/or other financial instruments.

The Issuer lends the proceeds of financial instruments to the Guarantor and other members of the Telefónica Group and is dependent on repayment of the relevant intra-group financing to service payments of principal and interest on its financial instruments. This does not give rise to any potential conflicts of interest.

The Legal Entity Identifier (LEI) code of the Issuer is 549300Y5MFC4SW5Z3K71.

Telefónica, S.A.

Telefónica, S.A. (the “**Guarantor**”), is a corporation duly organised and existing under the laws of the Kingdom of Spain, incorporated on 19 April 1924. The Guarantor is governed by the Restated Spanish Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*), approved by Royal Legislative Decree 1/2010, of 2 July 2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*), as amended. The Guarantor is the sole shareholder of the Issuer.

The registered office of the Guarantor is at Gran Vía 28, 28013 Madrid, Spain, its tax identification number is A-28015865, its telephone number is +34 91 482 34 33 and its website is <https://www.telefonica.com>.

The Legal Entity Identifier (LEI) code of the Guarantor is 549300EEJH4FEPDBBR25.

The “**Telefónica Group**” comprises of Telefónica, S.A. and its consolidated subsidiaries.

The Telefónica Group is:

- a diversified telecommunications group which provides a comprehensive range of services through its large and modern telecommunications networks;
- focused on providing telecommunications services; and
- present principally in Europe and Latin America.

Documents incorporated by reference

The following documents (including any subsequent updates or replacements of the documents listed below that are published or issued from time to time after the date of this Information Memorandum) are incorporated in, and taken to form part of, this Information Memorandum:

- English language translations of the most recently published Audited Annual Consolidated Financial Statements of the Guarantor for the year ended 31 December, including the Notes thereto and the Auditor’s Report attached thereto and the section entitled “*Risk factors*” in the Consolidated Management Report, in each case as set out in the Consolidated Annual Report of the Telefónica Group which is available at <https://www.telefonica.com/en/shareholders-investors/financial-reports/annual-report>;
- English language translations of the most recently published Unaudited Condensed Consolidated Interim Financial Statements of the Guarantor for the half-year ended 30 June, including the Notes thereto and the Auditor’s Review Report thereon and the section entitled “*Risk factors*” in the Interim Consolidated Management Report, in each case as set out in the Consolidated Interim Report of the Telefónica Group published subsequently to such annual report of the Guarantor from time to time, available at <https://www.telefonica.com/en/shareholders-investors/financial-reports/quarterly-reports>;
- English language translations of the most recently published Audited Annual Financial Statements of the Issuer for the year ended 31 December, including the Notes thereto and the Auditor’s Report attached thereto, available at <https://www.telefonica.com/en/shareholders-investors/rating/debt-programs>;
- all supplements or amendments to this Information Memorandum circulated by the Issuer and/or the Guarantor from time to time;
- for an issue of Notes, the relevant Pricing Supplement and all documents expressly stated therein to be incorporated in this Information Memorandum; and

- all other documents issued by the Issuer and/or the Guarantor and stated to be incorporated in this Information Memorandum by reference.

Except for copies of the relevant Pricing Supplement, the Deed Poll and each Guarantee (which may only be obtained by Noteholders free of charge in electronic format from the Specified Office of the Registrar), copies of other documents incorporated by reference in this Information Memorandum can generally be obtained from the Issuer's website at <https://www.telefonica.com/en/shareholders-investors/> and, upon request, free of charge from the Specified Office of the Issuer.

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

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference. It shall, unless otherwise expressly stated, be read and construed on the basis that such documents form part of this Information Memorandum. Any statement contained in this Information Memorandum shall be modified, replaced or superseded to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies, replaces or supersedes such statement (including whether expressly or by implication or in whole or in part).

No other information, including any information in any document incorporated by reference in a document incorporated herein or documents or information that is publicly filed, is incorporated by reference into this Information Memorandum unless otherwise expressly stated. Any internet site addresses provided in this Information Memorandum are for reference only and, unless expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

Investors should review, among other things, documents which are incorporated into this Information Memorandum by reference when deciding whether or not to purchase, or otherwise deal in any Notes or rights in respect of any Notes.

3. Selling restrictions

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other Issue Materials except if the offer or invitation, or distribution or publication, complies with all applicable laws and directives.

None of the Issuer, the Guarantor nor any Programme Participant has represented that any Notes may at any time lawfully be offered or sold, or that this Information Memorandum or any Issue Materials may be distributed, in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale or distribution.

In addition to the above, the following selling and distribution restrictions apply.

1 General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum, Issue Materials or any other offering material in any country or jurisdiction where action for that purpose is required.

Persons into whose hands come this Information Memorandum, Issue Materials or other offering material are required by the Issuer, the Guarantor, the Arranger and each Dealer to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, reoffer, resell or deliver Notes or have in their possession or distribute or publish the Information Memorandum, Issue Materials or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and none of the Issuer, the Guarantor, the Arranger or any Dealer has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the offer or sale of Notes and on the distribution of this Information Memorandum in Australia, the United States, the UK, Hong Kong, Japan, Singapore, Spain and a prohibition of sales to UK and EEA retail investors as follows.

2 Australia

The Information Memorandum has not been, and no prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC.

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 made or invited, and will not make or invite, an offer of the Notes for issue or sale in 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, Issue Materials or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee in Australia (including any person who receives an offer or invitation or offering materials in Australia) 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 does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with any applicable laws and directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC.

3 United States

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act.

Terms used in the following four paragraphs have the meanings given to them by Regulation S.

The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or in certain transactions exempt from the registration requirements of the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates and any person acting on its or their behalf will not offer or sell the Notes constituting part of its allotment within the

United States, or to, or for the account or benefit of, U.S. persons:

- (a) as part of its distribution at any time; or
- (b) otherwise until 40 days after completion of the distribution, and only in accordance with Rule 903 of Regulation S (the “**distribution compliance period**”).

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the distribution of any identifiable Tranche of Notes, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

4 UK

Prohibition of sales to UK retail investors

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 Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. 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 UK 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 UK domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (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 Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

5 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:
 - (i) to “professional investors” as defined in 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
- (b) 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 Notes, 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 Notes 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.

6 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and, accordingly, 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 or sold, and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, directives and ministerial guidelines of Japan.

7 Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum 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 Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Information Memorandum, Issue Materials or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any persons in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or
- (b) 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.

8 The Kingdom of Spain

Neither the Notes nor this Information Memorandum 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 Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in the Kingdom of Spain, except in circumstances which do not require the registration of a prospectus in the Kingdom of Spain. In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may only be offered or sold in the Kingdom of Spain by institutions authorised under Spanish Law 6/2023 of 17 March on the Securities and 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.

9 Prohibition of sales to EEA Retail Investors

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 Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. 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 Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and

- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

10 Variation

These selling restrictions may be amended, varied, replaced or otherwise updated from time to time in accordance with the Dealer Agreement. Any change may be set out in a Pricing Supplement or in a supplement to this Information Memorandum.

11 Arrangements with Dealers

Under the Dealer Agreement and subject to the Conditions, the Notes may be offered by the Issuer through a Dealer. The Issuer has the sole right to accept any offer to purchase Notes and may reject that offer in whole or (subject to the terms of the offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more financial institutions as a Dealer for a particular Tranche of Notes or the Programme generally. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree to comply with any applicable law or directive in any jurisdiction in which it subscribes for, offers, sells or transfers Notes and that it will not, directly or indirectly, subscribe for, offer, sell or transfer Notes or distribute any Information Memorandum, Issue Materials or other offering material in relation to the Notes, in any jurisdiction, except in accordance with these selling restrictions, any additional restrictions which are set out in the relevant Pricing Supplement or in another supplement to this Information Memorandum and any applicable law or directive of that jurisdiction.

4. Summary of certain taxation matters

Australian taxation

The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts 1936 and 1997 of Australia (together, the “Australian Tax Act”), at the date of this Information Memorandum, of payments of interest on the Notes and certain other Australian tax matters.

It is a general guide and should be treated with appropriate caution. The summary is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, this summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Austraclear, Euroclear, Clearstream, Luxembourg or another clearing system.

Prospective holders of Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the relevant Pricing Supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Notes. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Australian interest withholding tax

So long as the Issuer continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of the Issuer in Australia, payments of principal and interest made under Notes issued by the Issuer should not be subject to Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act.

In addition, so long as the Guarantor continues to be a non-resident of Australia not carrying on business at or through a permanent establishment of itself in Australia, payments under the Guarantee should not be subject to Australian interest withholding tax.

Other Australian tax matters

Under Australian laws as presently in effect:

- *stamp duty and other taxes* – no *ad valorem* stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue or transfer of any Notes;
- *supply withholding tax* – payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia;

- *TFN withholding* – so long as the Issuer continues to be a non-resident of Australia and does not carry on business at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Australian Tax Act and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia should not apply; and
- *goods and services tax (GST)* – neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply, a GST-free supply or a supply that is outside the scope of the GST law. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

Spanish taxation

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 Information Memorandum 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 Notes, 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 Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes 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.

Prospective purchasers of the Notes should consult their own tax advisers as to which countries’ tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

A reference to “Noteholder” in this section includes the holder of a beneficial interest in the Notes.

Introduction

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

- (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**") as well as 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 resident for tax purposes in Spain which are subject to the Personal Income Tax ("**Personal Income Tax**"), Law 35/2006 of 28 November, on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, the Non Residents Income Tax Law and the Wealth Tax Law, as amended (the "**Personal Income Tax Law**") 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 the Inheritance and Gift Tax 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 subject to the 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 ("**Corporate Income Tax Regulations**"); and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax ("**Non-Resident Income Tax**"), 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 the Inheritance and Gift Tax, as amended and the Solidarity Tax Law.

Whatever the nature and residence of the Noteholder, the acquisition and transfer of Notes 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.

Individuals with Tax Residency in Spain

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 Notes 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 Noteholder's Personal Income Tax savings taxable base pursuant to the provisions of the aforementioned law, and taxed according to the then-applicable rate. At the date of this Information Memorandum, the savings taxable base is currently subject to the rate of 19% up to EUR 6,000.00, 21% for taxable income between EUR 6,000.01 and EUR 50,000.00, 23% for taxable income between EUR 50,000.01 and EUR 200,000.00, 27% for taxable income between EUR 200,000.01 and EUR 300,000.00 and 30% for taxable income in excess of EUR 300,000.01.

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 Notes by individual Noteholders subject to Personal Income Tax, provided that certain requirements are met (including that the Notes are listed in a regulated market, multilateral trading facility or other organised market and the Issuing and Paying Agent provides the Issuer and the Guarantor, in a timely manner, with a duly executed and completed Payment Statement). See the section "*- Disclosure of Information in Connection with the Notes*". The Issuer intends to make an application for the Issuer to be admitted to the official list of, and Notes of a particular Series to be quoted on, the ASX. Accordingly, the listing requirement should be met since ASX is considered a securities exchange equivalent to regulated markets (as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments) pursuant to the Decision (EU) 2016/2272 on the equivalence of financial markets in Australia in accordance with Regulation (EU) No 648/2012 of the European Parliament and of the Council to take account of recent developments in the financial markets in Australia as amended by Decision (EU) 2023/2207 of 13 October 2023.

If the Issuing 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 (being 19% as of the date of this Information Memorandum) and will not pay additional amounts with respect to any such withholding.

In any event, the individual Noteholder may credit the withholding against their Personal Income Tax liability for the relevant year.

Reporting obligations

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

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 Notes 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 Notes during the last quarter of the year and the applicable rates ranging between 0.2% and 3.5%. 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.

As at the date of this Information Memorandum, the rates of the Solidarity Tax are (i) 1.7% on a net worth between EUR 3 million and EUR 5,347,998.03, (ii) 2.1% on a net worth between EUR 5,347,998.04 and EUR 10,695,996.06 and (iii) 3.5% on a net worth of more than EUR 10,695,996.07. 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.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes 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 State’s tax rates as at the date of this Information Memorandum range between 7.65% and 34%. 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% and 81.6% as at the date of this Information Memorandum.

Legal Entities with Tax Residency in Spain

Corporate Income Tax (Impuesto sobre Sociedades)

Payments of both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes 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. As

at the date of the Information Memorandum, the current general tax rate is 25%.

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 Notes paid to Spanish CIT holder of Notes, provided that certain requirements are met (including that the Notes are listed in a regulated market, multilateral trading facility or other organised market and the Issuing and Paying Agent provides the Issuer and the Guarantor, in a timely manner, with a duly executed and completed Payment Statement). See the section “- *Disclosure of Information in Connection with the Notes*”.

If the Issuing 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% as of the date of this Information Memorandum) and will not pay additional amounts with respect to any such withholding.

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

Reporting obligations

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

Individuals and Legal Entities with no tax residency in Spain

Non-resident Income Tax (Impuesto sobre la renta de No Residentes)

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

Ownership of the Notes 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 Notes 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.

- *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 Notes, 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 Notes, 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 Notes are listed in a regulated market, multilateral trading facility or other organised market and the provision by the Issuing and Paying Agent of certain information relating to the Notes, in a timely manner as detailed under the section entitled “- *Disclosure of Information in Connection with the Notes*” as laid down in section 44 of Royal Decree 1065/2007, as amended. If the Issuing 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% as of the date of this Information Memorandum) and will not pay additional amounts with respect to any such withholding.

Noteholders not resident in Spain for tax purposes and entitled to exemption from Non-Resident Income Tax but, in respect of whose Notes, the Issuer and the Guarantor do not receive information from the Issuing and Paying Agent in a timely manner as detailed under the section entitled “- *Disclosure of Information in Connection with the Notes*”, 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.

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 Notes is exempt from Non-Resident Income tax, individual Noteholders not resident in Spain for tax purposes who hold Notes on the last day of any year will be exempt from Spanish Wealth Tax. Furthermore, Noteholders who benefit from a convention for the avoidance of double taxation with respect to wealth tax that provides for taxation only in the Noteholder'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 Notes 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% and 3.5% of the average market value of the Notes 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.

As at the date of this Information Memorandum, the rates of the Solidarity Tax are (i) 1.7% on a net worth between EUR 3 million and EUR 5,347,998.03, (ii) 2.1% on a net worth between EUR 5,347,998.04 and EUR 10,695,996.06 and (iii) 3.5% on a net worth of more than EUR 10,695,996.07. 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.

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 Notes 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 Notes 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 Notes 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.

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.

Disclosure of Information in Connection with the Notes

As described above, interest and other income paid with respect to the Notes will not be subject to Spanish withholding tax unless the Issuing and Paying Agent fails or for any reason is unable to provide the Issuer and the Guarantor, in a timely manner, with a declaration from the Issuing and Paying Agent in the form set out in Annex to Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation.

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 immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each a "Payment Date") is due, the Issuer and Guarantor must receive from the Issuing and Paying Agent the following information about the Notes:

- (a) the identification of the Notes 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; and
- (d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain and recognised by Spanish law or by the law of another OECD country (such as Austraclear).

In particular, the Issuing and Paying Agent must certify the information above about the Notes by means of a certificate in the form set out in Annex to Royal Decree 1065/2007 of 27 July, as amended by Royal Decree 1145/2011 of 29 July, and any implementing legislation or regulation, which is available upon request at the Specified Office of the Issuer or the Issuing and Paying Agent.

In light of the above, the Issuer, the Guarantor and the Issuing and Paying Agent have arranged certain procedures to facilitate the collection of information

concerning the Notes 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 Information Memorandum, 19%) from any payment in respect of the relevant Notes. 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 Issuing and Paying Agent provides the required information, the Issuer will reimburse the amounts withheld. In addition, Noteholders 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 Arranger or Dealers accepts any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, none of the Issuer, the Guarantor or the Arranger or Dealers will be liable for any damage or loss suffered by any Noteholder 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.

U.S. Foreign Account Tax Compliance Act and Common Reporting Standard

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is not a foreign financial institution for these purposes. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes that have a fixed term and are not treated as equity for U.S. federal income tax

purposes, issued on or prior to the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding on foreign passthru payments unless materially modified after such date. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Prospective purchasers should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

FATCA is particularly complex legislation. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

5. Other important matters

Supplementing this document

A Pricing Supplement or a supplement to this Information Memorandum may supplement, amend, modify or replace any statement or information set out in this Information Memorandum, a Pricing Supplement or incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct as of its date of delivery, that any other information supplied in connection with the Programme or the issue of Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer or the Guarantor at any time subsequent to the Preparation Date. In particular, the Issuer and the Guarantor are not under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Guarantor, the Programme or the issue or sale of the Notes or the Guarantee and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, the Guarantor or any Programme Participant Party.

Role of the Programme Participants

Each Programme Participant is acting solely as an arm's length contractual counterparty and not as an advisor or fiduciary to the Issuer or any prospective purchaser of the Notes. Furthermore, neither the receipt of this Information Memorandum or any Issue Materials by any person nor any other matter shall be deemed to create or give rise to an advisory or fiduciary duty (or any other duty) or relationship between the Programme Participant and that person (including, without limitation, in respect of the preparation and due execution of the documents in connection with the Programme or any Notes and the power, capacity or authorisation of any other party to enter into and execute such documents). No reliance may be placed on any Programme Participants for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

The Programme Participants are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services,

out of which conflicting interests or duties may arise. In the ordinary course of these activities, the Programme Participants or the funds which they manage or advise or the funds within which they may have a direct or indirect interest, may from time to time have long or short positions in, or buy and sell (on a principal basis or otherwise), or have pecuniary or other interests in, or act as a market maker in, the Notes or securities, derivatives, commodities, futures or options identical or related to the Notes and may trade or otherwise effect transactions, for its own account or the accounts of investors or any other party that may be involved in the issue of Notes or the Programme. The Programme Participants may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

The Issuer has agreed to pay fees to the Agents for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme and the offer and sale of Notes.

The Issuer may also pay any Dealer or any other person a fee in respect of the Notes subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with the Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

References to credit ratings

There are references to credit ratings in this Information Memorandum. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

6. Conditions of the Senior Notes

The following are the Conditions which, as supplemented, amended, modified or replaced by an applicable Pricing Supplement, apply to each Senior Note constituted by, and owing under, the Deed Poll (specified in the Pricing Supplement). References in the Conditions to "Notes" are to Senior Notes of one Series only, not to all Notes that may be issued under the Programme. References to the "Pricing Supplement" in these conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement in relation to a particular Series of Senior Notes. Each Noteholder, and each person claiming through or under each such Noteholder, is bound by and is deemed to have notice of, the Information Memorandum, the provisions of the Deed Poll, the Guarantee and these Conditions (including any Pricing Supplement).

1 Interpretation

1.1 Definitions

In these Conditions the following expressions have the following meanings:

Additional Amount means an additional amount payable by the Issuer under Condition 11.2 ("Withholding tax");

Agency Agreement means:

- (a) the agreement entitled "Agency and Registry Services Agreement" dated 19 December 2025 between the Issuer, the Guarantor and BTA Institutional Services Australia Limited (ABN 48 002 916 396);
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement between the Issuer and an Agent in connection with any issue of Notes;

Agent means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any additional agent appointed under an Agency Agreement, or any of them as the context requires;

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691);

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the "Austraclear Regulations", together with any instructions or directions, (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Business Day means:

- (a) a day on which banks are open for general banking business in Sydney and in each other (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place); and
- (b) if a Note to be held in a Clearing System is to be issued or a payment is to be made in respect of a Note held in a Clearing System on that day, a day on which the Clearing System in which the relevant Note is lodged is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date is postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date is 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 is brought forward to the first preceding day that is a Business Day;

- (c) **“Preceding Business Day Convention”** means that the relevant date is brought forward to the first preceding day that is a Business Day; and
- (d) **“No Adjustment”** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates;

Calculation Agent means, in respect of a Note, the person appointed by the Issuer and specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions;

Clearing System means:

- (a) the Austraclear System; or
- (b) any other clearing system outside Australia specified in the Pricing Supplement;

Conditions means, in relation to a Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time (**“Calculation Period”**), the day count fraction specified in the Pricing Supplement and:

- (a) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365; and
- (b) if **“RBA Bond Basis”** or **“Australian Bond Basis”** is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

Deed Poll means:

- (a) the deed poll entitled “Note Deed Poll” dated 19 December 2025; and
- (b) such other deed poll that supplements, amends, restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme and the Notes,

in each case, signed, sealed and delivered by the Issuer;

Default Rate means the rate specified as such in the Pricing Supplement;

Denomination means the notional face value of a Note specified in the Pricing Supplement;

Event of Default means an event so described in Condition 13 (“Events of Default”);

Extraordinary Resolution has the meaning given in the Meeting Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law, regulation or guidance referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on each date specified in the Pricing Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable in arrear on each date specified in the Pricing Supplement;

Guarantee means the guarantee of the Notes under the document entitled “Guarantee (Senior Notes)” dated 19 December 2025 and given by the Guarantor;

Guarantor means Telefónica, S.A.;

IFRS-EU means International Financial Reporting Standards, as adopted by the European Union;

Information Memorandum means, in respect of a Note, the information memorandum or other offering document referred to in the Pricing Supplement, in each case, prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Note and includes all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it;

Interest Commencement Date means, in respect of a Note, the Issue Date of the Note or any other date so specified in the Pricing Supplement;

Interest Determination Date means each date so specified in, or determined in accordance with, these Conditions and the Pricing Supplement;

Interest Payment Date means each date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date, provided however that:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

Issue Date means, in respect of a Note, the date on which the Note is, or is to be, issued and as may be specified, or determined, in accordance with, the Pricing Supplement;

Issue Price means the price as set out in the Pricing Supplement;

Issuer means Telefónica Emisiones, S.A.U.;

Issuing and Paying Agent means:

- (a) BTA Institutional Services Australia Limited (ABN 48 002 916 396); and/or
- (b) any other person appointed by the Issuer under an Agency Agreement and specified in the relevant Pricing Supplement to perform issuing and paying agency functions on the Issuer’s behalf with respect to a Series or Tranche of Notes;

Law 10/2014 means Law 10/2014 of Spain of 26 June 2014, on regulation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*);

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement;

Maturity Date means, in respect of a Note, the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed;

Meeting Provisions means the provisions relating to meetings of Noteholders and set out as a schedule to the Deed Poll;

Note means each form of bond, note, debt security, debt instrument or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of “**Note**” or “**Notes**” shall be read and construed accordingly. All references to “**Notes**” must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

Noteholder means, in respect of a Note, each person whose name is entered in the Register as the holder of that Note;

Pricing Supplement means, in respect of a Tranche of Notes, the supplement specifying the relevant issue details in relation to that Tranche of Notes and which may be substantially in the form set out in the Information Memorandum, duly completed and signed by the Issuer and the Guarantor;

Programme means the Issuer’s uncommitted programme for the issuance of Notes described in the Information Memorandum;

Record Date means 5.00 pm in the place where the Register is maintained on the date which is the 8th calendar day before the payment date or any other date so specified in the Pricing Supplement;

Redemption Amount means, for a Note, the outstanding principal amount as at the date of redemption, and also includes any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions;

Redemption Date means, in respect of a Note, such date on which the Note is redeemed prior to its Maturity Date in accordance with these Conditions;

Reference Banks means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

Reference Rate means the rate specified in, or determined in accordance with, the Pricing Supplement;

Register means the register, including any branch register, of Noteholders established and maintained by the Issuer, or by a Registrar on its behalf under an Agency Agreement;

Registrar means:

- (a) BTA Institutional Services Australia Limited (ABN 48 002 916 396); and/or
- (b) any other person appointed by the Issuer under a relevant Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer’s behalf from time to time;

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 on or prior to such date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been is duly given to the Noteholders in accordance with Condition 19.1 (“To Noteholders”);

Relevant Financial Centre means any centre specified as such in the Pricing Supplement;

Relevant Indebtedness has the meaning given in Condition 4.3 (“Negative pledge”);

Relevant Jurisdiction means the Kingdom of Spain or any authority therein or thereof having power to tax to which the Issuer or the Guarantor (as the case may be) becomes subject in respect of payments made by it of principal and/or interest on the Notes or the Guarantee (as the case may be);

Relevant Screen Page means:

- (a) the page, section or other part of a particular information service specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time has the meaning given in the Pricing Supplement;

Security Record has the meaning given in the Austraclear Regulations;

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and first payment of interest may be different in respect of a different Tranche of a Series;

Spanish Insolvency Law means 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*) (as amended from time to time);

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*);

Specified Office means the office specified in the Information Memorandum or any other address notified to Noteholders from time to time;

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% 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 control in accordance with Article 42 of the Spanish Commercial Code (*Código de Comercio*);

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes or the Guarantor becomes subject in respect of payments made by it under and pursuant to the Guarantee;

Taxes means taxes, levies, withholdings, deductions, assessments or governmental charges of whatever nature imposed or levied by any Tax Authority of a Relevant Jurisdiction together with any related interest, penalties, fines and expenses in connection with them; and

Tranche means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions.

1.2 General interpretation

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions. Unless the contrary intention appears, a reference in these Conditions to:

- (a) a document (including these Conditions) includes its annexures and schedules and any variation or replacement of or supplement to it;
- (b) a "**law**" includes common law, principles of equity, decree and any statute or other law made by any parliament (and a statute or other law made by parliament includes any regulation and other instrument under it and any consolidation, amendment, re-enactment or replacement of it);
- (c) a "**directive**" includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (d) "**Australian dollars**", "**AUD**" or "**A\$**" is a reference to the lawful currency of Australia;
- (e) "**EUR**", "**€**", "**Euro**" and "**euro**" are a reference to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;
- (f) a time of day is a reference to Sydney time;
- (g) a "**person**" includes an individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;
- (h) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- (j) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (k) the singular includes the plural and vice versa;

- (l) anything (including any amount) is a reference to the whole and each part of it;
- (m) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (n) references to terms in the Spanish language are provided for convenience only.

1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to an Agency Agreement is a reference to each Agency Agreement applicable to the Notes of the relevant Series;
- (b) a reference to an Agent is a reference to each Agent appointed to act in respect of Notes of the relevant Series;
- (c) a reference to the Deed Poll is a reference to the Deed Poll applicable to the Notes of the relevant Series;
- (d) a reference to a Note is a reference to a Note of a particular Series specified in the Pricing Supplement;
- (e) a reference to a Noteholder is a reference to the holder of Notes of a particular Series;
- (f) a reference to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Notes of the particular Tranche specified in that Pricing Supplement; and
- (g) a reference to a particular date on which a payment is to be made is a reference to that date adjusted in accordance with the applicable Business Day Convention (provided that in the case of Fixed Rate Notes only, such adjustment shall be for the purposes of payment but not accrual).

1.4 References to principal and interest

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “**principal**” is taken to include the Redemption Amount, any Additional Amounts in respect of principal, any premium payable by the Issuer in respect of a Note, and any other amount in the nature of principal payable in respect of the Notes under these Conditions;
- (b) the principal amount of a Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount; and
- (c) any reference to “**interest**” is taken to include any Additional Amounts in respect of interest and any other amount in the nature of interest payable in respect of the Notes under these Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Notes.

2 The Notes

2.1 Programme

- (a) Notes are issued under the Programme.
- (b) Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the Issue Price, Issue Date and the first payment of interest).
- (c) The Issuer will issue Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.
- (d) Copies of the Pricing Supplement for a Tranche of Notes are available for inspection or upon request by a Noteholder during normal business hours at the Specified Office of the Registrar or are otherwise available on reasonable request from the Registrar.

- (e) A Note is either:
 - (i) a Fixed Rate Note; or
 - (ii) a Floating Rate Note,
 or a combination of the above (or any other type of debt obligation), as specified in the relevant Pricing Supplement.

2.2 Issue and transfer restrictions

Notes may only be offered (directly or indirectly) for issue or transfer, or applications invited for the issue or transfer of Notes, and may only be issued or transferred if:

- (a) where the offer or invitation is made in, or into, Australia:
 - (i) the aggregate consideration payable to the Issuer or the transferor by the relevant subscriber or person acquiring the Notes is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent to the subscriber by the Issuer or its associates) or the offer or invitation (including any resulting issue) or the transfer does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
 - (ii) the offer or invitation (including any resulting issue) or transfer does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the offer or invitation (including any resulting issue) or transfer complies with all applicable laws and directives in the jurisdiction in which the offer, invitation, issue or transfer takes place.

2.3 Denomination

Notes are issued in the single Denomination specified in the Pricing Supplement.

2.4 Currency

Subject to compliance with all applicable legal and regulatory requirements, Notes may be denominated in Australian dollars or such other currency or currencies specified in the Pricing Supplement.

2.5 Clearing Systems

Where the Notes are held in a Clearing System, the rights of a person holding an interest in those Notes are subject to the rules and regulations of the Clearing System including any removal, uplift or withdrawal (however described) of the Notes from that Clearing System or other action (including a transfer of the Notes) required by the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

3 Form

3.1 Constitution

- (a) Notes are debt obligations of the Issuer constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

3.2 Form

Notes are issued in registered uncertificated form by entry in the Register.

3.3 No certificates

No certificates in respect of any Notes will be issued to Noteholders unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

4 Status, ranking and Guarantee

4.1 Status and ranking

The Notes constitute direct, unconditional and (subject to the provisions of Condition 4.3 (“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) 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 Notes 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 Notes shall be suspended from the date of any declaration of insolvency.

By the acquisition of Notes, each Noteholder acknowledges, accepts, consents to and agrees to be bound by the effect of the Spanish Insolvency Law in suspending the accrual of interest on the Notes as from the date of any declaration of insolvency (concurso) of the Issuer.

4.2 Guarantee

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 Notes. The obligations of the Guarantor under the Guarantee (which expression includes any covenant which may be given pursuant to Condition 17(a)(i)(C)) constitute direct, unconditional and (subject to the provisions of Condition 4.3 (“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.

4.3 Negative pledge

So long as any of the Notes of a Series remains outstanding, each of the Issuer and the Guarantor undertakes that it will not create or have outstanding any Encumbrance upon the whole or any part of its assets, present or future, in order to secure any Relevant Indebtedness issued or guaranteed by the Issuer, the Guarantor or by any other person unless:

- (a) such Notes are equally and rateably secured therewith; or
- (b) such other security is provided as may be approved by an Extraordinary Resolution of Noteholders 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 4.3 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% of the consolidated net tangible assets of the Guarantor, as reflected in the most recent statement of financial position (prepared in accordance with IFRS-EU 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 this Condition 4.3:

“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;

“Encumbrance” means any mortgage, pledge, lien or other charge;

“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 this definition 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; 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 Title and transfer of Notes

5.1 Title

Title to a Note passes when details of the transfer are entered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an irrevocable undertaking by the Issuer to the Noteholder to:
 - (i) pay principal, any interest and any other amounts in accordance with these Conditions; and
 - (ii) otherwise to comply with the Conditions; and
- (b) an entitlement to the other benefits given to Noteholders under these Conditions in respect of the Note.

5.3 Ownership and non-recognition of interests

- (a) Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of such Note subject to correction for fraud or proven error.
- (b) No notice of any trust or other interest in, or claim to, any Note will be entered in a Register. Neither the Issuer nor the Registrar need take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by any applicable law or directive. This Condition 5.3(b) applies whether or not a Note is overdue.

5.4 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

5.5 Transfer

- (a) Noteholders may only transfer Notes in accordance with these Conditions.
- (b) Notes may be transferred in whole but not in part.

5.6 Transfer procedures

Interests in Notes held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If a Note is lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear as the Noteholder while that Note is lodged in the Austraclear System.

5.7 Austraclear as Noteholder

If Austraclear is recorded in the Register as the Noteholder, each person in whose Security Record a Note is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.8 Restrictions on transfers

Transfers of Notes which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if a redemption of such Note is to occur during that period in accordance with these Conditions.

5.9 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Note and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

5.10 CHESS

Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.

5.11 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

5.12 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6 Fixed Rate Notes

This Condition 6 applies to the Notes only if the Pricing Supplement states that it applies.

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) the earlier of its Maturity Date or its Redemption Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

6.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

6.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, by the outstanding principal amount of the Fixed Rate Note and by the applicable Day Count Fraction.

7 Floating Rate Notes

This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.

7.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) the earlier of its Maturity Date or its Redemption Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, on each date which falls the number of months or other period specified as the "Specified Period" in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

7.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

7.4 Screen Rate Determination

Where "Screen Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition 7.4, "**Screen Rate**" means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the "Screen Rate" means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the "**Screen Rate**" means:
 - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period; or
 - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks as requested by the Calculation Agent (upon indication of such banks by the Issuer) in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

7.5 Benchmark Rate Determination

Where “Benchmark Rate Determination (BBSW Rate)” or “Benchmark Rate Determination (AONIA Rate)” is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined for each Interest Period, the Interest Rate applicable to the Floating Rate Notes for each such Interest Period is the sum of the Margin and either (x) the BBSW Rate or (y) the AONIA Rate as specified in the relevant Pricing Supplement.

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 7.5 (in all cases without the need for any Noteholder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 7.5, will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Noteholder and each Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Notes, shall become effective without the consent of any person.

If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Interest Rate, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

All rates determined pursuant to this Condition 7.5 shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

However, if:

- (a) a Temporary Disruption Trigger has occurred; or
- (b) a Permanent Discontinuation Trigger has occurred,

then the “**Benchmark Rate**” for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

- (i) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:
 - (A) first, the Administrator Recommended Rate;
 - (B) then the Supervisor Recommended Rate; and
 - (C) lastly, the Final Fallback Rate;
- (ii) where AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;
- (iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);
- (iv) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
 - (A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;

- (B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and
- (C) lastly, if neither paragraph (A) nor paragraph (B) above apply, the Final Fallback Rate;
- (v) where AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
 - (A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and
 - (B) lastly, if paragraph (A) above does not apply, the Final Fallback Rate; and
- (c) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

For the purposes of this Condition 7.5:

Adjustment Spread means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

- (a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at the Issue Date of the first Tranche of the applicable Series, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or
- (b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate;

Adjustment Spread Fixing Date means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate;

Administrator means:

- (a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);
- (b) in respect of AONIA (or where AONIA is used to determine an Applicable Benchmark Rate), the Reserve Bank of Australia; and
- (c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider;

Administrator Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate;

AONIA means the Australian dollar interbank overnight cash rate (known as AONIA);

AONIA Rate means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus, if determining the AONIA Rate for the purposes of a fallback from the BBSW Rate, the Adjustment Spread;

Applicable Benchmark Rate means the Benchmark Rate specified in the relevant Pricing Supplement and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with this Condition 7.5;

BBSW Rate means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the “Refinitiv Screen BBSW Page” or the “MID” rate on the “Bloomberg Screen BBSW Page” (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first day of that Interest Period;

Benchmark Rate means, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the relevant Pricing Supplement;

Bloomberg Adjustment Spread means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) (“BISL”) on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors where **Fallback Rate (AONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL;

Compounded Daily AONIA means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{AONIA_{i-5SBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

$AONIA_{i-5SBD}$, means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Sydney Business Day falling five Sydney Business Days prior to such Sydney Business Day “i”;

d is the number of calendar days in the relevant Interest Period;

d_0 is the number of Sydney Business Days in the relevant Interest Period;

i is a series of whole numbers from 1 to d_0 , each representing the relevant Sydney Business Day in chronological order from (and including) the first Sydney Business Day in the relevant Interest Period to (and including) the last Sydney Business Day in such Interest Period;

n_i , for any Sydney Business Day “i”, means the number of calendar days from (and including) such Sydney Business Day “i” up to (but excluding) the following Sydney Business Day; and

Sydney Business Day or **SBD** means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period;

Fallback Rate means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with this Condition 7.5;

Final Fallback Rate means, in respect of an Applicable Benchmark Rate, the rate:

- (a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case

may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that

- (b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

Interest Determination Date means, in respect of an Interest Period:

- (a) where the BBSW Rate applies or the Final Fallback Rate applies under paragraph (iv)(C) of this Condition 7.5, the first day of that Interest Period; and
- (b) otherwise, the third Business Day prior to the last day of that Interest Period;

Non-Representative means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate:

- (a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and
- (b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts;

Permanent Discontinuation Trigger means, in respect of an Applicable Benchmark Rate:

- (a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;
- (b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;
- (c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder;
- (d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Notes of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;
- (e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

- (f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis;

Permanent Fallback Effective Date means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

- (a) in the case of paragraphs (a) and (b) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;
- (b) in the case of paragraphs (c) and (d) of the definition of “Permanent Discontinuation Trigger”, the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);
- (c) in the case of paragraph (e) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or
- (d) in the case of paragraph (f) of the definition of “Permanent Discontinuation Trigger”, the date that event occurs;

Publication Time means:

- (a) in respect of the BBSW Rate, 12.00 noon (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and
- (b) in respect of AONIA, 4.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology;

RBA Recommended Fallback Rate has the same meaning given to AONIA Rate but with necessary adjustments to substitute to all references to AONIA with corresponding references to the RBA Recommended Rate;

RBA Recommended Rate means, in respect of any relevant day (including any day “i”), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day;

Supervisor means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate;

Supervisor Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate; and

Temporary Disruption Trigger means, in respect of any Applicable Benchmark Rate which is required for any determination:

- (a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or
- (b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

7.6 Interpolation

If the Pricing Supplement states that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two Screen Rates, BBSW Rates, AONIA Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing

Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

8 General provisions applicable to interest

8.1 Maximum or Minimum Interest Rate

If the Pricing Supplement specifies a “Maximum Interest Rate” or “Minimum Interest Rate” for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified. If no rate is specified, the Minimum Interest Rate shall be zero.

8.2 Calculation of Interest Rate and interest payable

- (a) The Calculation Agent must, in relation to each Interest Period for each Note:
 - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
 - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

8.3 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

8.4 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of:
 - (i) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
 - (ii) any amendment to any amount, item or date referred to in paragraph (i) arising from any extension or reduction in any Interest Period or calculation period.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Noteholders, each other Agent and each stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded after doing so.

8.5 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar, each Noteholder and each other Agent.

8.6 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or in the Pricing Supplement):

- (a) all percentages resulting from those calculations must be rounded, if necessary, to the nearest one

hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);

- (b) all figures resulting from those calculations must be rounded to five decimal places (with 0.000005 being rounded up to 0.00001); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
 - (i) in the case of Australian dollars, one cent; and
 - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

9 Redemption and purchase

9.1 Redemption on maturity

Each Note must be redeemed by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the Note has been previously redeemed; or
- (b) the Note has been purchased and cancelled.

9.2 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the Notes of a Series, in whole (but not in part) before their Maturity Date at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date if as a result of any change in, or amendment to, the laws, treaties or regulations or publication of new rulings of the Relevant Jurisdiction 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), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of Notes of a Series or any other date specified in the Pricing Supplement:

- (a) the Issuer or, the Guarantor (if a demand were made under the Guarantee) would be required to pay Additional Amounts as provided in Condition 11.2 ("Withholding tax"); or
- (b) 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);

and in each case, the payment of such Additional Amounts in the case of paragraph (i) above or such deduction or withholding in the case of paragraph (ii) above cannot be avoided by the Issuer or the Guarantor or such Subsidiary taking reasonable measures available.

However, the Issuer may only do so if:

- (i) the Issuer has given not less than 30 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
- (ii) in the case of Fixed Rate Notes, no such notice of redemption may be given earlier than 90 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 Notes then due;
- (iii) in the case of Floating Rate Notes,
 - (A) the proposed Redemption Date is an Interest Payment Date;
 - (B) no such notice of redemption may be given earlier than 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 Notes 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 Notes then due; and
- (iv) prior to the publication of any notice of redemption pursuant to this Condition 9.2, the Issuer or

the Guarantor shall deliver to the Registrar:

- (A) 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
- (B) an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail.

If, pursuant to Condition 17(b) (“Substitution, merger and consolidation on certain terms”), 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 Notes may be redeemed at the option of such person in whole, but not in part, in accordance with this Condition 9.2, which shall apply *mutatis mutandis*.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Condition 9.6 (“Early redemption at the option of Noteholders (Noteholder put)”).

9.3 Early redemption at the option of the Issuer (Issuer call)

This Condition 9.3 applies to the Notes only if the Pricing Supplement states that it applies.

If the Pricing Supplement states that the Issuer may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Notes of a Series (in whole but not in part) before their Maturity Date under this Condition 9.3, the Issuer may redeem so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;
- (b) any such redemption relates to the Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Pricing Supplement;
- (c) the Issuer has given not less than 10 days’ nor more than 60 days’ (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
- (d) the proposed Redemption Date is an “Early Redemption Date (Call)” specified in the Pricing Supplement and, in the case of Floating Rate Notes, the Redemption Date is an Interest Payment Date; and
- (e) any other relevant condition specified in the Pricing Supplement is satisfied.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Noteholder thereof of its option to require the redemption of such Note under Condition 9.6 (“Early redemption at the option of Noteholders (Noteholder put)”).

9.4 Residual Maturity Call Option

This Condition 9.4 applies to the Notes only if the Pricing Supplement states that it applies.

If the Pricing Supplement states that the Issuer may redeem all (but not some only) of the Notes of a Series (in whole but not in part) before their Maturity Date under this Condition 9.4, the Issuer may redeem so many of the Notes specified in the Pricing Supplement at their Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date, which shall be no earlier than:

- (a) three months before the Maturity Date in respect of Notes having a maturity of not more than ten years; or
- (b) six months before the Maturity Date in respect of Notes having a maturity of more than ten years,

or in either case, such other time period as may be specified in the relevant Pricing Supplement.

For the purpose of paragraphs (a) and (b) above, 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 Notes.

However, the Issuer may only do so if:

- (i) the Issuer has given not less than 10 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded, which notice shall specify the date fixed for redemption;
- (ii) the proposed Redemption Date is an "Early Redemption Date (Residual Maturity Call)" specified in the Pricing Supplement; and
- (iii) any other relevant condition specified in the Pricing Supplement is satisfied.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 9.4.

9.5 Early redemption following a Substantial Purchase Event

This Condition 9.5 applies to the Notes only if the Pricing Supplement states that it applies.

If the Pricing Supplement states that the Issuer may redeem all (but not some) of the Notes of a Series (in whole but not in part) before their Maturity Date under this Condition 9.5, the Issuer may redeem or purchase (or procure the purchase of) so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date if a Substantial Purchase Event has occurred and is continuing and at least the Substantial Purchase Event Threshold of the initial aggregate principal amount of the Notes has been purchased and called by the Issuer, the Guarantor or any subsidiary of the Guarantor.

However, the Issuer may only do so if:

- (a) the Issuer has given not less than 10 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
- (b) the proposed Redemption Date is an "Early Redemption Date (Substantial Purchase Event)" specified in the Pricing Supplement; and
- (c) any other relevant condition specified in the Pricing Supplement is satisfied.

For the purposes of this Condition 9.5, a "**Substantial Purchase Event**" shall be deemed to have occurred if at least the Substantial Purchase Event Threshold specified in the Pricing Supplement of the aggregate principal amount of the Notes (which for these purposes shall include any further Notes issued in accordance with Condition 18 ("Further issues") and forming a single Series with the outstanding Notes) is purchased by the Issuer, the Guarantor or any subsidiary of the Guarantor (and in each case is cancelled in accordance with Condition 9.10 ("Purchase")) other than by way of a redemption at the option of the Issuer in accordance with Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)").

9.6 Early redemption at the option of Noteholders (Noteholder put)

If the relevant Pricing Supplement states that a Noteholder may require the Issuer to redeem all or some of the Notes of a Series held by that Noteholder before their Maturity Date under this Condition 9.6, the Issuer must redeem the Notes specified by the Noteholder at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date if the following conditions are satisfied:

- (a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;
- (b) the Noteholder has given not less than 45 days' (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a duly completed option exercise notice in the form obtainable from any Agent within the notice period;
- (c) the Redemption Date is an "Early Redemption Date (Put)" specified in the Pricing Supplement; and
- (d) any other relevant condition specified in the Pricing Supplement is satisfied.

A Noteholder may not require the Issuer to redeem any Note under this Condition 9.6 if the Issuer has given notice that it will redeem that Note under Condition 9.2 ("Early redemption for taxation reasons") or Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)").

9.7 Partial redemptions

If only some of the Notes are to be redeemed under Condition 9.3 (“Early redemption at the option of the Issuer (Issuer call)”), the Notes to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and
- (b) in compliance with any applicable law, directive or requirement of any applicable Clearing System and stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

9.8 Effect of notice of redemption

Any notice of redemption given by the Issuer or a Noteholder under this Condition 9 is irrevocable.

9.9 Late payment

If an amount is not paid under Condition 9 when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the Default Rate specified in the Pricing Supplement (or, if no Default Rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

9.10 Purchase

The Issuer, the Guarantor or any of the Guarantor’s other Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold, or at the option of such purchaser, cancelled by notice to the Registrar. Purchases may be made by tender offers or in any other manner at the discretion of the purchasers, in each case, subject to compliance with any applicable law, directive or requirement of any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

10 Payments**10.1 Payment of principal and interest**

Payments of principal and interest in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note (or the first person to be registered in the case of joint holders).

10.2 Payments to accounts

Payments in respect of the Note will be made in Australia, unless prohibited by law, and:

- (a) if the Note is held in the Austraclear System, by crediting on the payment date, the amount due to:
 - (i) the account of Austraclear (as the Noteholder) in Australia previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and
- (b) if the Note is not held in the Austraclear System, by crediting on the payment date, the amount then due under each Note to an account in the relevant jurisdiction or financial centre for the currency in which the payment is made previously notified by the Noteholder to the Issuer and the Registrar.

If a payment in respect of the Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

10.3 Other payments

If the Noteholder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made in the relevant jurisdiction or financial centre for the currency in which the payment is made in such manner as the Issuer may determine in its sole discretion and in no such circumstances will the Issuer be responsible for, nor will the Noteholder be entitled to, any additional payments for any delay in payment where the Noteholder has not notified the Registrar of an account for payment.

10.4 Payments subject to law

All payments are subject in all cases to:

- (a) any applicable fiscal or other laws and directives in any jurisdiction but without prejudice to the provisions of Condition 11 ("Taxation"); and
- (b) any withholding or deduction made under or in connection with, or in order to ensure compliance with, FATCA.

10.5 Payments on Business Days

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention. The Noteholder is not entitled to any additional payment in respect of such delay.

10.6 Currency of account

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

11 Taxation**11.1 No set-off, counterclaim or deductions**

All payments of principal and interest in respect of the Notes by the Issuer or, as the case may be, the Guarantor under the Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future Taxes unless such withholding or deduction is required by law or directive.

11.2 Withholding tax

Subject to Condition 11.3 ("Withholding tax exemptions"), if a law or directive requires the Issuer or the Guarantor (as the case may be) to withhold or deduct an amount in respect of Taxes, or if a withholding or deduction is required for or on account of FATCA, from a payment in respect of the Notes or the Guarantee such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes or the Guarantee (as the case may be), then:

- (a) the Issuer or the Guarantor (as the case may be) agrees to deduct the amount (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Jurisdiction, the Issuer or the Guarantor (as the case may be) will pay such additional amounts so that, after making the deduction and further deductions applicable to additional amounts payable under the Conditions or the Guarantee, each Noteholder is entitled to receive (at the time of payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

11.3 Withholding tax exemptions

No Additional Amounts shall be payable under Condition 11.2 ("Withholding tax") in relation to any payment in respect of any Note or the Guarantee (as the case may be):

- (a) to, or to a third party on behalf of, a Noteholder or to the beneficial owner of any Note who is liable for such Taxes in respect of such Notes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of such Notes;
- (b) where such withholding or deduction of Taxes is imposed, withheld or deducted by reason of the failure of the Noteholder or the beneficial owner of any Note to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Noteholder or beneficial owner if such claim or compliance is required by the applicable tax laws and regulations of the Relevant Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by such Relevant Jurisdiction;

- (c) in relation to any estate, inheritance, gift, sales, transfer or similar Taxes;
- (d) to, or to a third party on behalf of, a Noteholder or to the beneficial owner of any Note if the Issuer or the Guarantor does not receive in a timely manner a duly executed and completed certificate from the Issuing 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;
- (e) 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
- (f) to, or to a third party on behalf of, a Noteholder where the withholding or deduction is made for or on account of FATCA.

In addition, Additional Amounts will not be payable with respect to (i) any Taxes that are imposed in respect of any combination of the items set forth above and to (ii) any Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment, to the extent that payment would be required by the laws of the Relevant Jurisdiction 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 the Additional Amounts had it been the Note.

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 this Condition 11 to the Kingdom of Spain shall be read and construed as references to the Kingdom of Spain and/or to such other jurisdiction(s).

12 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within ten years (in the case of principal) or five years (in the case of interest and other amounts) from the date on which payment first became due.

13 Events of Default

13.1 Events of Default

An event of default in respect of the Notes occurs if any of the following events (each an “**Event of Default**”) occurs and is continuing:

- (a) **(non-payment)** 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 Notes of the relevant Series or any of them and such default continues for a period of 21 days;
- (b) **(breach of other obligations)** the Issuer fails to perform any other obligation arising from the Notes of that Series or the Guarantor fails to perform any other obligation arising under the Guarantee 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 17 (“Substitution, merger and consolidation on certain terms”)) following the service by any Noteholder 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;
- (c) **(cross-default and cross-acceleration)**
 - (i) the Issuer or the Guarantor fails to fulfil (taking into account any applicable grace periods) any payment obligation in excess of €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
 - (ii) the holders of any Relevant Indebtedness of the Issuer or the Guarantor accelerate any payment obligation in excess of €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 17 (“Substitution, merger and consolidation on certain terms”) (Substitution, merger and consolidation on certain terms), which transaction constitutes an event of default in respect of such other Relevant Indebtedness;

(d) (insolvency)

- (i) the Issuer or the Guarantor announces its inability to meet its financial obligations;
- (ii) a court commences insolvency proceedings against the Issuer or Guarantor;
- (iii) 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 Notes; or
- (iv) the Issuer or Guarantor makes a filing seeking relief under any applicable bankruptcy or insolvency laws; or

(v) (guarantee) the Guarantee ceases to be valid or legally binding for any reason.

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.

13.2 Consequences of an Event of Default

If an Event of Default occurs and is continuing, any Noteholder may, by written notice to the Issuer and the Registrar, effective upon the date of receipt by the Issuer and the Registrar, declare such Notes held by that Noteholder to be immediately due and payable whereupon such Notes shall (to the extent permitted by applicable Spanish law or directive) become immediately due and payable at their Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, unless prior to such time the Event of Default has been cured.

13.3 Notification

If an Event of Default occurs (or, under Condition 13.1(b), an event which, after notice and lapse of time, would become an Event of Default), the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the event (specifying details of it) and use its reasonable endeavours to ensure that the Registrar promptly notifies the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of the occurrence of the event unless the Event of Default has been cured or waived before the giving of such notice.

14 Agents

- (a) In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Noteholder.
- (b) Each initial Agent for a Series of Notes is specified in the Pricing Supplement. Subject to Condition 14(d), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.
- (c) Notice of any change of an Agent or its Specified Offices must promptly be given to the Noteholders by the Issuer or the Agent on its behalf.
- (d) The Issuer must, in respect of each Series of Notes:
 - (i) at all times maintain a Registrar; and
 - (ii) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

15 Meetings of Noteholders

The Meeting Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including any variation of these Conditions.

16 Variation

16.1 Variation with consent

Unless Condition 16.2 (“Variation without consent”) applies, any Condition may be varied by the Issuer in accordance with the Meeting Provisions.

16.2 Variation without consent

Any Condition or the Guarantee may be modified, amended or supplemented by the Issuer (or in the case of the Guarantee, by the Guarantor) without the consent of the Noteholders if the amendment:

- (a) is made to give effect to any successor rate or alternative rate for the BBSW Rate or AONIA Rate as provided in Condition 7.5 (“Benchmark Rate Determination”);
- (b) modify these Conditions in accordance with Condition 17 (“Substitution, merger and consolidation on certain terms”);
- (c) is of a minor, formal, administrative or technical nature;
- (d) is made to correct a manifest or proven error;
- (e) is made to comply with the requirements or a modification of the requirements of any applicable law or directive;
- (f) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision; or
- (g) only applies to Notes issued by the Issuer after the date of amendment,

and, in any such case, the Issuer is of the opinion that such amendment will not be materially prejudicial to the interests of Noteholders generally.

17 Substitution, merger and consolidation on certain terms

- (a) Provided the Notes remain subject to Law 10/2014 at all times, the Guarantor or any of its Subsidiaries (each a “**Substitute**”) may, without the consent of the Noteholders, assume the obligations of the Issuer (or any previous Substitute) under and in respect of any Notes upon:
 - (i) the Substitute has entered into such documents as are necessary to give effect to the substitution, including the execution of a deed poll (“**Substitution Deed Poll**”) by the Substitute and (if the Substitute is not the Guarantor) the Guarantor in a form which gives full effect to such substitution and which includes (without limitation):
 - (A) a covenant by the Substitute in favour of the Noteholders of the relevant Notes to be bound by these Conditions as if it had been named herein and therein as the Issuer;
 - (B) if the Substitute is incorporated, domiciled or resident for tax purposes in a territory other than the Kingdom of Spain, a covenant by the Substitute corresponding to the provisions of Condition 11 (“Taxation”) with the addition of such territory to the references to the Kingdom of Spain;
 - (C) if the Substitute is not the Guarantor, a covenant by the Guarantor in favour of the Noteholder of the relevant Notes guaranteeing the obligations of the Substitute under the Notes and the Substitution Deed Poll; and
 - (D) an acknowledgment of the right of all relevant Noteholders to the production of the Substitution Deed Poll;
 - (ii) legal opinions shall have been delivered to the Registrar from lawyers of recognised standing to the effect that:
 - (A) the Substitution Deed Poll constitutes legal, valid, binding and enforceable obligations of the Substitute and, if the Substitute is not the Guarantor, the Guarantor;
 - (B) that the Notes constitute legal, valid, binding and enforceable obligations of the Substitute; and
 - (C) if the Substitute 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 in respect of the relevant Notes; and

- (iii) the Substitute appointing an agent to receive, for and on its behalf, service of process in any Proceedings (as defined in Condition 20.2 ("Jurisdiction")) in New South Wales, Australia;

Upon the assumption by the Substitute of the Issuer's obligations under and in respect of the relevant Notes, 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 Notes to the Issuer shall be deemed to be references to the Substitute.

After a substitution pursuant to this Condition 17(a), the Substitute may, without the consent of any Noteholder, effect a further substitution. All of the provisions specified in this Conditions 17(a) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.

The Substitution Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Registrar. Copies of such documents will be available free of charge at the specified office of the Registrar.

Notice of the assumption by the Substitute of the Issuer's obligations under and in respect of the relevant Notes shall promptly be given to the relevant Noteholders.

For so long as Law 10/2014 applies to the Notes, 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 this Condition 17(a), the relevant Substitute.

- (b) 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 Notes and the performance or observance of every covenant under these 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 Notes and the performance or observance of every covenant under these 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 Noteholders against:
 - (A) any tax, assessment or governmental charge imposed on any such Noteholder or required to be withheld or deducted from any payment to such Noteholder 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 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 Registrar a certificate signed by one director of the Issuer or one director of the Guarantor and an opinion of independent legal advisers of recognised standing or internal legal counsel for the Issuer or the Guarantor, each stating that

such consolidation, merger, conveyance, transfer or lease complies with this Condition 17(b) 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 17(b), 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 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 Conditions and the Notes.

Notice of the consolidation or merger of the Issuer or the Guarantor in accordance with this Condition 17(b) under and in respect of the relevant Notes shall promptly be given to the relevant Noteholders.

18 Further issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all respects except for the Issue Price, Issue Date and the first payment of interest) so as to form a single series with the Notes of that Series.

19 Notices

19.1 To Noteholders

All notices and other communications to Noteholders must be in writing. Any such notice or other communication may be given by any of the following means:

- (a) an advertisement published in the *Australian Financial Review* or *The Australian*;
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper; or
- (c) prepaid post (airmail, if posted from a place outside Australia) or delivery by email to the address or email address, as the case may be, of the Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the notice or communication).

In addition, for so long as Notes are held on behalf of a Clearing System, notices or communications to Noteholders may also be given by delivery to that Clearing System for communication by it to the Noteholders in accordance with the applicable rules and regulations of that Clearing System (including, in the case of the Austraclear System, the Austraclear Regulations). Any such communication shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the relevant Clearing System.

19.2 To the Issuer, the Guarantor and the Agents

All notices and other communications to the Issuer, the Guarantor or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, its respective Specified Office or by email to the email address of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

19.3 Effective on receipt

Unless a later time is specified in it, a notice, approval, consent or other communication takes effect from the time it is received under Condition 19.4 ("Proof of receipt"), except that if it is received under that Condition after 5.00 pm in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00 am on the next succeeding Business Day in that place.

19.4 Proof of receipt

Subject to Condition 19.3 ("Effective on receipt"), proof of posting a letter, sending of an email or publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh if outside Australia) day after posting;

- (b) in the case of an email, at the time the sender receives an automated message confirming delivery or four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered; and
- (c) in the case of publication in a newspaper, on the date of such publication.

20 Governing law, jurisdiction and service of process

20.1 Governing law

The Notes are governed by, and construed in accordance with, the law in force in New South Wales, Australia, provided, however, that Condition 4 (“Status, ranking and Guarantee”) will be governed by, and construed in accordance with, the laws of the Kingdom of Spain.

20.2 Jurisdiction

The Issuer irrevocably and unconditionally submits, and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them. The Issuer waives any right it has to object to any suit, action or proceedings (“**Proceedings**”) being brought in those courts including by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

20.3 Serving documents

Without preventing any other method of service, any document in any Proceedings in the courts of New South Wales, Australia may be served on the Issuer by being delivered or left with its process agent referred to in Condition 20.4 (“Agent for service of process”).

20.4 Agent for service of process

For so long as any of the Notes issued by it are outstanding, the Issuer will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Proceedings as may be brought in the courts of New South Wales, Australia or the Federal Courts of Australia.

The Issuer appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 124 111) of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent to receive any document referred to in Condition 20.3 (“Serving documents”). If for any reason that person ceases to be able to act as such, the Issuer will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Registrar and the Noteholders of such appointment.

7. Conditions of the Subordinated Notes

The following are the Conditions which, as supplemented, amended, modified or replaced by an applicable Pricing Supplement, apply to each Subordinated Note constituted by, and owing under, the Deed Poll (specified in the Pricing Supplement). References in the Conditions to “Notes” are to Subordinated Notes of one Series only, not to all Notes that may be issued under the Programme. References to the “Pricing Supplement” in these conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement in relation to a particular Series of Subordinated Notes. Each Noteholder, and each person claiming through or under each such Noteholder, is bound by and is deemed to have notice of, the Information Memorandum, the provisions of the Deed Poll, the Guarantee and these Conditions (including any Pricing Supplement).

1 Interpretation

1.1 Definitions

In these Conditions the following expressions have the following meanings:

Accounting Event has the meaning given in Condition 9.3 (“Early redemption for Accounting Event”);

Additional Amount means an additional amount payable by the Issuer under Condition 11.2 (“Withholding tax”);

Affiliates means an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Guarantor;

Agency Agreement means:

- (a) the agreement entitled “Agency and Registry Services Agreement” dated 19 December 2025 between the Issuer, the Guarantor and BTA Institutional Services Australia Limited (ABN 48 002 916 396);
- (b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or
- (c) any other agency agreement between the Issuer and an Agent in connection with any issue of Notes;

Agent means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any additional agent appointed under an Agency Agreement, or any of them as the context requires;

Arrears of Interest has the meaning given to it in Condition 8.7 (“Optional Interest Deferral”);

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691);

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the “Austraclear Regulations”, together with any instructions or directions, (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Business Day means:

- (a) a day on which banks are open for general banking business in Sydney and in each other (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place); and
- (b) if a Note to be held in a Clearing System is to be issued or a payment is to be made in respect of a Note held in a Clearing System on that day, a day on which the Clearing System in which the relevant Note is lodged is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

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

- (b) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date is 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 is brought forward to the first preceding day that is a Business Day;
- (c) **“Preceding Business Day Convention”** means that the relevant date is brought forward to the first preceding day that is a Business Day; and
- (d) **“No Adjustment”** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates;

Capital Event has the meaning given in Condition 9.4 (“Early redemption for rating reasons”);

a **Compulsory Arrears of Interest Settlement Event** has the meaning given in Condition 8.7 (“Optional Interest Deferral”);

Calculation Agent means, in respect of a Note, the person appointed by the Issuer and specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions;

Clearing System means:

- (a) the Austraclear System; or
- (b) any other clearing system outside Australia specified in the Pricing Supplement;

Conditions means, in relation to a Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time (“**Calculation Period**”), the day count fraction specified in the Pricing Supplement and:

- (a) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365; and
- (b) if **“RBA Bond Basis”** or **“Australian Bond Basis”** is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

Deed Poll means:

- (a) the deed poll entitled “Note Deed Poll” dated 19 December 2025; and
- (b) such other deed poll that supplements, amends, restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme and the Notes,

in each case, signed, sealed and delivered by the Issuer;

Default Rate means the rate specified as such in the Pricing Supplement;

Deferral Notice has the meaning given to it in Condition 8.7 (“Optional Interest Deferral”);

Deferred Interest Payment has the meaning given to it in Condition 8.7 (“Optional Interest Deferral”);

Denomination means the notional face value of a Note specified in the Pricing Supplement;

Dividend Declaration means the authorisation by resolution of the general meeting of shareholders or the board of directors or other competent corporate body (as the case may be) of the Issuer or the Guarantor (as applicable) of the payment, or the making of, a dividend or other distribution or payment (or, if no such authorisation is required, the payment, or the making of, a dividend or other distribution or payment);

Extraordinary Resolution has the meaning given in the Meeting Provisions;

FATCA means:

- (a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 or any associated regulations or other official guidance;
- (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law, regulation or guidance referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on each date specified in the Pricing Supplement;

Fixed Rate Reset Note means a Note specified as such in the Pricing Supplement;

First Reset Date means the date specified in the Pricing Supplement;

First Reset Interest Rate means the Interest Rate specified in the relevant Pricing Supplement;

First Reset Period means the period from (and including) the First Reset Date until (but excluding) (x) the Second Reset Date or (y) if no such Second Reset Date is specified in the relevant Pricing Supplement, the Redemption Date of the Notes or the date of substitution of all the Notes;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable in arrear on each date specified in the Pricing Supplement;

Guarantee means the guarantee of the Notes under the document entitled “Guarantee (Subordinated Notes)” dated 19 December 2025 and given by the Guarantor;

Guarantor means Telefónica, S.A.;

IASB means the International Accounting Standards Board;

IFRS-EU means International Financial Reporting Standards, as adopted by the European Union;

Information Memorandum means, in respect of a Note, the information memorandum or other offering document referred to in the Pricing Supplement, in each case, prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Note and includes all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it;

Interest Commencement Date means, in respect of a Note, the Issue Date of the Note or any other date so specified in the Pricing Supplement;

Interest Determination Date means each date so specified in, or determined in accordance with, these Conditions and the Pricing Supplement;

Interest Payment Date means each date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date, provided however that:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date;

Initial Interest Rate means the initial Interest Rate specified in the Pricing Supplement;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

Issue Date means, in respect of a Note, the date on which the Note is, or is to be, issued and as may be specified, or determined, in accordance with, the Pricing Supplement;

Issue Price means the price as set out in the Pricing Supplement;

Issuer means Telefónica Emisiones, S.A.U.;

Issuing and Paying Agent means:

- (a) BTA Institutional Services Australia Limited (ABN 48 002 916 396); and/or
- (b) any other person appointed by the Issuer under an Agency Agreement and specified in the relevant Pricing Supplement to perform issuing and paying agency functions on the Issuer's behalf with respect to a Series or Tranche of Notes;

Junior Obligations means the Junior Obligations of the Guarantor and the Junior Obligations of the Issuer;

Junior Obligations of the Guarantor means all obligations of the Guarantor issued or incurred directly or indirectly by it which rank or are expressed to rank junior to the Guarantee, including Ordinary Shares of the Guarantor and any other shares (*acciones*) in the capital of the Guarantor (and, if divided into classes, each class thereof);

Junior Obligations of the Issuer means all obligations of the Issuer, issued or incurred directly or indirectly by it, which rank or are expressed to rank junior to the Notes, including Ordinary Shares of the Issuer and any other shares (*acciones*) in the capital of the Issuer (and, if divided into classes, each class thereof);

Law 10/2014 means Law 10/2014 of Spain of 26 June 2014, on regulation, supervision and solvency of credit entities (*Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito*);

Mandatory Settlement Date has the meaning given in Condition 8.7 ("Optional Interest Deferral");

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement;

Maturity Date means, in respect of a Note, the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed, unless the Pricing Supplement states that the Note has no fixed maturity or no specified Maturity Date and references to "**Maturity Date**" shall be read and construed accordingly;

Meeting Provisions means the provisions relating to meetings of Noteholders and set out as a schedule to the Deed Poll;

Note means each form of bond, note, debt security, debt instrument or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of "**Note**" or "**Notes**" shall be read and construed accordingly. All references to "**Notes**" must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

Noteholder means, in respect of a Note, each person whose name is entered in the Register as the holder of that Note;

Ordinary Shares of the Guarantor means ordinary shares in the capital of the Guarantor;

Ordinary Shares of the Issuer means ordinary shares in the capital of the Issuer;

Outstanding Notes means any of the following securities:

- (a) the EUR 1,000,000,000 Undated 8.5 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS1795406658) issued by Telefónica Europe B.V. on 22 March 2018;
- (b) the EUR 500,000,000 Undated 8 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS2056371334) issued by Telefónica Europe B.V. on 24 September 2019;
- (c) the EUR 500,000,000 Undated 7.25 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS2109819859) issued by Telefónica Europe B.V. on 5 February 2020;

- (d) the EUR 1,000,000,000 Undated 8.25 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS2293060658) issued by Telefónica Europe B.V. on 4 February 2021;
- (e) the EUR 750,000,000 Undated 6.5 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (Sustainable Development Goals Bonds) (ISIN: XS2410367747) issued by Telefónica Europe B.V. on 16 November 2021;
- (f) the EUR 750,000,000 Undated 6 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (ISIN: XS2462605671) issued by Telefónica Europe B.V. on 23 November 2022;
- (g) the EUR 1,000,000,000 Undated 7.25 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (Green Bond) (ISIN: XS2582389156) issued by Telefónica Europe B.V. on 2 February 2023;
- (h) the EUR 1,100,000,000 Undated 8.1 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (Green Bond) (ISIN: XS2755535577) issued by Telefónica Europe B.V. on 15 March 2024;
- (i) the EUR 750,000,000 Undated 8 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (Green Bond) (ISIN: XS2646608401) issued by Telefónica Europe B.V. on 7 September 2023 (the “**September 2023 Notes**”) and the EUR 200,000,000 Undated 8 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (Green Bond) (consolidated and forming a single series with the September 2023 Notes) issued by Telefónica Europe B.V. on 18 September 2024;
- (j) any Notes issued under these Conditions that are outstanding at the Issue Date of the first Tranche of the Notes; and
- (k) any other guaranteed subordinated notes as may be specified in the Pricing Supplement,

and, in each case, unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor;

Parity Obligations means the Parity Obligations of the Guarantor and the Parity Obligations of the Issuer;

Parity Obligations of the Guarantor means any and all present or future series of preferred securities (*participaciones preferentes*) issued directly by the Guarantor or indirectly through a wholly-owned subsidiary with the guarantee of the Guarantor in accordance with the First Additional Provision of Law 10/2014, obligations equivalent to preferred securities (*participaciones preferentes*) issued directly by the Guarantor or indirectly through a wholly-owned subsidiary with the guarantee of the Guarantor (whether issued under the First Additional Provision of Law 10/2014 or any other law or regulation of Spain or of any other jurisdiction) and obligations of the Guarantor, issued directly by it or indirectly through a wholly-owned subsidiary with the guarantee of the Guarantor, which rank or are expressed to rank *pari passu* with the Guarantee (which include the guarantees granted by the Guarantor in connection with the Outstanding Notes);

Parity Obligations of the Issuer means any and all present or future series of preferred securities (*participaciones preferentes*) issued directly by the Issuer or indirectly through a wholly-owned subsidiary with the guarantee of the Issuer in accordance with the First Additional Provision of Law 10/2014, obligations equivalent to preferred securities (*participaciones preferentes*) issued directly by the Issuer or indirectly through a wholly-owned subsidiary with the guarantee of the Issuer (whether issued under the First Additional Provision of Law 10/2014 or any other law or regulation of Spain or of any other jurisdiction) and obligations of the Issuer, issued directly by it or indirectly through a wholly-owned subsidiary with the guarantee of the Issuer, which rank or are expressed to rank *pari passu* with the Notes (which includes any Notes issued under these Conditions);

Pricing Supplement means, in respect of a Tranche of Notes, the supplement specifying the relevant issue details in relation to that Tranche of Notes and which may be substantially in the form set out in the Information Memorandum, duly completed and signed by the Issuer and the Guarantor;

Programme means the Issuer’s uncommitted programme for the issuance of Notes described in the Information Memorandum;

Rating Agency means any of the following:

- (a) S&P Global Ratings Europe Limited (“**S&P**”);
- (b) Moody’s Investors Service España S.A. (“**Moody’s**”); or
- (c) Fitch Ratings Ireland Limited (“**Fitch**”); or

- (d) any other credit rating agency of equivalent international standing specified from time to time by the Issuer in the relevant Pricing Supplement,

and their respective successors and, in each case, as solicited by (or with the consent of) the Issuer;

Record Date means 5.00 pm in the place where the Register is maintained on the date which is the 8th calendar day before the payment date or any other date so specified in the Pricing Supplement;

Redemption Amount means, for a Note, the outstanding principal amount as at the date of redemption, and also includes any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions;

Redemption Date means, in respect of a Note, such date on which the Note is redeemed prior to its Maturity Date in accordance with these Conditions;

Reference Banks means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

Reference Rate means the rate specified in, or determined in accordance with, the Pricing Supplement;

Register means the register, including any branch register, of Noteholders established and maintained by the Issuer, or by a Registrar on its behalf under an Agency Agreement;

Registrar means:

- (a) BTA Institutional Services Australia Limited (ABN 48 002 916 396); and/or
- (b) any other person appointed by the Issuer under a relevant Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer's behalf from time to time;

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 on or prior to such date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been is duly given to the Noteholders in accordance with Condition 19.1 ("To Noteholders");

Relevant Financial Centre means any centre specified as such in the Pricing Supplement;

Relevant Jurisdiction means the Kingdom of Spain or any authority therein or thereof having power to tax to which the Issuer or the Guarantor (as the case may be) becomes subject in respect of payments made by it of principal and/or interest on the Notes or the Guarantee (as the case may be);

Relevant Screen Page means:

- (a) the page, section or other part of a particular information service specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time has the meaning given in the Pricing Supplement;

Reset Date means the First Reset Date, the Second Reset Date and every Subsequent Reset Date as specified in the Pricing Supplement;

Reset Rate means the Interest Rate specified in the Pricing Supplement;

Reset Period means the First Reset Period or a Subsequent Reset Period;

Second Reset Date means the date specified in the Pricing Supplement;

Security Record has the meaning given in the Austraclear Regulations;

Senior Obligations of the Guarantor means all obligations of the Guarantor, including subordinated obligations of the Guarantor according to Spanish Insolvency Law, other than Parity Obligations of the Guarantor and Junior Obligations of the Guarantor;

Senior Obligations of the Issuer means all obligations of the Issuer, including subordinated obligations of the Issuer according to Spanish Insolvency Law, other than Parity Obligations of the Issuer and Junior Obligations of the Issuer;

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and first payment of interest may be different in respect of a different Tranche of a Series;

Spanish Insolvency Law means 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*) (as amended from time to time);

Specified Office means the office specified in the Information Memorandum or any other address notified to Noteholders from time to time;

Subordinated Loan means the subordinated loan specified as such in the relevant Pricing Supplement, made by the Issuer to the Subordinated Loan Borrower, pursuant to which the proceeds of the issue of the Notes are on-lent to the Subordinated Loan Borrower;

Subordinated Loan Borrower means the Guarantor or such other entity specified as such in the relevant Pricing Supplement;

Subsequent Reset Date means each date specified in the Pricing Supplement;

Subsequent Reset Interest Rate means, in respect of any Subsequent Reset Period, the Interest Rate specified in the Pricing Supplement;

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

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% 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 control in accordance with Article 42 of the Spanish Commercial Code (*Código de Comercio*);

Substantial Purchase Event has the meaning given in Condition 9.6 ("Early redemption following a Substantial Purchase Event");

Tax Event has the meaning given in Condition 9.2 ("Early redemption for Tax Event or Withholding Tax Event");

Tax Law Change means a change in or proposed change in, or amendment to, or proposed amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, including, without limitation, any treaty to which the Kingdom of Spain is a party, or any change in the official or generally published interpretation of such laws or regulations, 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 in relation to similar transactions, which change, amendment or interpretation becomes or would become, effective on or after the pricing date of the first Tranche of Notes of that Series;

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes or the Guarantor becomes subject in respect of payments made by it under and pursuant to the Guarantee;

Taxes means taxes, levies, withholdings, deductions, assessments or governmental charges of whatever nature imposed or levied by any Tax Authority of a Relevant Jurisdiction together with any related interest, penalties, fines and expenses in connection with them;

Tranche means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions; and

Withholding Tax Event has the meaning given in Condition 9.2 ("Early redemption for Tax Event or Withholding Tax Event").

1.2 General interpretation

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions. Unless the contrary intention appears, a reference in these Conditions to:

- (a) a document (including these Conditions) includes its annexures and schedules and any variation or replacement of or supplement to it;
- (b) a “**law**” includes common law, principles of equity, decree and any statute or other law made by any parliament (and a statute or other law made by parliament includes any regulation and other instrument under it and any consolidation, amendment, re-enactment or replacement of it);
- (c) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (d) “**Australian dollars**”, “**AUD**” or “**A\$**” is a reference to the lawful currency of Australia;
- (e) “**EUR**”, “**€**”, “**Euro**” and “**euro**” are a reference to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;
- (f) a time of day is a reference to Sydney time;
- (g) a “**person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;
- (h) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- (j) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (k) the singular includes the plural and vice versa;
- (l) anything (including any amount) is a reference to the whole and each part of it;
- (m) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (n) references to terms in the Spanish language are provided for convenience only.

1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to an Agency Agreement is a reference to each Agency Agreement applicable to the Notes of the relevant Series;
- (b) a reference to an Agent is a reference to each Agent appointed to act in respect of Notes of the relevant Series;
- (c) a reference to the Deed Poll is a reference to the Deed Poll applicable to the Notes of the relevant Series;
- (d) a reference to a Note is a reference to a Note of a particular Series specified in the Pricing Supplement;
- (e) a reference to a Noteholder is a reference to the holder of Notes of a particular Series;
- (f) a reference to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Notes of the particular Tranche specified in that Pricing Supplement; and
- (g) a reference to a particular date on which payment is to be made is a reference to that date adjusted in accordance with the applicable Business Day Convention (provided that in the case of Fixed Rate Notes only, such adjustment shall be for the purposes of payment but not accrual).

1.4 References to principal and interest

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “**principal**” is taken to include the Redemption Amount, any Additional Amounts in respect of principal, any premium payable by the Issuer in respect of a Note, and any other amount in the nature of principal payable in respect of the Notes under these Conditions;
- (b) the principal amount of a Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount; and
- (c) any reference to “**interest**” is taken to include any Additional Amounts in respect of interest, any Arrears of Interest and any other amount in the nature of interest payable in respect of the Notes under these Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to the Notes.

2 The Notes

2.1 Programme

- (a) Notes are issued under the Programme.
- (b) Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the Issue Price, Issue Date and the first payment of interest).
- (c) The Issuer will issue Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.
- (d) Copies of the Pricing Supplement for a Tranche of Notes are available for inspection or upon request by a Noteholder during normal business hours at the Specified Office of the Registrar or are otherwise available on reasonable request from the Registrar.
- (e) A Note is either:
 - (i) a Fixed Rate Note; or
 - (ii) a Floating Rate Note,
 or a combination of the above (or any other type of debt obligation), as specified in the relevant Pricing Supplement.

2.2 Issue and transfer restrictions

Notes may only be offered (directly or indirectly) for issue or transfer, or applications invited for the issue or transfer of Notes, and may only be issued or transferred if:

- (a) where the offer or invitation is made in, or into, Australia:
 - (i) the aggregate consideration payable to the Issuer or the transferor by the relevant subscriber or person acquiring the Notes is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent to the subscriber by the Issuer or its associates) or the offer or invitation (including any resulting issue) or the transfer does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
 - (ii) the offer or invitation (including any resulting issue) or transfer does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the offer or invitation (including any resulting issue) or transfer complies with all applicable laws and directives in the jurisdiction in which the offer, invitation, issue or transfer takes place.

2.3 Denomination

Notes are issued in the single Denomination specified in the Pricing Supplement.

2.4 Currency

Subject to compliance with all applicable legal and regulatory requirements, Notes may be denominated in Australian dollars or such other currency or currencies specified in the Pricing Supplement.

2.5 Clearing Systems

Where the Notes are held in a Clearing System, the rights of a person holding an interest in those Notes are subject to the rules and regulations of the Clearing System including any removal, uplift or withdrawal (however described) of the Notes from that Clearing System or other action (including a transfer of the Notes) required by the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

3 Form**3.1 Constitution**

- (a) Notes are debt obligations of the Issuer constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register.
- (b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

3.2 Form

Notes are issued in registered uncertificated form by entry in the Register.

3.3 No certificates

No certificates in respect of any Notes will be issued to Noteholders unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

4 Status, Guarantee and subordination**4.1 Status of the Notes**

The Notes constitute direct, unsecured and subordinated obligations of the Issuer (senior only to Junior Obligations of the Issuer) and shall at all times rank *pari passu* and without any preference among themselves

4.2 Subordination of the Notes

Subject to mandatory provisions of Spanish applicable law, in the event of the Issuer being declared in insolvency (*concurso*) under Spanish Insolvency Law, the rights and claims of Noteholders against the Issuer in respect of or arising under the Notes will rank:

- (a) junior to the claims of the holders of all Senior Obligations of the Issuer;
- (b) *pari passu* with the claims of the holders of all Parity Obligations of the Issuer; and
- (c) senior to the claims of the holders of all Junior Obligations of the Issuer.

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each Noteholder shall, by virtue of being the Noteholder, be deemed to have waived all such rights of set-off.

Under Spanish law, accrual of interest on the Notes shall be suspended from the date of any declaration of insolvency.

By the acquisition of Notes, each Noteholder acknowledges, accepts, consents to and agrees to be bound by the effect of the Spanish Insolvency Law in suspending the accrual of interest on the Notes as from the date of any declaration of insolvency (concurso) of the Issuer.

4.3 Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes on a subordinated basis. Its obligations in that respect are contained in the Guarantee.

4.4 Status of the Guarantee

The payment obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor (senior only to Junior Obligations of the Guarantor) and shall at all times rank *pari passu* and without any preference among themselves.

4.5 Subordination of the Guarantee

Subject to mandatory provisions of applicable Spanish law, in the event of the Guarantor being declared in insolvency (*concurso*) under Spanish Insolvency Law, the rights and claims of Noteholders against the Guarantor in respect of or arising under the Guarantee will rank:

- (a) junior to the claims of the holders of all Senior Obligations of the Guarantor;
- (b) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor; and
- (c) senior to the claims of the holders of all Junior Obligations of the Guarantor.

5 Title and transfer of Notes

5.1 Title

Title to a Note passes when details of the transfer are entered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an irrevocable undertaking by the Issuer to the Noteholder to:
 - (i) pay principal, any interest and any other amounts in accordance with these Conditions; and
 - (ii) otherwise to comply with the Conditions; and
- (b) an entitlement to the other benefits given to Noteholders under these Conditions in respect of the Note.

5.3 Ownership and non-recognition of interests

- (a) Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of such Note subject to correction for fraud or proven error.
- (b) No notice of any trust or other interest in, or claim to, any Note will be entered in a Register. Neither the Issuer nor the Registrar need take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by any applicable law or directive. This Condition 5.3(b) applies whether or not a Note is overdue.

5.4 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

5.5 Transfer

- (a) Noteholders may only transfer Notes in accordance with these Conditions.
- (b) Notes may be transferred in whole but not in part.

5.6 Transfer procedures

Interests in Notes held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If a Note is lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear as the Noteholder while that Note is lodged in the Austraclear System.

5.7 Austraclear as Noteholder

If Austraclear is recorded in the Register as the Noteholder, each person in whose Security Record a Note is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and
- (b) the Noteholder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.8 Restrictions on transfers

Transfers of Notes which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if a redemption of such Note is to occur during that period in accordance with these Conditions.

5.9 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Note and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

5.10 CHESS

Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.

5.11 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

5.12 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6 Fixed Rate Notes

This Condition 6 applies to the Notes only if the Pricing Supplement states that it applies.

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) the earlier of its Maturity Date, its Redemption Date or the date of substitution of the Notes pursuant to Condition 9.7 ("Substitution and Variation of the Notes"), at the Interest Rate. Interest is payable in arrear on each Interest Payment Date, subject to Condition 8.7 ("Optional Interest Deferral") if applicable.

6.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

6.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, by the outstanding principal amount of the Fixed Rate Note and by the applicable Day Count Fraction.

6.4 Interest on Fixed Rate Reset Notes

Where the Notes are specified in the Pricing Supplement as being "Fixed Rate Reset Notes", each Fixed Rate Reset Note bears interest on its outstanding principal amount as follows:

- (a) from (and including) its Interest Commencement Date to (but excluding) the First Reset Date, at the Initial Interest Rate (each as specified in the Pricing Supplement);
- (b) from (and including) the First Reset Date to (but excluding):
 - (i) the Second Reset Date; or
 - (ii) if no such Second Reset Date is specified in the Pricing Supplement, the earlier of the Maturity Date, the Redemption Date or the date of substitution of the Notes pursuant to Condition 9.7 ("Substitution and Variation of the Notes"),
 at the First Reset Interest Rate; and
- (c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Interest Rate.

Interest is payable in arrear on each Interest Payment Date, subject to Condition 8.7 ("Optional Interest Deferral") if applicable.

7 Floating Rate Notes

This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.

7.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) the earlier of its Maturity Date, its Redemption Date or the date of substitution of the Notes pursuant to Condition 9.7, at the Interest Rate.

Subject to Condition 8.7 ("Optional Interest Deferral"), interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, on each date which falls the number of months or other period specified as the "Specified Period" in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

7.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

7.4 Screen Rate Determination

Where "Screen Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition 7.4, "**Screen Rate**" means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the "Screen Rate" means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the "**Screen**

Rate” means:

- (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period; or
- (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks as requested by the Calculation Agent (upon indication of such banks by the Issuer) in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

7.5 Benchmark Rate Determination

Where “Benchmark Rate Determination (BBSW Rate)” or “Benchmark Rate Determination (AONIA Rate)” is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined for each Interest Period, the Interest Rate applicable to the Floating Rate Notes for each such Interest Period is the sum of the Margin and either (x) the BBSW Rate or (y) the AONIA Rate as specified in the relevant Pricing Supplement.

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 7.5 (in all cases without the need for any Noteholder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 7.5, will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Noteholder and each Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Notes, shall become effective without the consent of any person.

If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Interest Rate, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

All rates determined pursuant to this Condition 7.5 shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

However, if:

- (a) a Temporary Disruption Trigger has occurred; or
- (b) a Permanent Discontinuation Trigger has occurred,

then the “**Benchmark Rate**” for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

- (i) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:
 - (A) first, the Administrator Recommended Rate;
 - (B) then the Supervisor Recommended Rate; and
 - (C) lastly, the Final Fallback Rate;
- (ii) where AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred

with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;

- (iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);
- (iv) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
 - (A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;
 - (B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and
 - (C) lastly, if neither paragraph (A) nor paragraph (B) above apply, the Final Fallback Rate;
- (v) where AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:
 - (A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and
 - (B) lastly, if paragraph (A) above does not apply, the Final Fallback Rate; and
- (c) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

Notwithstanding any other provision of this Condition 7.5, any determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition 7.5 will not be adopted if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a loss or reduction in “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) of the Notes or shortening of time for which the Notes are assigned “equity credit”.

For the purposes of this Condition 7.5:

Adjustment Spread means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

- (a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at the Issue Date of the first Tranche of the applicable Series, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph

(a); or

- (b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate;

Adjustment Spread Fixing Date means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate;

Administrator means:

- (a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);
- (b) in respect of AONIA (or where AONIA is used to determine an Applicable Benchmark Rate), the Reserve Bank of Australia; and
- (c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider;

Administrator Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate;

AONIA means the Australian dollar interbank overnight cash rate (known as AONIA);

AONIA Rate means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus, if determining the AONIA Rate for the purposes of a fallback from the BBSW Rate, the Adjustment Spread;

Applicable Benchmark Rate means the Benchmark Rate specified in the relevant Pricing Supplement and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with this Condition 7.5;

BBSW Rate means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the “AVG MID” on the “Refinitiv Screen BBSW Page” or the “MID” rate on the “Bloomberg Screen BBSW Page” (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first day of that Interest Period;

Benchmark Rate means, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the relevant Pricing Supplement;

Bloomberg Adjustment Spread means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) (“BISL”) on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors where **Fallback Rate (AONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL;

Compounded Daily AONIA means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{AONIA_{t-5SBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

$AONIA_{t-5SBD}$ means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Sydney Business Day falling five Sydney Business Days prior to such Sydney Business Day “i”;

d is the number of calendar days in the relevant Interest Period;

d_0 is the number of Sydney Business Days in the relevant Interest Period;

i is a series of whole numbers from 1 to d_0 , each representing the relevant Sydney Business Day in chronological order from (and including) the first Sydney Business Day in the relevant Interest Period

to (and including) the last Sydney Business Day in such Interest Period;

n_i , for any Sydney Business Day “i”, means the number of calendar days from (and including) such Sydney Business Day “i” up to (but excluding) the following Sydney Business Day; and

Sydney Business Day or **SBD** means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period;

Fallback Rate means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with this Condition 7.5;

Final Fallback Rate means, in respect of an Applicable Benchmark Rate, the rate:

- (a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that
- (b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

Interest Determination Date means, in respect of an Interest Period:

- (a) where the BBSW Rate applies or the Final Fallback Rate applies under paragraph (iv)(C) of this Condition 7.5, the first day of that Interest Period; and
- (b) otherwise, the third Business Day prior to the last day of that Interest Period;

Non-Representative means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate:

- (a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and
- (b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts;

Permanent Discontinuation Trigger means, in respect of an Applicable Benchmark Rate:

- (a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;
- (b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate

or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

- (c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder;
- (d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Notes of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;
- (e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or
- (f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis;

Permanent Fallback Effective Date means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

- (a) in the case of paragraphs (a) and (b) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;
- (b) in the case of paragraphs (c) and (d) of the definition of “Permanent Discontinuation Trigger”, the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);
- (c) in the case of paragraph (e) of the definition of “Permanent Discontinuation Trigger”, the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or
- (d) in the case of paragraph (f) of the definition of “Permanent Discontinuation Trigger”, the date that event occurs;

Publication Time means:

- (a) in respect of the BBSW Rate, 12.00 noon (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and
- (b) in respect of AONIA, 4.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology;

RBA Recommended Fallback Rate has the same meaning given to AONIA Rate but with necessary adjustments to substitute to all references to AONIA with corresponding references to the RBA Recommended Rate;

RBA Recommended Rate means, in respect of any relevant day (including any day “i”), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day;

Supervisor means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable

Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate;

Supervisor Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate; and

Temporary Disruption Trigger means, in respect of any Applicable Benchmark Rate which is required for any determination:

- (a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or
- (b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

7.6 Interpolation

If the Pricing Supplement states that “Linear Interpolation” applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two Screen Rates, BBSW Rates, AONIA Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

8 General provisions applicable to interest

8.1 Maximum or Minimum Interest Rate

If the Pricing Supplement specifies a “Maximum Interest Rate” or “Minimum Interest Rate” for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified. If no rate is specified, the Minimum Interest Rate shall be zero.

8.2 Calculation of Interest Rate and interest payable

- (a) The Calculation Agent must, in relation to each Interest Period for each Note:
 - (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
 - (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.
- (b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.
- (c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

8.3 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

8.4 Notification of Interest Rate, interest payable and other items

- (a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of:
 - (i) each Interest Rate, the amount of interest payable and each other amount, item or date

calculated or determined by it together with the Interest Payment Date; and

- (ii) any amendment to any amount, item or date referred to in paragraph (i) arising from any extension or reduction in any Interest Period or calculation period.
- (b) The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.
- (c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Noteholders, each other Agent and each stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded after doing so.

8.5 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar, each Noteholder and each other Agent.

8.6 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or in the Pricing Supplement):

- (a) all percentages resulting from those calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures resulting from those calculations must be rounded to five decimal places (with 0.000005 being rounded up to 0.00001); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
 - (i) in the case of Australian dollars, one cent; and
 - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

8.7 Optional Interest Deferral

- (a) If Optional Interest Payment is specified as applicable in the relevant Pricing Supplement, the Issuer may, subject as provided in Condition 8.7(b) and 8.7(c) below, elect in its sole discretion to defer (in whole or in part) any interest payment that is otherwise scheduled to be paid on an Interest Payment Date in accordance with these Conditions by giving notice (a **"Deferral Notice"**) of such election to the Noteholders, Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded not more than 14 and not less than seven Business Days prior to the relevant Interest Payment Date. Any such interest payment that the Issuer has elected to defer pursuant to this Condition 8.7(a) and that has not been satisfied is referred to as a **"Deferred Interest Payment"**.

If any interest payment is deferred pursuant to this Condition 8.7(a) then such Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being **"Arrears of Interest"**), at the relevant Interest Rate applicable from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the date on which such Deferred Interest Payment is paid in accordance with Condition 8.7(b) or 8.7(c) below, in each case such further interest being compounded on each Interest Payment Date.

Non-payment of interest deferred pursuant to this Condition 8.7(a) shall not constitute a default by the Issuer or the Guarantor under the Notes or the Guarantee or for any other purpose and, for the avoidance of doubt, there are no events of default in respect of the Notes.

- (b) Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, at any given time (the **"Optional Deferred Interest Settlement Date"**) following delivery of a notice to such effect given by the Issuer to the Noteholders, Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded not more than 14 and no less than seven Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to satisfy such Arrears of Interest (or part thereof) and

specifying the relevant Optional Deferred Interest Settlement Date.

- (c) Notwithstanding the provisions of Condition 8.7(b), the Issuer shall pay any outstanding Arrears of Interest in whole, but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which any outstanding Deferred Interest Payment was first deferred.

Notice of the occurrence of any Mandatory Settlement Date shall be given to the Noteholders, Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded not more than 14 and no less than seven Business Days prior to the relevant Mandatory Settlement Date.

- (d) For the purposes of the Conditions:

a **Compulsory Arrears of Interest Settlement Event** shall have occurred if:

- (i) a Dividend Declaration is made in respect of any Junior Obligations or any Parity Obligations (other than in respect of any such dividend, distribution or payment paid or made exclusively in Ordinary Shares of the Guarantor); or
- (ii) the Guarantor or any of its subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations,

save, in the case of:

- (A) any such Dividend Declaration or such redemption, repurchase or acquisition that is mandatory under the terms of any such Parity Obligations;
- (B) any Dividend Declaration in respect of any such dividend, distribution or payment by the Issuer to the Guarantor;
- (C) any Dividend Declaration or repurchase which is required to be validly resolved on, declared, paid or made in respect of, share option, or free share allocation plan in each case reserved for directors, officers and/or employees of the Guarantor or any of its Affiliates or any associated liquidity agreements or any associated hedging transactions;
- (D) any purchase of Ordinary Shares of the Guarantor by or on behalf of the Guarantor as part of an intra-day transaction that does not result in an increase in the aggregate number of Ordinary Shares of the Guarantor held by or on behalf of the Guarantor as treasury shares at 8.30 am (Madrid time) on the Interest Payment Date on which any outstanding Deferred Interest Payment was first deferred;
- (E) any repurchase or acquisition of Parity Obligations that is made for a consideration less than the aggregate nominal or par value of such Parity Obligations that are purchased or acquired;
- (F) any repurchase or acquisition of Ordinary Shares of the Guarantor resulting from mandatory obligations or hedging of any convertible securities issued by the Issuer or the Guarantor;
- (G) any repurchase or acquisition of Ordinary Shares of the Guarantor resulting from the settlement of existing equity derivatives after the Interest Payment Date on which any outstanding Deferred Interest Payment was first deferred; or
- (H) any repurchase or acquisition of Junior Obligations was undertaken in connection with the satisfaction by the Guarantor or any subsidiary of the Guarantor of its respective obligations under any share buyback programme in force and duly approved by its shareholders' general meeting.

A Compulsory Arrears of Interest Settlement Event shall not occur pursuant to paragraph (i) above in respect of:

- (x) any pro rata optional payment of deferred or arrears of interest on any Parity Obligations which is made simultaneously with a pro rata payment of any Arrears of Interest provided that such pro rata optional payment of deferred or arrears of interest on a Parity Obligation is not proportionately more than the pro rata settlement of any such Arrears of Interest (in each case by reference to (x) the amount that such pro rata optional interest payment bears to the overall amount of deferred or arrears of interest in respect of such Parity Obligations against (y) the

amount that such settlement bears to the overall amount of Arrears of Interest on the Notes); and

- (y) any partial interest payment on any Parity Obligations made on a scheduled interest payment date as a result of the Issuer or the Guarantor, as the case may be, electing to defer in part the interest accrued in respect of the relevant interest period and scheduled to be paid on the relevant interest payment date which is made simultaneously with a pro rata payment of any Arrears of Interest, provided that such partial interest payment is not proportionally more than the pro rata settlement of any Arrears of Interest (in each case by reference to (I) the amount that such partial interest payment bears to the overall amount of deferred interest in respect of such Parity Obligations against (II) the amount that such settlement bears to the overall amount of Arrears of Interest on the Notes); and

Mandatory Settlement Date means the earliest of:

- (i) as soon as reasonably practicable (but not later than the fifth Business Day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (ii) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer in whole the interest accrued in respect of the relevant Interest Period; and
- (iii) the date on which the Notes are redeemed or repaid in accordance with Condition 9 ("Redemption and purchase") or become due and payable in accordance with Condition 13 ("Enforcement Events and no Events of Default").

9 Redemption and purchase

9.1 Redemption on maturity

- (a) Notes may have a specified Maturity Date or no specified Maturity Date.
- (b) Each Note must be redeemed by the Issuer on the Maturity Date at its Redemption Amount unless:
 - (i) the Note has been previously redeemed;
 - (ii) the Note has been purchased and cancelled; or
 - (iii) the Pricing Supplement states that the Note has no fixed Maturity Date.

9.2 Early redemption for Tax Event or Withholding Tax Event

The Issuer may redeem all (but not some) of the Notes of a Series, in whole (but not in part) before their Maturity Date at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date and any outstanding Arrears of Interest if a Tax Event or a Withholding Tax Event has occurred and is continuing and the Issuer has received an opinion of independent legal or other tax advisers to that effect.

However, the Issuer may only do so if:

- (a) the Issuer has given not less than 10 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.; and
- (b) prior to the publication of any notice of redemption pursuant to this Condition 9.2, the Issuer shall deliver to the Registrar a certificate signed by an authorised signatory of the Guarantor stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

For the purposes of this Condition 9.2:

- (c) a "**Tax Event**" shall be deemed to have occurred if, as a result of a Tax Law Change, in respect of (i) the Issuer's obligation to make any payment under the Notes (including any interest payable in respect the Notes) on the next following Interest Payment Date; or (ii) the obligation of the Guarantor to make any payment in favour of the Issuer under the Subordinated Loan on the next following due date for such payment, the Issuer or the Guarantor (as the case may be) would no longer be entitled to claim a deduction in respect of computing its tax liabilities in the Kingdom of Spain, or such entitlement is

materially reduced.

For the avoidance of doubt, a Tax Event shall not occur if payments of interest under the Subordinated Loan by the Guarantor are not deductible in whole or in part for Spanish corporate income tax purposes solely as a result of general tax deductibility limits set forth by Article 16 and 63 of Law 27/2014 of Spain dated 27 November 2014, on Corporate Income Tax, as at the pricing date of the first Tranche of Notes of that Series; and

- (d) a **"Withholding Tax Event"** shall be deemed to occur if as a result of a Tax Law Change, in making any payments in respect of the Notes or the Guarantee the Issuer or the Guarantor has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts in respect of the or the Guarantee that cannot be avoided by the Issuer or the Guarantor, as the case may be, taking measures reasonably available to it.

9.3 Early redemption for Accounting Event

The Issuer may redeem all (but not some) of the Notes of a Series, in whole (but not in part) before their Maturity Date at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date and any outstanding Arrears of Interest if an Accounting Event has occurred and is continuing.

However, the Issuer may only do so if:

- (a) the Issuer has given not less than 10 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded; and
- (b) prior to the publication of any notice of redemption pursuant to this Condition 9.3, the Issuer shall deliver to the Registrar a certificate signed by an authorised signatory of the Guarantor stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

For the purposes of this Condition 9.3, an **"Accounting Event"** shall be deemed to occur if the Issuer or the Guarantor has received, and notified the Noteholders, the Registrar, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded that it has so received, a letter or report of a recognised accountancy firm of international standing, stating that, as a result of a change in the accounting rules or methodology (or in each case the application thereof) after the Issue Date (the earlier of such date that the aforementioned change is officially announced by the IASB or the equivalent body in respect of IFRS-EU or officially adopted or put into practice, the **"Accounting Event Adoption Date"**), the Notes may not or may no longer be recorded as "equity" in full pursuant to IFRS-EU or any other accounting standards that may replace IFRS-EU for the purposes of preparing the consolidated financial statements of the Guarantor. An Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on (and include) the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

9.4 Early redemption for rating reasons

The Issuer may redeem all (but not some) of the Notes of a Series, in whole (but not in part) before their Maturity Date at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date and any outstanding Arrears of Interest if a Capital Event has occurred and is continuing.

However, the Issuer may only do so if:

- (a) the Issuer has given not less than 10 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded; and
- (b) prior to the publication of any notice of redemption pursuant to this Condition 9.4, the Issuer shall deliver to the Registrar a certificate signed by an authorised signatory of the Guarantor stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

For the purposes of this Condition 9.4, a **"Capital Event"** shall be deemed to occur if the Issuer or the Guarantor has received (directly or via publication by such Rating Agency), and notified the Noteholders, the Registrar, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded that it has so received, written confirmation from any Rating Agency of an amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation

thereof, in each case occurring or becoming effective after the Issue Date of the first Tranche of Notes in a particular Series and as a result of which:

- (a) all or any of the Notes are being assigned a level of “equity credit” that is lower than the level or equivalent level of “equity credit” assigned to the Notes by such Rating Agency on the Issue Date of the first Tranche of Notes in a particular Series, or, if “equity credit” is not assigned to the Notes by the relevant Rating Agency on the Issue Date of the first Tranche of Notes in a particular Series, at the date on which “equity credit” is assigned by such Rating Agency for the first time; or
- (b) if the Notes have been partially re-financed since the Issue Date of the first Tranche of Notes in a particular Series and are no longer eligible for “equity credit” in part or in full as a result, paragraph (a) above would have applied had the Notes not been re-financed; or
- (c) the length of time the Notes are assigned a particular level of “equity credit” by that Rating Agency would be shortened as compared to the length of time they would have been assigned that level of “equity credit” by that Rating Agency on the initial issuance of the Notes or, if later, on the date on which the Notes are assigned “equity credit” by the relevant Rating Agency for the first time.

9.5 Early redemption at the option of the Issuer (Issuer call)

This Condition 9.5 applies to the Notes only if the Pricing Supplement states that it applies.

If the Pricing Supplement states that the Issuer may redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Notes of a Series (in whole but not in part) before their Maturity Date under this Condition 9.5, the Issuer may redeem so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date and any outstanding Arrears of Interest.

However, the Issuer may only do so if:

- (a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;
- (b) any such redemption relates to the Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Pricing Supplement;
- (c) the Issuer has given not less than 10 days’ nor more than 60 days’ (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
- (d) the proposed Redemption Date is an “Early Redemption Date (Call)” specified in the Pricing Supplement; and
- (e) any other relevant condition specified in the Pricing Supplement is satisfied.

9.6 Early redemption following a Substantial Purchase Event

This Condition 9.6 applies to the Notes only if the Pricing Supplement states that it applies.

If the Pricing Supplement states that the Issuer may redeem all (but not some) of the Notes of a Series (in whole but not in part) before their Maturity Date under this Condition 9.6, the Issuer may redeem or purchase (or procure the purchase of) so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the Redemption Date and any outstanding Arrears of Interest if a Substantial Purchase Event has occurred and is continuing and at least the Substantial Purchase Event Threshold of the initial aggregate principal amount of the Notes has been purchased and called by the Issuer, the Guarantor or any subsidiary of the Guarantor.

However, the Issuer may only do so if:

- (a) the Issuer has given not less than 10 days’ nor more than 60 days’ (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
- (b) the proposed Redemption Date is an “Early Redemption Date (Substantial Purchase Event)” specified in the Pricing Supplement;
- (c) prior to the publication of any notice of redemption pursuant to this Condition 9.6, the Issuer shall deliver to the Registrar a certificate signed by an authorised signatory of the Guarantor stating that the

relevant requirement or circumstance giving rise to the right to redeem is satisfied; and

- (d) any other relevant condition specified in the Pricing Supplement is satisfied.

For the purposes of this Condition 9.6, a “**Substantial Purchase Event**” shall be deemed to have occurred if at least the Substantial Purchase Event Threshold specified in the Pricing Supplement of the aggregate principal amount of the Notes (which for these purposes shall include any further Notes issued in accordance with Condition 18 (“Further issues”) and forming a single Series with the outstanding Notes) is purchased by the Issuer, the Guarantor or any subsidiary of the Guarantor (and in each case is cancelled in accordance with Condition 9.10 (“Effect of notice of redemption”)) other than by way of a redemption at the option of the Issuer in accordance with Condition 9.5 (“Early redemption at the option of the Issuer (Issuer call)”).

9.7 Substitution and Variation of the Notes

This Condition 9.7 applies to the Notes only if the Pricing Supplement states that it applies.

- (a) If Substitution and Variation is specified in the Pricing Supplement as being applicable and at any time after the Issue Date of the Notes, the Issuer and/or the Guarantor determines that a Tax Event, a Withholding Tax Event, an Accounting Event or a Capital Event has occurred, the Issuer may, as an alternative to an early redemption of the Notes, on any applicable Interest Payment Date, without the consent of the Noteholders:

- (i) exchange the Notes (the “**Exchanged Notes**”) into new securities of the Guarantor or the Issuer or any wholly-owned direct or indirect subsidiary of the Guarantor (a “**Substitute Issuer**”) with a guarantee of the Guarantor; or
- (ii) vary the terms of the Notes (the “**Varied Notes**”),

so that in either case:

- (A) in the case of a Tax Event, in respect of:
 - (aa) the Issuer’s (or Substitute Issuer’s) obligation to make any payment of interest under the Exchanged Notes or Varied Notes; or
 - (ab) the obligation of the Guarantor to make any payment of interest in favour of the Issuer (or Substitute Issuer) under the Subordinated Loan (or any replacement thereof between the Subordinated Loan Borrower and Substitute Issuer),

the Issuer, the Guarantor or the Substitute Issuer (as the case may be) is entitled to claim a deduction or a higher deduction (as the case may be) in respect of interest paid when computing its tax liabilities in the Kingdom of Spain or in the taxing jurisdiction of the Substitute Issuer (as the case may be), as compared with the entitlement after the occurrence of the relevant Tax Event;

- (B) in the case of a Withholding Tax Event, in making any payments in respect of the Exchanged Notes or Varied Notes or Exchanged or Varied Guarantee (as defined below), the Issuer, the Guarantor or the Substitute Issuer are not required to pay a greater amount of Additional Amounts in respect of the Exchanged Notes or Varied Notes or Exchanged or Varied Guarantee (as defined below);
- (C) in the case of an Accounting Event, the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) is recorded as “equity” pursuant to IFRS-EU or any other accounting standards that may replace IFRS-EU for the purposes of consolidated financial statements of the Guarantor; or
- (D) in the case of a Capital Event, the aggregate nominal amount of the Exchanged Notes or Varied Notes (as the case may be) is assigned “equity credit” (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) by the relevant Rating Agency that is equal to or greater than that which was assigned to the Notes on the Issue Date of the first Tranche of Notes in a particular Series (or, if “equity credit” is not assigned to the Notes by the relevant Rating Agency on the Issue Date of the first Tranche of Notes in a particular Series, at the date on which “equity credit” is assigned by such Rating Agency for the first time).

- (b) Any such exchange or variation shall be subject to the following conditions:
- (i) the Issuer giving not less than 10 nor more than 60 days' notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;
 - (ii) the Issuer complying with the rules of any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded, and (for so long as the rules of such exchange require) the publication of any appropriate supplement in connection therewith, and the Exchanged Notes or Varied Notes continue to be listed, quoted and/or admitted to trading on the same stock or securities exchange as the Notes if they were listed, quoted and/or admitted to trading immediately prior to the relevant exchange or variation;
 - (iii) the Exchanged Notes or Varied Notes shall:
 - (A) rank, at least *pari passu* with the ranking of the Notes prior to the exchange or variation;
 - (B) have the benefit of a guarantee (the **"Exchanged or Varied Guarantee"**) from the Guarantor on terms not less favourable to Noteholders than the terms of the Guarantee (as reasonably determined by the Issuer or Substitute Issuer and the Guarantor);
 - (C) benefit from the same or more favourable interest rates and the same Interest Payment Dates, the same Reset Date(s) and early redemption rights (provided that the relevant exchange or variation may not itself trigger any early redemption right), the same rights to accrued interest or Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to the Noteholders and has not been paid, the same rights to principal and interest, and, if publicly rated by a Rating Agency immediately prior to such exchange or variation, at least the same credit rating requested by the Issuer or on the Issuer's behalf immediately after such exchange or variation by each such Rating Agency (as the case may be), as compared with the relevant rating(s) immediately prior to such exchange or variation (as determined by the Issuer or Substitute Issuer and the Guarantor using reasonable measures available to it including discussions with the relevant Rating Agency to the extent practicable);
 - (D) not contain terms providing for the mandatory deferral of interest; and
 - (E) not contain terms providing for loss absorption through principal write-down or conversion to shares;
 - (iv) the Issuer having delivered to the Registrar a certificate signed by an authorised signatory of the Guarantor stating that the relevant requirement or circumstance giving rise to the right to exchange or substitute is Notes is satisfied and the terms of the exchange or variation (in the sole opinion of the Issuer or Substitute Issuer or the Guarantor, as the case may be) not being prejudicial to the interests of the Noteholders, including compliance with paragraph (iii) above, as certified to the benefit of the Noteholders by one authorised signatory of the Guarantor, having consulted with an independent investment bank of international standing, and any such certificate shall, absent fraud or manifest error, be final and binding on all parties. However, a change in the governing law of the provisions of Condition 4 ("Status, Guarantee and subordination") to the laws of the jurisdiction of incorporation of the Substitute Issuer, in connection with any substitution pursuant to this Condition 9.7, shall be deemed not to be prejudicial to the interests of the Noteholders; and
 - (v) the issue of legal opinions addressed to the Issuer (copies of which shall be made available to the Noteholders for inspection on a non-reliance basis at the specified offices of the Registrar during usual office hours) from one or more international law firms of good reputation selected by the Issuer or the Guarantor confirming (x) that each of the Issuer and the Guarantor has capacity to assume all rights, duties and obligations under the Exchanged Notes or Varied Notes and the Exchanged or Varied Guarantee (as the case may be) and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Notes or Varied Notes.
- (c) If the Notes are exchanged for new securities of any wholly-owned direct or indirect finance subsidiary of the Guarantor that is subject to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

9.8 Substitution and Variation of the Notes following a withholding in the Kingdom of Spain

If at any time after the Issue Date, the Issuer is required to withhold on account of Taxes imposed or levied in the Kingdom of Spain on any payment under the Notes, the Issuer may on any applicable Interest Payment Date, without the consent of the Noteholders:

- (a) exchange the Notes into new securities of the Guarantor or the Issuer or any wholly-owned direct or indirect subsidiary of the Guarantor with a guarantee of the Guarantor; or
- (b) vary the terms of the Notes.

Any such exchange or variation shall be subject to the fulfilment of the same conditions as described under Condition 9.7 ("Substitution and Variation of the Notes") in relation to Exchanged Notes or Varied Notes as if a Tax Event, a Withholding Tax Event, an Accounting Event or a Capital Event has occurred, except that the fulfilment of the preconditions as required by Condition 9.7(b)(iv) above shall be replaced by the delivery by the Guarantor to the Registrar of a certificate signed by one authorised signatory of the Guarantor and an opinion of independent tax advisers, in each case stating the Issuer is required to withhold on account of Taxes imposed or levied in the Kingdom of Spain on a payment under the Notes.

9.9 Partial redemptions

If only some of the Notes are to be redeemed under Condition 9.5 ("Early redemption at the option of the Issuer (Issuer call)") ("the Notes to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and
- (b) in compliance with any applicable law, directive or requirement of any applicable Clearing System and stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

9.10 Effect of notice of redemption

Any notice of redemption given by the Issuer or a Noteholder under this Condition 9 is irrevocable.

9.11 Late payment

If an amount is not paid under Condition 9 when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the Default Rate specified in the Pricing Supplement (or, if no Default Rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

9.12 Purchase

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold, or at the option of such purchaser, cancelled by notice to the Registrar. Purchases may be made by tender offers or in any other manner at the discretion of the purchasers, in each case, subject to compliance with any applicable law, directive or requirement of any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

10 Payments**10.1 Payment of principal and interest**

Payments of principal and interest in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note (or the first person to be registered in the case of joint holders).

10.2 Payments to accounts

Payments in respect of the Note will be made in Australia, unless prohibited by law, and:

- (a) if the Note is held in the Austraclear System, by crediting on the payment date, the amount due to:
 - (i) the account of Austraclear (as the Noteholder) in Australia previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record

a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and

- (b) if the Note is not held in the Austraclear System, by crediting on the payment date, the amount then due under each Note to an account in the relevant jurisdiction or financial centre for the currency in which the payment is made previously notified by the Noteholder to the Issuer and the Registrar.

If a payment in respect of the Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

10.3 Other payments

If the Noteholder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made in the relevant jurisdiction or financial centre for the currency in which the payment is made in such manner as the Issuer may determine in its sole discretion and in no such circumstances will the Issuer be responsible for, nor will the Noteholder be entitled to, any additional payments for any delay in payment where the Noteholder has not notified the Registrar of an account for payment.

10.4 Payments subject to law

All payments are subject in all cases to:

- (a) any applicable fiscal or other laws and directives in any jurisdiction but without prejudice to the provisions of Condition 11 ("Taxation"); and
- (b) any withholding or deduction made under or in connection with, or in order to ensure compliance with, FATCA.

10.5 Payments on Business Days

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention. The Noteholder is not entitled to any additional payment in respect of such delay.

10.6 Currency of account

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

11 Taxation

11.1 No set-off, counterclaim or deductions

All payments of principal and interest in respect of the Notes by the Issuer or, as the case may be, the Guarantor under the Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future Taxes unless such withholding or deduction is required by law or directive.

11.2 Withholding tax

Subject to Condition 11.3 ("Withholding tax exemptions"), if a law or directive requires the Issuer or the Guarantor (as the case may be) to withhold or deduct an amount in respect of Taxes, or if a withholding or deduction is required for or on account of FATCA, from a payment in respect of the Notes or the Guarantee such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes or the Guarantee (as the case may be), then:

- (a) the Issuer or the Guarantor (as the case may be) agrees to deduct the amount (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Jurisdiction, the Issuer or the Guarantor (as the case may be) will pay such additional amounts so that, after making the

deduction and further deductions applicable to additional amounts payable under the Conditions or the Guarantee, each Noteholder is entitled to receive (at the time of payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

11.3 Withholding tax exemptions

No Additional Amounts shall be payable under Condition 11.2 ("Withholding tax") in relation to any payment in respect of any Note or the Guarantee (as the case may be):

- (a) to, or to a third party on behalf of, a Noteholder or to the beneficial owner of any Note who is liable for such Taxes in respect of such Notes by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of such Notes;
- (b) in relation to any estate, inheritance, gift, sales, transfer or similar Taxes;
- (c) to, or to a third party on behalf of, a Noteholder or to the beneficial owner of any Note if the Issuer or the Guarantor does not receive in a timely manner a duly executed and completed certificate from the Issuing and Paying Agent, pursuant to the First Additional Provision of 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;
- (d) where such withholding or deduction of Taxes is imposed, withheld or deducted by reason of the failure of the Noteholder or the beneficial owner of any Note to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Noteholder or beneficial owner if such claim or compliance is required by the applicable tax laws and regulations of the Relevant Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by such Relevant Jurisdiction;
- (e) presented for payment in the Kingdom of Spain; or
- (f) to, or to a third party on behalf of, a Noteholder where the withholding or deduction is made for or on account of FATCA.

In addition, Additional Amounts will not be payable with respect to (i) any Taxes that are imposed in respect of any combination of the items set forth above and to (ii) any Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment, to the extent that payment would be required by the laws of the Relevant Jurisdiction 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 the Additional Amounts had it been the Note.

11.4 Tax Credit Payment

If any Additional Amounts are paid by the Issuer or, as the case may be, the Guarantor under this Condition 11 for the benefit of any Noteholder and such Noteholder, in its sole discretion, reasonably determines that it has obtained (and has derived full use and benefit from) a credit against, a relief or remissions for, or repayment of, any tax, then, if and to the extent that such Noteholder, in its sole opinion, determines that (i) such credit, relief, remission or repayment is in respect of or calculated with reference to the Additional Amounts paid pursuant to this Condition 11; and (ii) its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled, such Noteholder shall, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Issuer or, as the case may be, the Guarantor such amount as such Noteholder shall in its sole opinion, determine to be the amount which will leave such Noteholder (after such payment) in no worse after tax position than it would have been in had the additional payment in question not been required to be made by the Issuer or, as the case may be, the Guarantor.

11.5 Tax Credit Clawback

If any Noteholder makes any payment to the Issuer or, as the case may be, the Guarantor pursuant to this Condition 11 and such Noteholder subsequently reasonably determines in its sole opinion, that the credit, relief, remission or repayment in respect of which such payment was made was not available or has been withdrawn or that it was unable to use such credit, relief, remission or repayment in full, the Issuer or, as the case may be, the Guarantor shall reimburse such Noteholder such amount as such Noteholder determines, in its sole opinion, is necessary to place it in the same after tax position as it would have been in if such credit, relief, remission or repayment had been obtained and fully used and retained by such Noteholder, such amount not exceeding in any case the amount paid by the Noteholder to the Issuer or, as the case may be, the Guarantor.

11.6 Tax affairs

Nothing in Condition 11.4 ("Tax Credit Payment") and Condition 11.5 ("Tax Credit Clawback") above shall interfere with the right of any Noteholder to arrange its tax or any other affairs in whatever manner it thinks fit, oblige any Noteholder to claim any credit, relief, remission or repayment in respect of any payment made under this Condition 11 in priority to any credit, relief, remission or repayment available to it nor oblige any Noteholder to disclose any information relating to its tax or other affairs or any computations in respect thereof.

11.7 Applicable law for Spanish tax purposes

The Issuer and the Guarantor will apply the First Additional Provision of Law 10/2014 to the Notes for Spanish tax purposes. Payments of income in respect of the Notes by the Guarantor under the Guarantee will be exempt from Spanish Non-Resident Income Tax to the extent that the Noteholder or beneficial owner is not acting through a permanent establishment in the Kingdom of Spain.

The Issuer and the Guarantor will comply with the reporting obligations set out in Section 4 of the First Additional Provision of Law 10/2014 in respect of Noteholders or beneficial owners who are taxpayers of the Spanish Individual Income Tax or taxpayers of the Spanish Corporation Tax, as well as taxpayers of the Spanish Non-resident Income Tax who hold the Notes through a permanent establishment located in Spanish territory.

12 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within ten years (in the case of principal) or five years (in the case of interest and other amounts) from the date on which payment first became due.

13 Enforcement Events and no Events of Default

There are no events of default in respect of the Notes.

However, if an order is made or an effective resolution is passed for the winding-up, dissolution or liquidation of the Issuer or Guarantor (except, in each case, for the purposes of an amalgamation, merger, reorganisation or restructuring whilst solvent), any Noteholder, in respect of a Note and provided that such Noteholder does not contravene a previously adopted Extraordinary Resolution (if any) may, by written notice to the Issuer and the Guarantor, declare that such Note and all interest then accrued but unpaid on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Redemption Amount together with any accrued and unpaid interest thereon and any outstanding Arrears of Interest.

In such case the Noteholder may, at its sole discretion, institute steps in order to obtain a judgment against the Issuer and/or the Guarantor for any amounts due in respect of the Notes, including, but not limited to, proving and/or claiming in the winding-up, dissolution or liquidation of the Issuer or Guarantor for such amount.

Each Noteholder may, at its discretion and without further notice, institute such proceedings as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor under the Notes or the Guarantee but in no event shall the Issuer or the Guarantor by the virtue of such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 13 shall be available to the Noteholders, whether for the recovery of amounts owing in respect of the Notes or the Guarantee or in respect of any other breach by the Issuer or the Guarantor of any of their respective other obligations under or in respect of the Notes or the Guarantee.

14 Agents

- (a) In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Noteholder.
- (b) Each initial Agent for a Series of Notes is specified in the Pricing Supplement. Subject to Condition 14(d), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.
- (c) Notice of any change of an Agent or its Specified Offices must promptly be given to the Noteholders by the Issuer or the Agent on its behalf.
- (d) The Issuer must, in respect of each Series of Notes:
 - (i) at all times maintain a Registrar; and

- (ii) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

15 Meetings of Noteholders

The Meeting Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including any variation of these Conditions.

16 Variation

16.1 Variation with consent

Unless Condition 16.2 ("Variation without consent") applies, any Condition may be varied by the Issuer in accordance with the Meeting Provisions.

16.2 Variation without consent

Any Condition or the Guarantee may be modified, amended or supplemented by the Issuer (or in the case of the Guarantee, by the Guarantor) without the consent of the Noteholders if the amendment:

- (a) is made to give effect to any successor rate or alternative rate for the BBSW Rate or AONIA Rate as provided in Condition 7.5 ("Benchmark Rate Determination");
- (b) is made pursuant to Conditions 9.7 ("Substitution and Variation of the Notes"), 9.8 ("Substitution and Variation of the Notes following a withholding in the Kingdom of Spain") or 17 ("Substitution of the Issuer");
- (c) is of a minor, formal, administrative or technical nature;
- (d) is made to correct a manifest or proven error;
- (e) is made to comply with the requirements or a modification of the requirements of any applicable law or directive;
- (f) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision; or
- (g) only applies to Notes issued by the Issuer after the date of amendment,

and, in any such case, the Issuer is of the opinion that such amendment will not be materially prejudicial to the interests of Noteholders generally.

17 Substitution of the Issuer

- (a) The Issuer (which expression in this Condition 17 shall include any company previously substituted hereunder) and the Guarantor may at any time, without the consent of the Noteholders, substitute for the Issuer (x) the Guarantor or (y) any company or other body corporate incorporated in the European Economic Area and that, at the time of such substitution, is a wholly-owned direct or indirect subsidiary of the Guarantor (the "**Substitute**") upon prior notice to the Registrar, each other Agent and the Noteholders, provided that:
 - (i) no payment in respect of the Notes is at the relevant time overdue;
 - (ii) the Substitute has entered into such documents as are necessary to give effect to the substitution, including the execution of a deed poll by the Substitute agreeing to be bound by the Conditions, the Notes and the Deed Poll as if the Substitute had been named in the Conditions, the Notes and the Deed Poll as the principal debtor in place of the Issuer (the "**Substitution Deed Poll**");
 - (iii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Substitution Deed Poll, the Conditions and the Notes shall be unconditionally and irrevocably guaranteed by the Guarantor under a deed of guarantee executed by the Guarantor ("**New Guarantee**");
 - (iv) if the Substitute is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the taxing jurisdiction of the Issuer (the "**Issuer's Territory**") or the Guarantor (the "**Guarantor's Territory**"), the Substitute shall in the Substitution Deed Poll give an undertaking in terms corresponding to Condition 11 ("Taxation") with the substitution of the references in that Condition to the laws of the Issuer's Territory for equivalent or similar references to the laws of the Substituted Territory

whereupon the Conditions and the Notes shall be read accordingly and any references to the Issuer's Territory herein and therein being substituted for references to the Substituted Territory, as applicable;

- (v) the issue of legal opinions addressed to the Registrar from one or more international law firms as to the laws of New South Wales, Australia and of the relevant jurisdictions of the Guarantor and the Substitute, as applicable, selected by the Substitute or the Guarantor, and confirming:
 - (A) that each of the Substitute and the Guarantor (as the case may be) has capacity to assume all rights, duties and obligations under the Substitution Deed Poll and the Notes or the New Guarantee (as the case may be) and has obtained all necessary corporate or governmental authorisation in its jurisdiction to assume all such rights and obligations; and
 - (B) the legality, validity and enforceability of such obligations;
- (vi) the Substitute shall have appointed an agent to receive, for and on its behalf, service of process in any Proceedings (as defined in Condition 20.2 ("Jurisdiction")) in New South Wales, Australia;
- (vii) the Substitute and the Guarantor, after having given each Rating Agency at least 14 days' notice of such substitution, not having received confirmation from any Rating Agency that the substitution will adversely affect the eligibility for, or attribution of, the amount of "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Notes immediately prior to such substitution; and
- (viii) two authorised signatories of the Issuer or two authorised signatories of the Substitute shall have delivered to the Registrar a certificate stating that the Issuer or, as the case may be, the Substitute has concluded that such substitution:
 - (A) will not result in the Substitute becoming entitled, as at the date such substitution becomes effective, to redeem the Notes pursuant to a Tax Event, a Capital Event, an Accounting Event, a Substantial Purchase Event or a Withholding Tax Event; and
 - (B) will not result in the terms of the Notes immediately following such substitution being materially less favourable to Noteholders generally than the terms of the Notes immediately prior to such substitution.
- (b) Upon execution of the Substitution Deed Poll and the delivery of the legal opinions referred to above, the Substitute shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, and where the Substitute is the Guarantor, the Guarantor shall be released from its obligations under the Guarantee.
- (c) After a substitution pursuant to Condition 17, the Substitute may, without the consent of any Noteholder, effect a further substitution. All of the provisions specified in Conditions 17(a) and 17(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute. After a substitution pursuant to Condition 17(a) and/or this Condition 17(c) any Substitute may, without the consent of any Noteholder, reverse the substitution, *mutatis mutandis*.
- (d) In the event of a substitution pursuant to Condition 17, the governing law of Condition 4 ("Status, Guarantee and subordination") shall, as applicable, be amended to the governing law of the jurisdiction of incorporation of the Substitute.
- (e) The Substitution Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Registrar. Copies of such documents will be available free of charge at the specified office of the Registrar.
- (f) Notice of the assumption by the Substitute of the Issuer's obligations under and in respect of the relevant Notes shall promptly be given to the relevant Noteholders.

18 Further issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all respects except for the Issue Price, Issue Date and the first payment of interest) so as to form a single series with the Notes of that Series.

19 Notices**19.1 To Noteholders**

All notices and other communications to Noteholders must be in writing. Any such notice or other communication may be given by any of the following means:

- (a) an advertisement published in the *Australian Financial Review* or *The Australian*;
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper; or
- (c) prepaid post (airmail, if posted from a place outside Australia) or delivery by email to the address or email address, as the case may be, of the Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the notice or communication).

In addition, for so long as Notes are held on behalf of a Clearing System, notices or communications to Noteholders may also be given by delivery to that Clearing System for communication by it to the Noteholders in accordance with the applicable rules and regulations of that Clearing System (including, in the case of the Austraclear System, the Austraclear Regulations). Any such communication shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the relevant Clearing System.

19.2 To the Issuer, the Guarantor and the Agents

All notices and other communications to the Issuer, the Guarantor or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, its respective Specified Office or by email to the email address of the addressee specified:

- (a) in the Information Memorandum; or
- (b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

19.3 Effective on receipt

Unless a later time is specified in it, a notice, approval, consent or other communication takes effect from the time it is received under Condition 19.4 ("Proof of receipt"), except that if it is received under that Condition after 5.00 pm in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00 am on the next succeeding Business Day in that place.

19.4 Proof of receipt

Subject to Condition 19.3 ("Effective on receipt"), proof of posting a letter, sending of an email or publication of a notice is proof of receipt:

- (a) in the case of a letter, on the third (seventh if outside Australia) day after posting;
- (b) in the case of an email, at the time the sender receives an automated message confirming delivery or four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered; and
- (c) in the case of publication in a newspaper, on the date of such publication.

20 Governing law, jurisdiction and service of process**20.1 Governing law**

The Notes are governed by, and construed in accordance with, the law in force in New South Wales, Australia, provided, however, that Condition 4 ("Status, Guarantee and subordination") will be governed by, and construed in accordance with, the laws of the Kingdom of Spain.

20.2 Jurisdiction

The Issuer irrevocably and unconditionally submits, and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them. The Issuer waives any right it has to object to any suit, action or proceedings ("**Proceedings**") being brought in those courts including by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

20.3 Serving documents

Without preventing any other method of service, any document in any Proceedings in the courts of New South Wales, Australia may be served on the Issuer by being delivered or left with its process agent referred to in Condition 20.4 ("Agent for service of process").

20.4 Agent for service of process

For so long as any of the Notes issued by it are outstanding, the Issuer will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Proceedings as may be brought in the courts of New South Wales, Australia or the Federal Courts of Australia.

The Issuer appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent to receive any document referred to in Condition 20.3 ("Serving documents"). If for any reason that person ceases to be able to act as such, the Issuer will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Registrar and the Noteholders of such appointment.

8. Form of Guarantee in respect of the Senior Notes

The general terms of the Guarantee in respect of the Senior Notes made by the Guarantor are set out below.

1 Interpretation

1.1 Incorporation of other defined terms

Terms which are defined (or given a particular meaning) in the Conditions (as defined below) have the same meaning when used in this Guarantee unless otherwise defined herein, in which case the definition in this Guarantee prevails.

1.2 Definitions

In this Guarantee, these meanings apply unless the contrary intention appears:

Conditions means, in respect of a Note, the terms and conditions applicable to such Note as set out in the Information Memorandum, as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered **Condition** shall be construed accordingly;

Information Memorandum means, in respect of a Note:

- (a) the Information Memorandum dated 19 December 2025 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the applicable Pricing Supplement,

in each case, prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of Notes and includes all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it;

Note means each form of unsubordinated bond, note, debt security, debt instrument or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of “**Note**” or “**Notes**” shall be read and construed accordingly. All references to “**Notes**” must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series; and

Pricing Supplement means, in respect of a Tranche of Notes, the pricing or other supplement prepared and issued in relation to such Notes, the form of which may be substantially in the form set out in the Information Memorandum and which has been signed by the Issuer and the Guarantor.

1.3 General interpretation

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Guarantee. Unless the contrary intention appears, a reference in this Guarantee to:

- (a) anything (including an amount) is a reference to the whole and each part of it;
- (b) a document (including this deed) includes its annexures and schedules and any supplement to, or variation or replacement of, it;
- (c) “**law**” means common law, principles of equity, and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (d) a “**directive**” includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) “**Australian dollars**”, “**AUD**” or “**A\$**” is a reference to the lawful currency of Australia;

- (f) a time of day is a reference to Sydney time;
- (g) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- (h) the word “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (i) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) the singular includes the plural and vice versa;
- (k) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (l) references to terms in the Spanish language are provided for convenience only.

2 **Guarantee and Indemnity**

- (a) The Guarantor hereby unconditionally and irrevocably guarantees to each Noteholder the due and punctual payment of all sums expressed to be payable from time to time by the Issuer in respect of such Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, forthwith in the manner and currency prescribed by the relevant Note 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 Note in accordance with the Conditions of such Notes and which the Issuer has failed to pay.
- (b) The Guarantor undertakes to each Noteholder that, if any sum referred to in clause 2(a) is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of the Note or the Deed Poll (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 Noteholder, the Guarantor will, forthwith upon demand by such Noteholder, pay such sum by way of a full indemnity in the manner and currency prescribed by such Note and/or the Deed Poll. 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 Noteholder that it will duly perform and comply with the obligations expressed to be assumed by it in Condition 11 (“Taxation”) of the Notes.

4 **Preservation of Rights**

- (a) The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.
- (b) 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 Note and/or the Deed Poll and shall continue in full force and effect until all sums due from the Issuer in respect of the Notes and under the Deed Poll have been paid, and all other obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

- (c) Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Noteholders by this Guarantee or by law shall be discharged, impaired or otherwise affected by:
- (i) 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;
 - (ii) any of the obligations of the Issuer under or in respect of any of the Notes and/or the Deed Poll being or becoming illegal, invalid or unenforceable;
 - (iii) 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 Notes and/or the Deed Poll;
 - (iv) any amendment to, or any variation, waiver or release of, any obligation of the Issuer under or in respect of any of the Notes and/or the Deed Poll or any security or other guarantee or indemnity in respect thereof; or
 - (v) any other act, event or omission which, but for this clause 4(c), 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 Noteholders by this Guarantee or by law.
- (d) Any settlement or discharge between the Guarantor and any of the Noteholders shall be conditional upon no payment to such Noteholders 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 Noteholders 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.
- (e) No Noteholder shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Guarantee or by law:
- (i) to make any demand of the Issuer, other than the presentation of the relevant Note;
 - (ii) to take any action or obtain judgment in any court against the Issuer; or
 - (iii) 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 Noteholder, presentment, demand, protest and notice of dishonour.
- (f) The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of the Notes and/or under the Deed Poll 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:
- (i) to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of the Notes and/or the Deed Poll;
 - (ii) to take the benefit (in whole or in part) of any security enjoyed in connection with any of the Notes and/or the Deed Poll by any Noteholder; or
 - (iii) to be subrogated to the rights of any Noteholder 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 4.2 ("Guarantee") of the Notes.

6 Delivery

A duly executed original of this Guarantee shall be delivered promptly after execution to the Registrar 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 Notes then outstanding from time to time occurs and no further Notes can be issued under the Programme.

A certified copy of this Guarantee may be obtained by any Noteholder from the Registrar at its specified office at the expense of such Noteholder.

Any Noteholder may protect and enforce his rights under this Guarantee (in the courts specified in clause 13 ("Governing law") below).

This clause shall not limit any right of any Noteholder 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 Noteholder 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 Noteholder 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 Notes

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

9 Benefit of Guarantee**9.1 Benefit and entitlement**

This Guarantee shall take effect as a deed poll for the benefit of the Noteholders from time to time. Each Noteholder has the benefit of, and subject to the Conditions, is entitled to enforce, this Guarantee against the Guarantor even though it is not a party to, or is not in existence at the time of execution and delivery of, this Guarantee.

9.2 Rights independent

The obligations expressed to be assumed by the Guarantor herein shall enure for the benefit of each Noteholder, and each Noteholder shall be entitled severally to enforce such obligations against the Guarantor.

9.3 No assignment

The Guarantor may not assign or transfer all or any of its rights, benefits or obligations hereunder.

9.4 Subsequent guarantees

Any Notes 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 Notes of any Series with the sanction of an Extraordinary Resolution of Noteholders of such Series. |
| 12 | Notices | The Notices provisions of the Conditions of the Notes apply to these provisions as if they were fully set out in these provisions. |
| 13 | Governing law | |
| 13.1 | Governing law | This Guarantee shall be governed by the law in force in New South Wales, Australia. The status of this Guarantee is governed by Spanish law. |
| 13.2 | Submission to jurisdiction | The Guarantor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them. The Guarantor waives any right it has to object to any suit, action or proceedings (" Proceedings ") being brought in those courts including by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction. |
| 13.3 | Serving documents | Without preventing any other method of service, any document in any Proceedings in the courts of New South Wales, Australia may be served on the Guarantor by being delivered or left with its process agent referred to in clause 13.4 ("Agent for service of process"). |
| 13.4 | Agent for service of process | <p>For so long as any of the Notes issued by the Issuer are outstanding, the Guarantor will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Proceedings as may be brought in the courts of New South Wales, Australia or the Federal Courts of Australia.</p> <p>The Guarantor appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent to receive any document referred to in clause 13.3 ("Serving documents"). If for any reason that person ceases to be able to act as such, the Guarantor will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document.</p> |

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9. Form of Guarantee in respect of the Subordinated Notes

The general terms of the Guarantee in respect of the Subordinated Notes made by the Guarantor are set out below.

1 Interpretation

1.1 Incorporation of other defined terms

Terms which are defined (or given a particular meaning) in the Conditions (as defined below) have the same meaning when used in this Guarantee unless otherwise defined herein, in which case the definition in this Guarantee prevails.

1.2 Definitions

In this Guarantee, these meanings apply unless the contrary intention appears:

Conditions means, in respect of a Note, the terms and conditions applicable to such Note as set out in the Information Memorandum, as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered **Condition** shall be construed accordingly;

Information Memorandum means, in respect of a Note:

- (a) the Information Memorandum dated 19 December 2025 or the then latest information memorandum which replaces that document; or
- (b) the information memorandum or other offering document referred to in the applicable Pricing Supplement,

in each case, prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of Notes and includes all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it;

Note means each form of subordinated bond, note, debt security, debt instrument or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of **"Note"** or **"Notes"** shall be read and construed accordingly. All references to **"Notes"** must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series; and

Pricing Supplement means, in respect of a Tranche of Notes, the pricing or other supplement prepared and issued in relation to such Notes, the form of which may be substantially in the form set out in the Information Memorandum and which has been signed by the Issuer and the Guarantor.

1.3 General interpretation

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Guarantee. Unless the contrary intention appears, a reference in this Guarantee to:

- (a) anything (including an amount) is a reference to the whole and each part of it;
- (b) a document (including this deed) includes its annexures and schedules and any supplement to, or variation or replacement of, it;
- (c) **"law"** means common law, principles of equity, and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (d) a **"directive"** includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) **"Australian dollars"**, **"AUD"** or **"A\$"** is a reference to the lawful currency of Australia;

- (f) a time of day is a reference to Sydney time;
- (g) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period;
- (h) the word “**person**” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (i) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) the singular includes the plural and vice versa;
- (k) the words “**including**”, “**for example**” or “**such as**” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (l) references to terms in the Spanish language are provided for convenience only.

2 Guarantee and Indemnity

- (a) The Guarantor hereby unconditionally and irrevocably guarantees to each Noteholder the due and punctual payment of all sums expressed to be payable from time to time by the Issuer in respect of such Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, forthwith in the manner and currency prescribed by the relevant Note 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 Note in accordance with the Conditions of such Notes and which the Issuer has failed to pay.
- (b) The Guarantor undertakes to each Noteholder that, if any sum referred to in clause 2(a) is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of the Note or the Deed Poll (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 Noteholder, the Guarantor will, forthwith upon demand by such Noteholder, pay such sum by way of a full indemnity in the manner and currency prescribed by such Note and/or the Deed Poll. 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 Noteholder that it will duly perform and comply with the obligations expressed to be assumed by it in Condition 11 (“Taxation”) of the Notes.

4 Preservation of Rights

- (a) The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.
- (b) 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 Note and/or the Deed Poll and shall continue in full force and effect until all sums due from the Issuer in respect of the Notes and under the Deed Poll have been paid, and all other obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

- (c) Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Noteholders by this Guarantee or by law shall be discharged, impaired or otherwise affected by:
- (i) 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;
 - (ii) any of the obligations of the Issuer under or in respect of any of the Notes and/or the Deed Poll being or becoming illegal, invalid or unenforceable;
 - (iii) 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 Notes and/or the Deed Poll;
 - (iv) any amendment to, or any variation, waiver or release of, any obligation of the Issuer under or in respect of any of the Notes and/or the Deed Poll or any security or other guarantee or indemnity in respect thereof; or
 - (v) any other act, event or omission which, but for this clause 4(c), 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 Noteholders by this Guarantee or by law.
- (d) Any settlement or discharge between the Guarantor and any of the Noteholders shall be conditional upon no payment to such Noteholders 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 Noteholders 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.
- (e) No Noteholder shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Guarantee or by law:
- (i) to make any demand of the Issuer, other than the presentation of the relevant Note;
 - (ii) to take any action or obtain judgment in any court against the Issuer; or
 - (iii) 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 Noteholder, presentment, demand, protest and notice of dishonour.
- (f) The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of the Notes and/or under the Deed Poll 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:
- (i) to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of the Notes and/or the Deed Poll;
 - (ii) to take the benefit (in whole or in part) of any security enjoyed in connection with any of the Notes and/or the Deed Poll by any Noteholder; or
 - (iii) to be subrogated to the rights of any Noteholder 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 4 ("Status, Guarantee and subordination") of the Notes.

6 Delivery

A duly executed original of this Guarantee shall be delivered promptly after execution to the Registrar 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 Notes then outstanding from time to time occurs and no further Notes can be issued under the Programme.

A certified copy of this Guarantee may be obtained by any Noteholder from the Registrar at its specified office at the expense of such Noteholder.

Any Noteholder may protect and enforce his rights under this Guarantee (in the courts specified in clause 13 ("Governing law") below).

This clause shall not limit any right of any Noteholder 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 Noteholder 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 Noteholder 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 Notes

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

9 Benefit of Guarantee**9.1 Benefit and entitlement**

This Guarantee shall take effect as a deed poll for the benefit of the Noteholders from time to time. Each Noteholder has the benefit of, and subject to the Conditions, is entitled to enforce, this Guarantee against the Guarantor even though it is not a party to, or is not in existence at the time of execution and delivery of, this Guarantee.

9.2 Rights independent

The obligations expressed to be assumed by the Guarantor herein shall enure for the benefit of each Noteholder, and each Noteholder shall be entitled severally to enforce such obligations against the Guarantor.

9.3 No assignment

The Guarantor may not assign or transfer all or any of its rights, benefits or obligations hereunder.

9.4 Subsequent guarantees

Any Notes 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 Notes of any Series with the sanction of an Extraordinary Resolution of Noteholders of such Series. |
| 12 | Notices | The Notices provisions of the Conditions of the Notes apply to these provisions as if they were fully set out in these provisions. |
| 13 | Governing law | |
| 13.1 | Governing law | This Guarantee shall be governed by the law in force in New South Wales, Australia. The status of this Guarantee is governed by Spanish law. |
| 13.2 | Submission to jurisdiction | The Guarantor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia and courts of appeal from them. The Guarantor waives any right it has to object to any suit, action or proceedings (" Proceedings ") being brought in those courts including by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction. |
| 13.3 | Serving documents | Without preventing any other method of service, any document in any Proceedings in the courts of New South Wales, Australia may be served on the Guarantor by being delivered or left with its process agent referred to in clause 13.4 ("Agent for service of process"). |
| 13.4 | Agent for service of process | <p>For so long as any of the Notes issued by the Issuer are outstanding, the Guarantor will ensure that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Proceedings as may be brought in the courts of New South Wales, Australia or the Federal Courts of Australia.</p> <p>The Guarantor appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent to receive any document referred to in clause 13.3 ("Serving documents"). If for any reason that person ceases to be able to act as such, the Guarantor will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document.</p> |

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10. Form of Pricing Supplement for Senior Notes

The Pricing Supplement to be issued in respect of each Tranche of Senior Notes will be substantially in the form set out below and will be duly completed to reflect the particular terms of the relevant Notes and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS] – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS] – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 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 UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes 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 ECPS ONLY TARGET MARKET] – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [MiFID II / Directive 2014/65/EU, as amended (“**MiFID II**”)]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative market*]. Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the [EUWA / European Union (Withdrawal) Act 2018] (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer[s/s]’ target market assessment) and determining appropriate distribution channels.]

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION] – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/[Specified] Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Series no.: [●]

Tranche no.: [●]



A\$[●] Debt Issuance Programme

of

Telefónica Emisiones, S.A.U.

(incorporated with limited liability in Spain)

Issue of

[A\$][Aggregate Principal Amount of Notes] [Title of Senior Notes] due [●]
("Notes")

unconditionally and irrevocably guaranteed by

Telefónica, S.A.

(incorporated with limited liability in the Kingdom of Spain)

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] ("**Information Memorandum**") issued by the Issuer) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Senior Notes contained in the Information Memorandum ("**Conditions**"), the Information Memorandum, the Note Deed Poll dated [●] made by the Issuer and the Guarantee (Senior Notes) dated [●] made by the Guarantor. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes 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 offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

| | | | |
|---|--------------------------|---|--|
| 1 | Issuer | : | Telefónica Emisiones, S.A.U. (LEI: 549300Y5MFC4SW5Z3K71) |
| 2 | Guarantor | : | The Notes are guaranteed by Telefónica, S.A. (LEI: 549300EEJH4FEPDBBR25) |
| 3 | Status of the Notes | : | Senior Notes |
| 4 | Type of Notes | : | [Fixed Rate Notes / Floating Rate Notes / <i>specify other</i>] |
| 5 | Method of Distribution | : | [Private / Syndicated] Issue |
| 6 | [Joint] Lead Manager[s] | : | [<i>Specify</i>] |
| 7 | Dealer[s] | : | [<i>Specify</i>] |
| 8 | Registrar | : | [[●] (ABN [●]) / <i>specify other</i>] |
| 9 | Issuing and Paying Agent | : | [[●] (ABN [●]) / <i>specify other</i>] |

- 10 Calculation Agent : [Not Applicable / [●] (ABN [●])]
- 11 If fungible with an existing Series : [Not Applicable / *specify if Tranche is to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible (if no specific future date, specify the Issue Date)*]
- 12 Principal Amount of Tranche : [Specify]
- 13 Issue Date : [Specify]
- 14 Issue Price : [Specify]
- 15 Currency : [A\$ / *specify other*]
- 16 Denomination[s] : [Specify]
- 17 Maturity Date : [Specify]
- 18 Condition 6 ("Fixed Rate Notes") (Fixed Rate Notes) : [Applicable / Not Applicable]
[If "Not Applicable", delete the following Fixed Rate provisions]
- Fixed Coupon Amount : [Specify]
- Interest Rate : [Specify]
- Interest Commencement Date : [Issue Date / *specify*]
- Interest Payment Dates : [Specify]
- Business Day Convention : [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / *specify other*]
- Day Count Fraction : [RBA Bond Basis / *specify other*]
- 19 Condition 7 ("Floating Rate Notes") (Floating Rate Notes) : [Applicable / Not Applicable]
[If "Not Applicable", delete the following Floating Rate provisions]
- Interest Commencement Date : [Issue Date / *specify*]
- Interest Rate : [Specify method of calculation]
- Margin : [Specify (state if positive or negative)]
- Interest Payment Dates : [Specify dates or the Specified Period]
- Business Day Convention : [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / *specify other*]
- Day Count Fraction : [Actual/365 (Fixed) / *specify other*]
- Fallback Interest Rate : [Specify / Not Applicable]
- Interest Rate Determination : [Screen Rate Determination / Benchmark Rate Determination (BBSW Rate) / Benchmark Rate Determination (AONIA Rate)]
- [If Screen Rate Determination applies, specify the following (otherwise delete provisions)]*
- Relevant Screen Page : [Specify]
- Relevant Time : [Specify]
- Reference Rate : [Specify]
- Reference Banks : [Specify]

Interest Determination Date : *[If BBSW Rate Determination applies, insert [first day of each Interest Period] / If AONIA Rate Determination applies, insert [fifth day prior to the last day of each Interest Period] / specify]*

[If Benchmark Rate Determination (BBSW Rate Determination) applies, specify the following (otherwise delete provisions)]

BBSW Rate : *[As per Condition 7.5 ("Benchmark Rate Determination") / specify any variation to the Conditions]*

Maximum and Minimum Interest Rate : *[Not Applicable / specify]*

[If Benchmark Rate Determination (AONIA Rate Determination) applies, specify the following (otherwise delete provisions)]

AONIA Rate : *[As per Condition 7.5 ("Benchmark Rate Determination") / specify any variation to the Conditions]*

Default Rate : *[Specify (In the case of interest-bearing Notes, specify rate of interest applying to overdue amounts (if different to usual Interest Rate))]*

Maximum and Minimum Interest Rate : *[Not Applicable / specify]*

Rounding : *[As per Condition 8.6 ("Rounding") / specify other]*

Relevant Financial Centre : *[Specify]*

Linear Interpolation : *[Applicable / Not Applicable]*

[If applicable, provide details]

- 20 Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)") : *[Not Applicable / Applicable, [some / all of] the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)")]*

[If "Not applicable", delete the following Issuer call provisions]

Early Redemption Date(s) (Call) : *[Specify]*

Minimum / maximum notice period for exercise of Issuer call : *[Specify]*

If redeemable in part : (i) Minimum Redemption Amount: *[Specify]*
(ii) Maximum Redemption Amount: *[Specify]*

Relevant conditions to exercise of Issuer call : *[Specify]*

Redemption Amount : *[Specify]*

- 21 Condition 9.4 ("Residual Maturity Call Option") : *[Not Applicable / Applicable, the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.4 ("Residual Maturity Call Option")]*

[If "Not Applicable", delete the following residual maturity call provisions]

Early Redemption Date(s) (Residual Maturity Call) : *[Specify]*

Minimum / maximum notice period for exercise of residual maturity call : *[Specify]*

- Relevant conditions to exercise of residual maturity call : [Specify]
- Redemption Amount : [Specify]
- 22 Condition 9.5 ("Early redemption following a Substantial Purchase Event") : [Not Applicable / Applicable, the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.5 ("Early redemption following a Substantial Purchase Event")]
- [If "Not Applicable", delete the following substantial purchase event call provisions]
- Early Redemption Date(s) (Substantial Purchase Event) : [Specify]
- Substantial Purchase Event Threshold : [Specify]
- Minimum / maximum notice period for exercise of a Substantial Purchase Event call : [Specify]
- Relevant conditions to exercise of a Substantial Purchase Event call : [Specify]
- Redemption Amount : [Specify]
- 23 Condition 9.6 ("Early redemption at the option of Noteholders (Noteholder put)") : [Not Applicable / Applicable, all or some the Notes are redeemable before their Maturity Date at the option of the Noteholders under Condition 9.6 ("Early redemption at the option of Noteholders (Noteholder put)")]
- [If "Not Applicable", delete the following Noteholder put provisions]
- Early Redemption Date(s) (Put) : [Specify]
- Minimum / maximum notice period for exercise of Noteholder put : [Specify]
- Relevant conditions to exercise of Noteholder put : [Specify]
- Redemption Amount : [Specify]
- 24 Minimum / maximum notice period for early redemption for taxation purposes : [As per Condition 9.2 ("Early redemption for taxation reasons") / specify]
- 25 Spanish Tax Reporting Obligations : [As described in the Information Memorandum on page [18] under the heading "Summary of certain taxation matters – Spanish taxation – Information about Notes in Connection with Payments" / specify other]
- 26 Additional Conditions : [Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included]
- 27 Clearing System[s] : [Austraclear System / specify others]
- 28 ISIN : [Specify]
- 29 [Common Code] : [Specify (otherwise delete)]
- 30 Use of proceeds : [Specify if materially different to that set out in the Information Memorandum]

- 31 [Selling Restrictions] : [Specify any variations or additions to the selling restrictions set out in the Information Memorandum]
- 32 Listing : [Not Applicable / An application has been made for the Notes to be quoted on the Australian Securities Exchange / specify details of other listing or quotation on a relevant stock or securities exchange]
- 33 [Credit ratings] : [The Notes to be issued are expected to be rated [Specify].

A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.]

- 34 [Additional information] : [Specify]

Each of Telefónica Emisiones, S.A.U. and Telefónica, S.A. accepts responsibility for the information contained in this Pricing Supplement.

Confirmed

Issuer

For and on behalf of
Telefónica Emisiones, S.A.U.

By:

Date:

Guarantor

For and on behalf of
Telefónica, S.A.

By:

Date:

11. Form of Pricing Supplement for Subordinated Notes

The Pricing Supplement to be issued in respect of each Tranche of Subordinated Notes will be substantially in the form set out below and will be duly completed to reflect the particular terms of the relevant Notes and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 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 UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes 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 ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [MiFID II / Directive 2014/65/EU, as amended (“**MiFID II**”)]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative market]*. Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the [EUWA / European Union (Withdrawal) Act 2018] (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer[s/s]’ target market assessment) and determining appropriate distribution channels.]

[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes to be [capital markets products other than] prescribed capital markets products (as defined in the CMP Regulations 2018) and [Excluded]/[Specified] Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Series no.: [●]

Tranche no.: [●]



A\$[●] Debt Issuance Programme

of

Telefónica Emisiones, S.A.U.

(incorporated with limited liability in Spain)

Issue of

**[A\$][Aggregate Principal Amount of Notes] [Title of Subordinated Notes] due [●]
("Notes")**

unconditionally and irrevocably guaranteed by

Telefónica, S.A.

(incorporated with limited liability in the Kingdom of Spain)

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] ("**Information Memorandum**") issued by the Issuer) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Subordinated Notes contained in the Information Memorandum ("**Conditions**"), the Information Memorandum, the Note Deed Poll dated [●] made by the Issuer and the Guarantee (Subordinated Notes) dated [●] made by the Guarantor. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes 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 offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

| | | | |
|---|-------------------------|---|---|
| 1 | Issuer | : | Telefónica Emisiones, S.A.U. (LEI: 549300Y5MFC4SW5Z3K71) |
| 2 | Guarantor | : | The Notes are guaranteed by Telefónica, S.A. (LEI: 549300EEJH4FEPDBBR25) |
| 3 | Status of the Notes | : | Subordinated Notes |
| 4 | Type of Notes | : | [Fixed Rate Notes / Fixed Rate Reset Notes / Floating Rate Notes / <i>specify other</i>] |
| 5 | Method of Distribution | : | [Private / Syndicated] Issue |
| 6 | [Joint] Lead Manager[s] | : | [<i>Specify</i>] |
| 7 | Dealer[s] | : | [<i>Specify</i>] |
| 8 | Registrar | : | [[●] (ABN [●]) / <i>specify other</i>] |

| | | | |
|----|---|---|--|
| 9 | Issuing and Paying Agent | : | [[●] (ABN [●]) / <i>specify other</i>] |
| 10 | Calculation Agent | : | [Not Applicable / [●] (ABN [●])] |
| 11 | If fungible with an existing Series | : | [Not Applicable / <i>specify if Tranche is to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible (if no specific future date, specify the Issue Date)</i>] |
| 12 | Principal Amount of Tranche | : | [Specify] |
| 13 | Issue Date | : | [Specify] |
| 14 | Issue Price | : | [Specify] |
| 15 | Currency | : | [A\$ / <i>specify other</i>] |
| 16 | Denomination[s] | : | [Specify] |
| 17 | Maturity Date | : | [Specify] |
| 18 | Interest Deferral – Optional Interest Payment | : | [Applicable / Not Applicable] |
| 19 | Condition 6 (“Fixed Rate Notes”) (Fixed Rate Notes) | : | [Applicable / Not Applicable] <i>[If “Not Applicable”, delete the following Fixed Rate provisions]</i> |
| | Fixed Coupon Amount | : | [Specify] |
| | Interest Rate | : | [Specify] |
| | Interest Commencement Date | : | [Issue Date / <i>specify</i>] |
| | Interest Payment Dates | : | [Specify] |
| | Business Day Convention | : | [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / <i>specify other</i>] |
| | Day Count Fraction | : | [RBA Bond Basis / <i>specify other</i>] |
| 20 | Condition 6.4 (“Interest on Fixed Rate Reset Notes”) (Fixed Rate Reset Notes) | : | [Applicable / Not Applicable] <i>[If “Not Applicable”, delete the following Fixed Rate Reset Note provisions]</i> |
| | Initial Interest Rate | : | [Specify] |
| | First Reset Interest Rate | : | [Specify] |
| | Reset Rate | : | [Specify] |
| | Subsequent Reset Interest Rate | : | [Specify] |
| | Margin | : | [Specify (<i>state if positive or negative</i>)] |
| | Interest Commencement Date | : | [Specify] |
| | Interest Payment Dates | : | [Specify] |
| | First Reset Date | : | [Specify] |
| | Second Reset Date | : | [Specify] |
| | Subsequent Reset Period | : | [Specify] |
| | Business Day Convention | : | [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / <i>specify other</i>] |
| | Day Count Fraction | : | [RBA Bond Basis / <i>specify other</i>] |

- 21 Condition 7 ("Floating Rate Notes") : [Applicable / Not Applicable]
(Floating Rate Notes) : *[If "Not Applicable", delete the following Floating Rate provisions]*
- Interest Commencement Date : [Issue Date / *specify*]
- Interest Rate : [*Specify method of calculation*]
- Margin : [*Specify (state if positive or negative)*]
- Interest Payment Dates : [*Specify dates or the Specified Period*]
- Business Day Convention : [Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / *specify other*]
- Day Count Fraction : [Actual/365 (Fixed) / *specify other*]
- Fallback Interest Rate : [*Specify* / Not Applicable]
- Interest Rate Determination : [Screen Rate Determination / Benchmark Rate Determination (BBSW Rate) / Benchmark Rate Determination (AONIA Rate)]
- [If Screen Rate Determination applies, specify the following (otherwise delete provisions)]*
- Relevant Screen Page : [*Specify*]
- Relevant Time : [*Specify*]
- Reference Rate : [*Specify*]
- Reference Banks : [*Specify*]
- Interest Determination Date : [*If BBSW Rate Determination applies, insert [first day of each Interest Period] / If AONIA Rate Determination applies, insert [fifth day prior to the last day of each Interest Period] / specify*]
- [If Benchmark Rate Determination (BBSW Rate Determination) applies, specify the following (otherwise delete provisions)]*
- BBSW Rate : [As per Condition 7.5 ("Benchmark Rate Determination") / *specify any variation to the Conditions*]
- [If Benchmark Rate Determination (AONIA Rate Determination) applies, specify the following (otherwise delete provisions)]*
- AONIA Rate : [As per Condition 7.5 ("Benchmark Rate Determination") / *specify any variation to the Conditions*]
- Default Rate : [*Specify (In the case of interest-bearing Notes, specify rate of interest applying to overdue amounts (if different to usual Interest Rate))*]
- Maximum and Minimum Interest Rate : [Not Applicable / *specify*]
- Rounding : [As per Condition 8.6 ("Rounding") / *specify other*]
- Relevant Financial Centre : [*Specify*]
- Linear Interpolation : [Applicable / Not Applicable]
[If applicable, provide details]

- 22 Condition 9.2 ("Early redemption for taxation reasons") : Applicable
- Minimum / maximum notice period for early redemption for Tax Event or Withholding Tax Event : [As per Condition 9.2 ("Early redemption for taxation reasons") / *specify*]
- Redemption Amount : [*Specify*]
- 23 Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)") : Applicable
- Minimum / maximum notice period for early redemption for Accounting Event : [As per Condition 9.3 ("Early redemption at the option of the Issuer (Issuer call)") / *specify*]
- Redemption Amount : [*Specify*]
- 24 Condition 9.4 ("Residual Maturity Call Option") : Applicable
- Minimum / maximum notice period for early redemption for rating reasons : [As per Condition 9.4 ("Residual Maturity Call Option") / *specify*]
- Redemption Amount : [*Specify*]
- 25 Condition 9.5 ("Early redemption following a Substantial Purchase Event") (Issuer call) : [Not Applicable / Applicable, [some / all of] the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.5 ("Early redemption following a Substantial Purchase Event")]
- [If "Not applicable", delete the following Issuer call provisions]
- Early Redemption Date(s) (Call) : [*Specify*]
- Minimum / maximum notice period for exercise of Issuer call : [*Specify*]
- If redeemable in part : (i) Minimum Redemption Amount: [*Specify*]
(ii) Maximum Redemption Amount: [*Specify*]
- Relevant conditions to exercise of Issuer call : [*Specify*]
- Redemption Amount : [*Specify*]
- 26 Condition 9.6 ("Early redemption at the option of Noteholders (Noteholder put)") : [Not Applicable / Applicable, all but not some of the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.6 ("Early redemption at the option of Noteholders (Noteholder put)")]
- [If "Not Applicable", delete the following substantial purchase event call provisions]
- Substantial Purchase Event Threshold : [*Specify*]
- Early Redemption Date (Substantial Purchase Event) : [*Specify*]
- Minimum / maximum notice period for exercise of a Substantial Purchase Event call : [*Specify*]
- Redemption Amount : [*Specify*]

| | | | |
|----|-----------------------------------|---|---|
| 27 | Substitution and Variation | : | [Applicable / Not Applicable] |
| 28 | Spanish Tax Reporting Obligations | : | [As described in the Information Memorandum on page [●] under the heading “ <i>Summary of certain taxation matters – Spanish taxation – Information about Notes in Connection with Payments</i> ” / <i>specify other</i>] |
| 29 | Additional Conditions | : | [<i>Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included</i>] |
| 30 | Clearing System[s] | : | [Austraclear System / <i>specify others</i>] |
| 31 | ISIN | : | [<i>Specify</i>] |
| 32 | [Common Code] | : | [<i>Specify (otherwise delete)</i>] |
| 33 | Use of proceeds | : | [<i>Specify if materially different to that set out in the Information Memorandum</i>] |
| 34 | [Selling Restrictions] | : | [<i>Specify any variations or additions to the selling restrictions set out in the Information Memorandum</i>] |
| 35 | Listing | : | [Not Applicable / An application has been made for the Notes to be quoted on the Australian Securities Exchange / <i>specify details of other listing or quotation on a relevant stock or securities exchange</i>] |
| 36 | [Credit ratings] | : | [The Notes to be issued are expected to be rated [<i>Specify</i>]. <i>A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.</i> <i>Credit ratings are for distribution only to a person who is (a) not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.</i>] |
| 37 | [Additional information] | : | [<i>Specify</i>] |

Each of Telefónica Emisiones, S.A.U. and Telefónica, S.A. accepts responsibility for the information contained in this Pricing Supplement.

Confirmed

Issuer

For and on behalf of

Telefónica Emisiones, S.A.U.

By:

Date:

Guarantor

For and on behalf of

Telefónica, S.A.

By:

Date:

12. Glossary

| | |
|---|---|
| ABN | Australian Business Number. |
| AFSL | Australian financial services licence. |
| Agents | Each Registrar, Issuing and Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or Series of Notes (details of such appointment may be set out in the relevant Pricing Supplement). |
| Arranger | The person specified in section 1 (<i>Programme summary</i>). |
| ASIC | Australian Securities and Investments Commission. |
| ASX | Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691). |
| Austraclear | Austraclear Ltd (ABN 94 002 060 773). |
| Austraclear System | The clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system. |
| Calculation Agent | Each person specified in section 1 (<i>Programme summary</i>). |
| CHESS | Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Limited (ABN 49 008 504 532). |
| Clearing System | Austraclear System, Euroclear, Clearstream, Luxembourg and/or any other clearing and settlement system specified in a relevant Pricing Supplement. |
| Clearstream, Luxembourg | The clearing and settlement system operated by Clearstream Banking S.A. |
| Conditions | The terms and conditions applicable to the Notes, as set out in section 6 (<i>Conditions of the Senior Notes</i>) or section 7 (<i>Conditions of the Subordinated Notes</i>) (as the case may be), which may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. |
| Corporations Act | Corporations Act 2001 of Australia. |
| Dealer | Each person specified in section 1 (<i>Programme summary</i>). |
| Dealer Agreement | Dealer Agreement dated 19 December 2025 entered into by the Issuer, the Arranger and the Dealers, as amended or supplemented from time to time. |
| Deed Poll | For any Notes, the deed poll executed by the Issuer and specified in an applicable Pricing Supplement. The Issuer has executed a Note Deed Poll dated 19 December 2025, which may be so specified. |
| EEA | The European Economic Area. |
| EU | The European Union. |
| Euroclear | The clearing and settlement system operated by Euroclear Bank SA/NV. |
| EUWA | The European Union (Withdrawal) Act 2018. |
| FATCA | <ul style="list-style-type: none"> (a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of any law, regulation or other official guidance referred to in paragraph (a) above; or (c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above, with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction. |
| Financial Instruments and Exchange Act | Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948). |

| | |
|--|--|
| FSMA | UK Financial Services and Markets Act 2000. |
| GST | Goods and services or similar tax imposed in Australia. |
| Guarantee | The guarantee of the Notes given by the Guarantor under the document entitled, in the case of Senior Notes, “Guarantee (Senior Notes)” or, in the case of Subordinated Notes, “Guarantee (Subordinated Notes)”, each dated 19 December 2025 and entered into by the Guarantor. |
| Guarantor | Telefónica, S.A. |
| Information Memorandum | This information memorandum, and any other document incorporated by reference in it, and any of them individually. |
| Issue Date | In respect of a Note, the date on which the Note is, or is to be, issued and as may be specified, or determined, in accordance with, the Pricing Supplement. |
| Issue Materials | For any Notes, the relevant Pricing Supplement and advertisement or other offering material issued by the Issuer in relation to those Notes. |
| Issue Price | The price as set out in the Pricing Supplement. |
| Issuer | Telefónica Emisiones, S.A.U. |
| Issuing and Paying Agent | Each person specified in section 1 (<i>Programme summary</i>). |
| MiFID II | Directive 2014/65/EU. |
| MiFID Product Governance Rules | MiFID Product Governance Rules under EU Delegated Directive 2017/593. |
| Noteholder | For a Note, each person whose name is entered in the Register as the holder of that Note. |
| Notes | Collectively, medium term notes and other debt securities issued by the Issuer under the Programme (see the full definition set out in Condition 1.1 (“Definitions”)). |
| OECD | Organisation for Economic Co-operation and Development. |
| Preparation Date | In relation to (1) this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement, (2) annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate, and (3) any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness. |
| Pricing Supplement | A pricing supplement and/or another supplement to this Information Memorandum to be issued for each Tranche or Series of Notes. The form of Pricing Supplement for Senior Notes is set out in section 10 (<i>Form of Pricing Supplement for Senior Notes</i>). The form of Pricing Supplement for Subordinated Notes is set out in section 11 (<i>Form of Pricing Supplement for Subordinated Notes</i>). |
| PRIPs Regulation | Regulation (EU) No. 1286/2014, as amended. |
| Programme | The Issuer’s A\$ debt issuance programme described in this Information Memorandum. |
| Programme Participant | The Arranger, each Dealer and each Agent. |
| Programme Participant Information | Information concerning the legal or marketing name, ABN, AFSL number, address, telephone number, email address and/or contact person for a Programme Participant which is set out in section 1 (<i>Programme summary</i>) or in the <i>Directory</i> section. |
| Programme Participant Party | Each Programme Participant and each of their respective affiliates, related entities, partners, directors, officers and employees. |
| Prospectus Regulation | Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. |

| | |
|--|---|
| Register | The register, including any branch register, of Noteholders established and maintained by the Issuer, or by a Registrar on its behalf. |
| Registrar | Each person specified in section 1 (<i>Programme summary</i>). |
| Regulation S | Regulation S under the U.S. Securities Act. |
| Senior Notes | Senior unsecured notes specified as such in an applicable Pricing Supplement. All references to Senior Notes must, unless the context otherwise requires, be read and construed as references to the Senior Notes of a particular Series. |
| Series | An issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and first payment of interest may be different in respect of a different Tranche of a Series. |
| SFA | Securities and Futures Act 2001 of Singapore. |
| SFO | Securities and Futures Ordinance (Cap. 571) of Hong Kong. |
| Spain | The Kingdom of Spain. |
| Subordinated Notes | Subordinated notes specified as such in an applicable Pricing Supplement. All references to Subordinated Notes must, unless the context otherwise requires, be read and construed as references to the Subordinated Notes of a particular Series. |
| Telefónica Group | Telefónica, S.A. and its consolidated subsidiaries. |
| Tranche | An issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions. |
| UK | The United Kingdom. |
| UK MiFIR | Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. |
| UK MiFIR Product Governance Rules | FCA Handbook Product Intervention and Product Governance Sourcebook. |
| UK PRIIPs Regulation | Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA. |
| UK Prospectus Regulation | Regulation (EU) No 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. |
| U.S. person | As defined in Regulation S. |
| U.S. Securities Act | United States Securities Act of 1933 (as amended). |

Issuer

Telefónica Emisiones, S.A.U.

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Spain

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Guarantor

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Gran Vía, 28
28013 Madrid
Spain

Attention: François Decleve / Jose Antonio Barahona Braceras
Telephone: + 34 91 482 85 69 / + 34 91 482 81 22
Email: Francois.Decleve@telefonica.com / joseantonio.barahona@telefonica.com

Arranger and Dealer

Mizuho Securities Asia Limited

(ABN 14 603 425 912)

14-15/F., K11 Atelier
18 Salisbury Road
Tsim Sha Tsui, Kowloon
Hong Kong

Attention: Debt Syndication
Telephone: + 852 2685 2000
Email: AS_DBSYN@hk.mizuho-sc.com

Registrar & Issuing and Paying Agent

BTA Institutional Services Australia Limited

(ABN 48 002 916 396)

Level 2
1 Bligh Street
Sydney NSW 2000
Australia

Attention: Global Client Services
Telephone: + 61 2 9260 6000

Legal adviser to the Issuer and Guarantor as to Australian law

King & Wood Mallesons

Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Legal adviser to the Issuer and Guarantor as to Spanish law

Clifford Chance, S.L.P.

Paseo de la Castellana 110,
28046 Madrid
Spain

Legal adviser to the Arranger and Dealer as to Australian law

Norton Rose Fulbright

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60 Martin Place
Sydney NSW 2000
Australia

