

BASE PROSPECTUS



El Corte Inglés, S.A.

(incorporated with limited liability in the Kingdom of Spain)

€2,000,000,000

Euro Medium Term Note Programme

Under the €2,000,000,000 Euro Medium Term Note Programme (the **Programme**) described in this base prospectus (the **Base Prospectus**), El Corte Inglés, S.A. (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland (the **CBI**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CBI has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CBI should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**).

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to its official list (the **Official List**) and trading on the Euronext Dublin Regulated Market. References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid as a base prospectus under the Prospectus Regulation for 12 months from its date (i.e. 14 June 2025) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA).

The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a base prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the CBI and, where listed, Euronext Dublin. Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of Euronext Dublin (www.euronext.com/en/markets/dublin). The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Notes are subject to certain restrictions on transfer; see "*Subscription and Sale*".

Notes issued under the Programme may be rated or unrated. If rated, the Notes will be rated by S&P Global Ratings Europe Limited (**S&P**) and by Fitch Ratings Ireland Limited (**Fitch**). S&P and Fitch are established in the EEA and are registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, S&P and Fitch are included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) (as of the date of this Base Prospectus) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Neither S&P nor Fitch is established in the United Kingdom, however each is part of a group in respect of which one of its undertakings is (i) established in the United Kingdom, and (ii) is registered in accordance with the CRA Regulation as it forms part of the domestic law of the United Kingdom by virtue of the EUWA (the **UK CRA Regulation**). The Issuer rating issued by S&P has been endorsed by S&P Global Ratings UK Limited, and by Fitch has been endorsed by Fitch Ratings Ltd, each in accordance with the UK CRA Regulation and has not been withdrawn. As such, the ratings issued by S&P and Fitch may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to EURIBOR, as specified in the applicable Final Terms which is administered by the European Money Markets Institutes (**EMMI**). As at the date of this Base Prospectus, EMMI is included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

Arranger

J.P. MORGAN

Dealers

BBVA

BNP PARIBAS

BOFA SECURITIES

CREDIT AGRICOLE CIB

DEUTSCHE BANK

J.P. MORGAN

**SANTANDER CORPORATE &
INVESTMENT BANKING**

**SOCIÉTÉ GÉNÉRALE CORPORATE &
INVESTMENT BANKING**

The date of this Base Prospectus is 14 June 2024.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with any supplements hereto and with all documents incorporated by reference (see "*Documents Incorporated by Reference*") and, in relation to any Notes, must be read in conjunction with the relevant Final Terms. This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme nor any responsibility for the acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE SEC), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "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 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 or superseded, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and/or (iii) not a qualified investor as defined under the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU 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 – If the Final Terms in respect of any Notes includes a legend entitled "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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; 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 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 / target market – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" 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 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 Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID II Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR product governance" 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 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)

Unless otherwise stated in the applicable Final Terms, all Notes shall be "prescribed capital markets" products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**)) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the **MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Product and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final Terms and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus, any Final Terms and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Spain), the United Kingdom, Japan, Republic of Italy, Singapore and Switzerland; see "*Subscription and Sale*".

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

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

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF INFORMATION

In this Base Prospectus, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

STABILISATION

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

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements that reflect the Issuer's intentions, beliefs or current expectations and projections about its future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends and the market in which it operates. The Issuer has tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue" and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business and the environment in which it expects to operate in the future. Forward-looking statements may be found in the sections of this Base Prospectus entitled "*Risk Factors*" and "*Description of the Issuer*" and elsewhere in this Base Prospectus.

The forward-looking events described in this Base Prospectus may not occur. Additional risks that the Issuer may currently deem immaterial or that are not presently known to the Issuer could also cause the forward-looking events discussed in this Base Prospectus not to occur or to occur in a different manner. These forward-looking statements speak only as of the date on which they are made. Except as otherwise required by applicable securities law and regulations and by any applicable stock exchange regulations, the Issuer undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Base Prospectus. Given the uncertainty inherent in forward-looking statements, the Issuer cautions prospective investors not to place undue reliance on these statements.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980 implementing the Prospectus Regulation.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer: El Corte Inglés, S.A.

Issuer Legal Entity Identifier (LEI): 95980020140005374753

Website of the Issuer: www.elcorteingles.es

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These include certain risks relating to the structure of particular Series of Notes and certain market risks. Each of these risks are set out under "*Risk Factors*" above.

Description: Euro Medium Term Note Programme

Arranger: J.P. Morgan SE

Dealers: Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., BNP Paribas, BofA Securities Europe SA, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, J.P. Morgan SE, Société Générale

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to

time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.

Notes having a maturity of less than one year

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the UK or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the UK, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

No money market instruments having a maturity of less than twelve months will be offered to the public or admitted to trading on a regulated market under this Base Prospectus.

Issue and Paying Agent and Transfer Agent:	Deutsche Bank AG London Branch
Listing Agent:	Deutsche Bank Luxembourg S.A.
Registrar:	Deutsche Bank Luxembourg S.A.
Programme Size:	Up to €2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any

laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price: Notes may be issued on a fully paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: The Notes will be issued in either bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined on the basis of the Reference Rate set out in the applicable Final Terms.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Redemption: Notes will be redeemable at their stated maturity at their Final Redemption Amount. Unless Issuer Call, Investor Put, Change of Control Put, Residual Maturity Call and/or Substantial Purchase Event applies as indicated in the applicable Final Terms, Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default).

Issuer Call: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Issuer upon giving notice to the Noteholders 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 agreed between the Issuer and the relevant

Dealer as further described in Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*).

Investor Put: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Noteholders upon giving notice to the Issuer 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 agreed between the Issuer and the relevant Dealer as further described in Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*).

Change of Control Put: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Noteholders if a Change of Control Event occurs as further described in Condition 7.5 (*Redemption at the option of the Noteholders (Change of Control Put)*).

Residual Maturity Call: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Issuer no earlier than three months before the Maturity Date of the Notes as further described in Condition 7.6 (*Redemption at the option of the Issuer (Residual Maturity Call)*).

Substantial Purchase Event: The applicable Final Terms will indicate whether the relevant Notes will be redeemable at the option of the Issuer if a Substantial Purchase Event occurs as further described in Condition 7.7 (*Redemption at the option of the Issuer (Substantial Purchase Event)*).

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer will, save in certain limited circumstances provided in Condition 8 (*Taxation*), pay such

additional amounts as will result in the holders of the Notes receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.

The Issuer considers that, according to the simplified information procedures set out in Royal Decree 1065/2007, of 27 July, as amended by Royal Decree 1145/2011 of 29 July (Royal Decree 1065/2007), the Issuer is not obliged to identify Noteholders as described in "*Simplified information procedures*". For further information regarding the interpretation of Royal Decree 1065/2007, please refer to "*Risks relating to the Spanish withholding tax regime*".

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 10 (*Events of Default*).

Status of the Notes: Notes will be issued on an unsubordinated basis. The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, as described in Condition 3 (*Status of the Notes*).

Rating: Notes issued under the Programme may be rated or unrated. If rated, Notes will be rated by S&P and by Fitch. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. See "*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*" in "*Risk Factors*" below.

Listing: This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Regulation. Application has been made for Notes issued under the Programme to be listed on Euronext Dublin.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Clearing Systems: Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be agreed between the Issuer, the Issue and Paying Agent and the relevant Dealer and as specified in the applicable Final Terms.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, except the provisions relating to the capacity of the Issuer and the relevant corporate resolutions which are governed by Spanish law.

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including Spain), the United Kingdom, Japan, Republic of Italy, Singapore and Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes; see "*Subscription and Sale*".

United States Selling Restrictions: Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below, many of which are out of control of the Issuer, could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including any documents incorporated by reference herein (as further described in "Documents Incorporated by Reference" below), and reach their own views prior to making any investment decision. The Issuer has described only those risks relating to its operations that it considers to be material. There may be additional risks that it currently considers not to be material or of which is not currently aware, and any of these risks could have the effects set forth above.

All of these factors are contingencies which may or may not occur. In each category below the Issuer sets out first the most material risks, in its assessment, taking into account the expected magnitude of their negative impact and the probability of their occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

Prospective investors should read the entire Base Prospectus. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this section.

(I) FACTORS THAT MAY AFFECT THE GROUP'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

1. Risks relating to the Group's business and operations

1.1. General

The Group is impacted by the general macroeconomic and political environment and a continuing weak global economic growth may negatively impact the Group

The Issuer and its Subsidiaries (the **Group**) is impacted by the general macroeconomic and political environment, including by levels of sovereign debt and fiscal deficit, liquidity and credit availability, unemployment, actual disposable income, wages, including any cost increases as a result of inflation in payroll costs or actions by the public administrations to increase the minimum wage or pension plan contributions, as well as currency stability, interest rate fluctuations, employment growth, consumer confidence, consumers' perception of economic conditions and private sector investment.

The Group's activities are mainly concentrated in Spain and, to a lesser extent, in Portugal and therefore, it is particularly affected by the macroeconomic environment in such markets. As at the date of this Base Prospectus, the global growth outlook, including that of Spain and Portugal, remains marked by uncertainty. Current risk factors mainly result from national or international political tensions, such as the heightened geopolitical tensions following the conflict between Russia and Ukraine or the ongoing military conflict in Israel and Gaza, which have exacerbated inflationary pressures, with high energy costs, fuel, and certain raw materials, slowed overall economic growth, created supply chain bottlenecks and increased volatility in commodity and financial markets. As a result of the foregoing, a price increase has materialised in the recent years, reaching one of the highest increases in the Consumer Price Index in the last 30 years in Spain, with a corresponding impact on consumers' purchasing power.

Inflationary pressures led central banks to adopt interest rate hike policies. In July 2022, the ECB announced the first rate increase in the last eleven years, and subsequent increases have followed since then. The ECB announced on 14 September 2023 that the interest rates on the main refinancing operations,

the interest rates on the marginal lending facility and the interest rates on the deposit facility would be increased to 4.50%, 4.75% and 4.00%, respectively, with effect from 20 September 2023. Subsequently, on 7 March 2024 and 11 April 2024, the ECB announced that interest rates would remain unchanged at those levels. Even if this tightening of the monetary policy has resulted in a decrease in inflationary levels, inflation rates in Spain are still expected to remain around the current levels, with inflation expected to reach a level of 2.7% at the end of the year 2024 and 1.9% and 1.7% at the end of the years 2025 and 2026, respectively (Sources: *Informe trimestral y proyecciones macroeconómicas de la economía española. Marzo de 2024*).

This current economic environment of instability has generated some uncertainty regarding the prospects of the global economy in general, including of the Spanish economy. In this regard, the Bank of Spain estimates that the Spanish GDP will only grow by 1.9% in 2024, 1.9% in 2025 and 1.7% in 2026 (Source: *Informe trimestral y proyecciones macroeconómicas de la economía española. Marzo de 2024*).

In addition, such economic uncertainty, inflationary scenario and growth prospectus in the markets in which the Group operates (mainly Spain and Portugal) could affect consumer confidence, purchasing power and spending, including discretionary spending. In particular, economic conditions that affect consumers' disposable income, such as business conditions, changes in the housing market, availability of consumer credit, income tax levels, indirect taxes (including VAT), and fuel and energy costs, could also reduce overall consumer spending and negatively impact the Group's activity.

Accordingly, given that the profitability and growth of the Group are closely linked to the Spanish (and to a lesser extent Portuguese) economic situation, if the Spanish (or Portuguese) economy does not continue to improve or decreases in line with past crisis, the Group's business, financial condition and results of operations or prospects could be adversely affected.

The Group operates in a highly competitive market and which is undergoing a process of consolidation

All of the Group's divisions operate in highly competitive markets both in Spain and Portugal, which are the Group's main markets, and the rest of international markets, and it competes with a wide variety of companies of varying sizes and covering different price points, product categories, distribution channels and geographic markets. Such competition places pressure on the Group's turnover, pricing strategy, margins and profitability.

Due to the variety of the Group businesses, it competes with a wide range of retailers, including single-brand retailers, food retailers operating supermarkets, hypermarkets or convenience stores, sportswear retailers, footwear stores, home improvement stores, consumer electronic dealers, travel agencies, insurance brokers, personal insurance companies and many other specialist retailers. Furthermore, the Group also competes with internet retailers managing a similar product offering. In this highly competitive landscape, success is based on various factors such as product assortment and quality, service offered to customers, price, shopping experience and convenience. The Group's success therefore relies on its capacity to differentiate from its competitors on these factors. Certain competitors have greater financial resources, greater purchasing economies of scale and/or lower cost bases than the Group. Consequently, they may be able to spend more on marketing and advertising campaigns, which could increase their market share.

Furthermore, in recent years, this competition has been heightened by the significant increase in internet sales of the products the Group offers, such as fashion, beauty and household products, electronics, sports goods and food, reducing the significance of the traditional distribution channels the Group has traditionally operated such as retail stores, supermarkets and department stores.

The Group's online channel strategy competes with large and highly specialised global, regional and local players. Doing so requires an adequate and skilled workforce as well as the technical and financial resources necessary to consistently invest in new technologies and develop an attractive product and service portfolio. The Group's online channel also operates in areas where there are lower barriers to entry for new competitors.

Finally, over the past few years, the retail sector in Spain has undergone a consolidation process, by which large retail chains have increased their market share at the expense of smaller shops, and supermarkets, and local and international hypermarkets have consolidated their positions. The Group believes that further consolidation in these markets is likely, as competition intensifies, and economies of scale become increasingly significant. The Group cannot assure that such market consolidation will not have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

Variations in brand recognition and loyalty and public perceptions may adversely affect the Group's reputation and business

Maintaining and enhancing the Group's brand is critical to its success, given its consumer and market focus. If the Group's market recognition, loyalty to its brand or its reputation were to be harmed, it could lose customers or fail to increase its customer base. The Group plans to continue investing substantial resources to promote its brand, but there is no guarantee that its branding development strategies will enhance its recognition. If the Group's efforts to promote and maintain its brand are not successful, its operating results and its ability to attract and retain customers may be adversely affected.

Additionally, negative reviews, or reviews in which the Group's competitors' brands are rated higher than it, could negatively affect its brand and reputation. If the Group does not handle customer complaints effectively, its brand and reputation may suffer, it may lose its customers' confidence. Complaints or negative publicity about the Group's brand and services could adversely impact its ability to attract and retain customers and its business, financial condition and results of operations. In addition any deterioration in the variety or quality of its private and own label products could also adversely affect its business, financial condition and results of operations.

Sales of the Group's products and provision of services are subject to changing consumer preferences

The Group's sales are subject to evolving and changing consumer preferences and industry trends, such as the expansion of digital channels, direct-to-consumer channels and advances in technology as artificial intelligence and its operating results therefore depend in part on its ability to predict or respond to changes in consumer preferences in a timely manner and to translate market trends into appropriate, profitable merchandise offerings.

There can be no assurance that the Group's brands and merchandise selection, or the product mix selection, will accurately reflect customer preferences at any given time or that the Group will be able to identify and respond quickly to changes in customer trends. The Group also risks driving away customers who cannot locate their desired brands or products in its stores, which could encourage customers to seek and alternative shopping experiences. In addition, customer preference is currently very focused in sustainable consumption, and the Group may not be able to offer products and travel services which match consumer preferences from a sustainability perspective. If the Group is unable to successfully predict or fulfil sales demand or respond to changing styles, tastes or trends, it may be forced to rely on additional markdowns or promotional sales to dispose of excess or slow-moving inventory or it may experience inventory shortfalls on popular merchandise. Any sustained failure to identify and fulfil emerging trends in lifestyle and consumer preferences could have a material adverse effect on its business, financial condition and results of operations.

The Group is exposed to risks associated with its real estate portfolio

The Group's real estate assets represent a significant percentage of the value of the Group (as of 29 February 2024, the real estate portfolio had a Gross Asset Value of €15,500 million. The Group's real estate portfolio is subject to certain risks, many of which are not within the Group's control. The value of the Group's properties may be adversely affected by the following factors:

- downturns in national, regional and local economic climate;

- civil disturbances, earthquakes and other natural disasters, or terrorist acts or acts of war which may result in uninsured or underinsured losses;
- latent defects and unknown liabilities in relation to, among others, current structural status, environmental liability, lack of mandatory licenses and permits, compliance with technical code and applicable regulations;
- maintaining required licences and permits, both from the asset owner and the operator perspective, to be granted by national, local or regional authorities.
- law reforms and governmental regulations (such as those governing usage, zoning and real property taxes);
- an increase in operating costs due to inflation and other factors such as insurance expense, utilities, real estate taxes, state and local taxes and heightened security and cleaning costs; and
- specific capital allocation in relation to the properties that need to be periodically renovated, repaired and adapted to emerging laws and regulations, and the implicit costs thereof.

The occurrence of any or a combination of the factors listed above could result in shutdown of Group's operations and significantly impact on the Group's business, financial condition and results of operations.

In addition, as part of the management of its real estate portfolio, the Group also carries out certain real estate assets' disposals, thus reducing its available real estate assets. Such potential disposal of assets could entail certain risks to the Group such as increased lease costs or less control over store location (in case additional real estate assets are needed to develop the business) and a potential reduction of the balance sheet.

The Issuer is exposed to political and other risks in its sourcing markets

The Group primarily sources its raw materials from, and its products are primarily manufactured in, Europe and Asia. The Group sources a significant proportion of its products from Europe and other developing markets. As a result, the Group is subject to the general risks associated with conducting business in its sourcing markets, including: instability in political, economic or financial systems, less developed and rapidly evolving legal, regulatory and judicial systems that are characterised by gaps, conflicts and ambiguities, rapid changes to foreign government regulation, bribery and corruption, labour disputes or risk of child labour, social conflict, civil strife or labour unrest, embargoes, strikes, work stoppages or slowdowns and shipment disruptions or delays, health concerns and outbreaks of infectious diseases, difficulties and delays in obtaining new permits or licenses or in renewing existing ones, inability to repatriate profits and/or dividends or material fluctuations in currency exchange rates and high inflation.

These factors could require the Group to modify its current business practices or to incur increased production costs. In addition, the Group's sourcing of products could be delayed or interrupted due to port strikes, infrastructure congestion, embargoes, trade or import/export restrictions or other factors. If any of these risks were to materialise, the Group's operations in the relevant country could be adversely affected. Risks related to the Group's sourcing markets, if materialised, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Sales of the Group's products are subject to weather impact and seasonal fluctuations

The retail and travel industries in which the Group's Retail and Travel business operate, respectively, are seasonal by nature, and the Group's results and profits are therefore subject to seasonal fluctuations. The Group's results are affected by periods of abnormal, severe or unseasonal weather conditions. Adverse weather can deter consumers from shopping and render a portion of the Group's inventory incompatible with prevailing conditions.

Like other retailers, the Group's most important trading period is the November to January period over the Christmas season. The Group also experience a sales increase in June and July during the pre-summer period. In addition, in line with the travel industry, the Group Travel business typically experiences higher activity in certain periods of the year, such as during summer months and holiday seasons. The seasonal influences have a direct impact on the Group's earnings in the corresponding quarter. Any factors that harm the operating results in peak sales periods, including adverse weather or unfavourable economic conditions, would have a disproportionate effect on the Group's results of operations and financial condition for the entire fiscal year. Because of the seasonal influences, the Group's results of individual quarters can fluctuate significantly.

The Group relies on the effectiveness of its marketing and promotional campaigns to drive sales volumes during peak selling and promotional periods. If sales during peak selling and promotional periods are significantly lower than expected for any reason, the Group may be unable to adjust its expenses in time to react to reduced levels of sales. As a result, the Group may be left with a substantial amount of unsold inventory, especially in seasonal merchandise that is difficult to liquidate, or with excess staffing costs relative to the level of sales. In such circumstances, the Group may be forced to rely on markdowns or promotional sales to dispose of excess inventory, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has high dependence on marketing campaigns and promotions

The Group's sales depend to a large extent on the success of the Group's marketing approach and promotion of new products. The Group uses various marketing platforms as part of its marketing approach, including brochures, marketing events, TV and radio campaigns, internet advertising, direct mailing, visual merchandizing and celebrity endorsements. In addition, the Group is present on social networks with active accounts on Facebook, Twitter, Instagram, YouTube, Pinterest, LinkedIn and TikTok with strong engagement. The Group will need to continue refreshing or reinventing its marketing campaigns and need to keep promoting its products, which will require additional expense.

If the Group's marketing campaigns fail or promotional strategies are not innovative, the investments made will turn out to be ineffective and it could face a decrease in customer demand and a resulting decline in sales which, especially if marketing campaigns repeatedly prove ineffective, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Labour disruptions and the rising of labour costs could have an adverse effect on the Group's business

As of 29 February 2024, the Group had 81,714 direct employees distributed among all the companies of the Group. All of the Group's employees (not including those employed directly by third-party brands that operate in the Group's stores) are covered by collective bargaining agreements. Although the Group believes it presently has good relations with its employees, there is no assurance that a work slowdown, a work stoppage or a strike will not occur prior to or upon the expiration of current collective bargaining agreement, which was signed in 2023, or due to other circumstances, and the Group cannot estimate the effect of any such work slowdown, work stoppage or strike on the Group's sales or the effect of an adverse material change in the conditions of the bargaining agreements in force as at the date of this Base Prospectus upon their renewal. Additionally, changes to the employment regulations (such as a reduction of the working hours) could have a material change in the conditions of the workforce and such potential change cannot be estimated by the Group.

For the years ended 29 February 2024 and 28 February 2023, the Group's personnel expenses were €2,521 million and €2,353 million, respectively. Any significant increase in labour costs, collective bargaining agreement negotiations, decrease in maximum working hours, extensive work slowdowns, work stoppages or strikes could have a material adverse effect on the Group's business, financial condition and results of operations.

Interruption or failure of the Issuer's information technology systems could disrupt its business

The Group relies heavily on its information technology systems to operate its apps, websites, record and process transactions, respond to customer inquiries, monitor sales trends, manage inventory, purchase, sell and ship merchandise on a timely basis and maintain cost-efficient operations. Given the significant number of transactions that are completed annually, it is necessary to maintain constant operation of the Group's computer hardware and software systems and maintain cyber security. The Group's information technology systems may be subject to damage or interruption from power loss, telecommunications failures, data corruption, network failure, computer viruses, security breaches, natural disasters, third-party intrusions or other technical malfunctions despite, where possible, efforts to prevent such damage or interruption.

In addition, as the Group's reliance on information technology systems has increased with the expansion of its online channel business (for instance, in the fiscal year ended 29 February 2024, there were 17.3 million online retail orders and reservations, with more than 960 million visits between website and apps), the risks associated with operating an internet-based platform have increased as well, particularly the risk of cyber-attacks, which are attempts to gain unauthorised access to, or disrupt the operation of, the Group's information technology systems. The number of cyber-attacks has generally increased in recent years, with perpetrators targeting retailers, financial institutions and other companies that process online payments and/or otherwise are in possession of customer financial data (such as credit or debit card information). A cyber-attack on the Group's information technology systems, if successful and significant, could result in damage to its reputation and materially adversely affect the Group's business, results of operations, financial condition and prospects.

The Group faces the risk of theft, misappropriation or inappropriate utilization of its customer data

The regulatory environment governing the use of individually identifiable data of customers, employees and others is complex. Privacy and information security laws and requirements change frequently, and compliance with them may require the Group to incur costs to make necessary system changes and implement new administrative processes. If a data security breach occurs, the Group's reputation could be damaged and it could experience lost sales, fines or lawsuits.

The Group collects customer data conditional upon the customers' consent. The customer data could be either stolen or misappropriated at any stage of data processing such as receipt, transmission, use or storage of the data. In this case, customers may be unwilling to provide the Group with their data and direct marketing could be negatively affected as a result. Therefore, the theft or misappropriation of customer data could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group faces certain risks in relation to the online channel, online sales and its omnichannel offering

Online sales through the Group's online channel are becoming increasingly important in the Group's omnichannel strategy. In this respect, the Group faces certain risks in relation to its online channel and faces strong competition from other e-commerce providers.

The Group's online offering is subject to numerous risks, including:

- reliance on third parties for computer hardware/software (including website development, maintenance, hosting and payment processing), the need to keep up with rapid technological change and the implementation of new systems and platforms;
- the risk that the Group's websites may become unstable or unavailable due to necessary upgrades or the partial or complete failure of the Group's computer systems or the related IT support systems as a result of computer viruses, hacking attempts, telecommunication failures, security breaches and

break-ins and similar disruptions, or disruption of internet service, whether for technical reasons or as a result of state-sponsored censorship or other causes;

- customers finding the website or the mobile application difficult to use, being less willing to use the site than expected or not being confident that it is secure;
- reliability on and cost of search engine marketing;
- difficulty integrating the Group's online offering and its store network, which may result in complications for customers and technical difficulties to adjust the systems and networks to be compatible with the omni-channel platform;
- liability for online content;
- adverse publicity or negative reviews from dissatisfied customers spreading online or through social media platforms, which may deter other potential customers from using the online or mobile channels; and
- liability for online credit card fraud and problems adequately securing its payment systems.

The Group's failure to respond appropriately to these risks and uncertainties could reduce its online and instore sales results, as well as damage its reputation, especially since the online channel and omnichannel offering are an important part of its growth strategy, which could have a material adverse effect on the Group's business, financial condition and results of operations and prospects.

The Group may be required to adjust the current value of its properties

Due to the illiquid nature of property, the reports on the value of the Group's real estate portfolio (such as those prepared by Jones Lang Lassalle and by Savills Aguirre Newman) are based on standard valuation principles and represent the opinion of appraiser and thus are subject to uncertainty. The portfolio valuation is based on the valuer's opinion, which is subject to the relevant valuation method and various assumptions that could subsequently turn out to be incorrect or that may vary from time to time. In addition, the valuation of real estate may be based on a multitude of factors such as expected rental income, performance of the Group's business, the property's condition, historical vacancy level, real estate tax rates, operating expenses, potential claims for environmental liabilities and risks associated with certain construction material and is therefore subject to numerous uncertainties. Accordingly, the valuations may fluctuate from time to time and also may not accurately reflect the value of the property to which they relate. The valuations do not necessarily represent current or future sales prices that the Group would be able to realize on the sale of its properties or participations. In particular, during times of limited transaction in the real estate markets in general or in particular market segments thereof, market prices for properties may be especially difficult to assess.

Due to the risks described above, erroneous valuations of the Group's portfolio or a change in the factors underlying the valuation and/or the assumptions could have a material adverse effect on the Group's business, financial condition or results of operations.

The Group may not be able to keep pace with technological developments

To achieve the Group's strategic objectives and remain competitive, the Group must continue to develop and enhance its information technology systems. In this respect, continuous investment in technology is necessary and web services and apps require periodical upgrades. This requires the acquisition of equipment and software and the development of new proprietary software. The Group's implementation of its omnichannel strategy depends on the Group's ability to ensure that its websites and store network interact seamlessly with each other so that customers are able to have uninterrupted access to these different channels (by, for example, returning products bought online to a store). No assurance can be given that the Group will be able to continue to design, develop, implement or utilise, in a cost-effective

manner, information systems that provide the capabilities necessary for the Group to operate or compete effectively.

Continued enhancement and development of the Group's systems will require considerable expense, and while the Group plans to invest significantly in its information technology systems and capability in the medium term, it may not be able to make the necessary investments to maintain and upgrade its systems in a manner that will avoid interruptions or disruptions of such systems. Any such interruptions or disruptions may adversely affect the stability and proper-functioning of the Issuer's apps and websites and may affect the Group's results of operations as a result.

In addition, if the Group does not keep pace with developments on its competitors' apps and websites, the Group's customers may find the Issuer's apps and websites less appealing and so may be less willing to use the apps and websites than the Group expects. The Group intends to continue to upgrade its apps and websites to include new features, but such upgrades may not be successful and may not appeal to customers. The Group is reliant on its apps and websites being fit-for-purpose and providing customers with an experience that matches and, where possible, surpasses that of the Group competitors' apps and websites. Any failure to adapt to technological developments or any inability to maintain and upgrade the Group's information technology systems may have a negative impact on the Group's appeal to customers and may have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group is subject to several risks arising from its existing joint ventures

The Group is engaged in various joint ventures (such as Financiera El Corte Inglés, S.A., in which it has partnered with Santander Consumer Finance, Seguros El Corte Inglés, Vida Pensiones y Reaseguros, S.A., Centro de Seguros y Servicios, El Corte Inglés, Agencia de Seguros Vinculada, S.A., and Ahorro & Inversión El Corte Inglés, Agencia de Valores, S.A., in which it has partnered with Mutua Madrileña, or VECI Travel Group, S.L., in which it has partnered with Tool Factory, S.L., among others), collaborating with third-party partners to manage and operate specific business lines. These joint ventures offer potential benefits such as access to additional resources, expertise, and markets. However, they also expose the Group to several risks that could have a material adverse effect on its business, financial condition, results of operations and prospects.

In particular, joint ventures require cooperative decision-making with partners, which limits the Group's ability to exert unilateral control. This shared control can lead to conflicts or delays in decision-making. The success of the Group's joint ventures often hinges on the consistent contributions of its partners, who may encounter their own financial, operational, or strategic challenges, affecting their commitments to the joint venture. In addition, exiting from a joint venture can be complex and costly, especially if the termination terms are not clearly defined or if disputes arise between the partners. Such difficulties could disrupt ongoing operations and negatively impact the Group's business performance.

Fraud and other crimes could have an adverse effect on the Group's business

There is a risk of fraudulent behaviour by the Group's employees, customers or members of the public. In particular, there is the risk of theft of stock or cash from the Group's stores or during delivery or collection, as well as of online fraud. While the Group has not experienced significant levels of inventory shrinkage in the past, there can be no assurance that incidences of inventory loss or theft will not increase in the future or that the measures the Group is taking will effectively decrease inventory shrinkage. The Group is also subject to the risk of inventory loss and theft. If the Group were to experience higher rates of inventory shrinkage or incur increased security costs to combat inventory theft, its business, results of operations, financial condition and prospects could be adversely affected.

The Group is subject to risks related to its mergers and acquisitions activity

In connection with the mergers and acquisitions activity of the Group involving, among others, companies, shares, securities, interests or real estate assets that the Group may acquire, unknown

liabilities or hidden material defects may arise that were not apparent at the time of acquisition for which the Group would have no recourse, or only limited recourse, to the former owners of such assets. To the extent that the Group and other third parties performing due diligence on the relevant acquired assets underestimate or fail to identify risks and liabilities associated with such assets, the Group may be subject to one or more of the following risks:

- defects in title;
- environmental liabilities or structural or operational defects or liabilities requiring remediation and/or not covered by indemnities or insurance;
- lack or insufficiency of permits and licences (e.g., occupancy and activity licences from municipal authorities) or regulatory authorisations;
- an inability to obtain permits enabling the acquired company to perform its corporate purpose or the property to be used as intended;
- law reforms and governmental regulations (such as tax regimes or those governing usage, zoning); and
- liabilities incurred in the ordinary course of business.

As a result, if a liability were asserted against the Group based upon ownership of an acquired asset, the Group may be impacted by it, and this could adversely affect the Group's business, financial condition and results of operations.

The Group depends in part on key personnel that is important to its business and the departure of such personnel, or the failure to recruit and retain additional personnel or to attract and retain suitable employees generally, could adversely affect the business

The Group is dependent upon key senior management personnel who have extensive experience and knowledge of the industry in which the Group operates. Retention of senior management is important in the Group's business due to the limited availability of experienced and talented retail executives. If the Group were to lose the services of members of its senior management team and is unable to employ suitable replacements in a timely manner, its business, results of operations, financial condition and prospects could be materially adversely affected. The Group's ability to anticipate and effectively respond to changing customer preferences and tastes depends, in part, on its attracting and retaining key personnel in the different business areas of the Group. Competition for such personnel is intense, and the Group may not be able to attract and retain a sufficient number of qualified personnel in the future. The Group is also dependent on attracting and retaining qualified personnel to manage its stores and employees to staff such stores and on the external personnel from the external brands traded in the Group.

The inability to attract, integrate and/or retain highly skilled personnel, in particular those in key positions, may weaken the Group's succession plans, may materially adversely affect the implementation of its strategy and its ability to meet its strategic objectives and could have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

There may be a decrease in demand for the Group's products in the event of health concerns and pandemics

In recent years there have been outbreaks of a number of diseases that have had the potential to spread rapidly over very large geographic areas and/or other health-related concerns which have been, or have been perceived to be, associated with food products. For example, the COVID-19 pandemic, which started in 2020, and the measures put in place to fight it, had a significant impact on the Group's business, results of operations, financial condition. Any outbreak of disease and/or other widespread health-related food concerns could increase the Group's costs in sourcing alternative suppliers and/or have an adverse

impact on consumer preferences and spending. Additionally, due to the recent increase of the commercial tourism and the presence of Group's stores in the most relevant cities of Spain and Portugal, any potential reduction of commercial tourists in Spain and Portugal or travel restrictions may have an adverse impact on demand for the Group's products. A widespread outbreak of any disease or concerns in Spain or elsewhere could have an adverse effect on the Group's suppliers and customers, and on the economy in general, with a consequential adverse effect on the demand for products sold by the Group, its financial condition and future prospects.

1.2. Risks relating to the Retail division

The Group's traditional retail stores, supermarkets and hypermarkets face increasing competition from internet sales which may negatively affect sales through traditional channels

In recent years, retail sales of clothing, food, home improvement and other products over the internet have increased significantly where the Group operates. Certain internet retailers have significantly lower operating costs than traditional retailers due to the lack of expensive network of retail points-of-sale or a large sales force. As a result, such internet retailers may be able to offer their products at lower costs than the Group and in certain cases are able to bypass traditional retailers. The Group believes that, despite the affluence to the physical points-of-sale is solid, consumers are increasingly using the internet to purchase retail goods. If internet sales continue to grow and the Group omnichannel strategy is not satisfactorily deployed, Group's consumers reliance on the Group's traditional distribution channels such as the Group's department stores, home improvement stores, hypermarkets, supermarkets and other retail stores could be diminished, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's relationships with certain external brands are important to its business and the loss of a significant partner could have an adverse impact on its business

A wide variety of external brands currently sell products to the Group or operate concessions in the Group's stores in Spain and trade through its website. As relationship with external brands constitute an important part of the Group's business, the loss of a number of important partners, an increasing direct-to-costumer strategy of relevant partners involving disintermediation, an inability to attract new and desirable partners or any other disruption to the trading arrangements may have an adverse effect on the Group's results of operations. The same applies for possible difficulties the Group may encounter when renegotiating or extending trading contracts with partners or if existing trading contracts are terminated, resulting in new contracts with less favourable terms.

Additionally, detriment in reputation, market recognition and loyalty of external brands trade by the Group, which are outside the Group's control, could have a negative impact in terms of customers' confidence and be translated into a reduction of turnover in stores and Group' results.

The Group depends on a number of facilities for distribution of its products to its points of sale

The Group operates its logistic network through distribution centres, relying on three large distribution centres in Madrid, Barcelona and the Canary Islands for the vast majority of its supply chain interactions, be it receiving products from suppliers, or processing and packaging products while the stock is present in the distribution centre, or distributing products to its points of sale. The Group is also dependent on logistics suppliers, which provide logistics and transport services to the Issuer on a regular basis. Should any of the main distribution centres located in Madrid, Barcelona and the Canary Islands experience an interruption in operations, the Group may not be able to effectively distribute the products it sells, which may have a material adverse effect on its business, financial condition and results of operations.

The Group is subject to inventory risks

The Group must, at the same time, maintain sufficient inventory levels to operate its business successfully and also guard against accumulating excess inventory as it seeks to minimise out-of-stock levels across

all product categories and to maintain in-stock levels. As part of its business, the Group obtains a portion of its inventory from vendors that often require lengthy advance notice of its requirements in order to be able to supply products in the quantities it requests. This usually requires the Group to order merchandise, and enter into purchase order contracts for the purchase and manufacture of such merchandise, well in advance of the time these products will be offered for sale.

Any unpredictable reduction in demand, inaccurate forecast or any other unforeseen circumstances during these peak seasons might have a significant impact on the Group's inventory management. Constraints on inventory management systems or processes may cause excess inventory in one location and insufficient inventory in another. In response, the Group may be forced to markdown or discount stock, or incur additional logistics costs to move inventory from one store to another. Maintaining adequate inventory requires significant attention and monitoring of market trends, local markets, developments with suppliers and the distribution network. If the Group does not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, its inventory levels will not be appropriate and its business, financial condition and results of operations.

The location of the Group's stores or the stores themselves may become less attractive over time

The Group's stores are situated in high footfall locations in some of the largest shopping areas in Spain and Portugal. The Group considers these locations to be well-positioned for reasons including their accessibility to a large customer base or their iconic status. There is no guarantee that the Group's store locations will retain their attractiveness over time. Changing consumer habits, such as a move away from city or town centre shopping and towards online shopping, may mean that the Group's store locations become less attractive over time as a result of lower numbers of visiting customers. This may have a negative impact on the turnover experienced in stores and have an adverse impact on the Group's results of operations and financial performance as a result.

In addition, there is no guarantee that the Groups' stores themselves will retain their attractiveness over time. In this respect, continuous investment to keep the stores up to date and aligned with the latest trends and consumer habits is required. Continued enhancement and improvement of the Group's stores will require considerable expense, and while the Group plans to invest significantly in its stores, it may not be able to make the necessary investments to keep the stores attractive and appealing to consumers. If the Group is not able to maintain stores attractive to consumers, including following significant expenditures, this could have an adverse impact on the Group's results of operations and financial performance as a result.

The Group has, and depends on, a significant amount of leases

Although most of the Group's operating assets are owned by a member of the Group, it currently has, and depends on, a number of leases through which it develops part of its network (Supercor stores, travel agencies, offices, etc). If the Group is unable to renew its leases, its ability to lease a suitable replacement location on favourable terms is subject to many factors that are not within the Group's control, such as conditions in the local real estate market, competition for desirable properties and the Group's relationships with current and prospective landlords. If the Group's lease payments increase or the Group is unable to renew existing leases or lease suitable alternative locations, this could have material adverse effect on its business, financial condition and results of operations.

The Group is dependent on the reliability and availability of its supply chain, including, in particular, its top suppliers, and any disruptions or other problems with its supply chain may materially adversely affect its business

The Group's supply chain is integral to the private brand operating model of its Retail business. The business model depends on speed of product design and development, manufacture and delivery. The Group does not manufacture its own products directly, but instead sources them from various third-party overseas agents and manufacturers (collectively, **suppliers**), which source or produce the merchandise according to the Group's specifications. Customers expect the Group to offer products reflecting the latest

fashion and sustainability trends, which means that any disruption to the supply chain caused by failure of suppliers is likely to have a negative impact on the Group's competitive position and could have a material adverse effect on its business, results of operations, financial condition and prospects.

Due to the variety of products and services offered to customers, the Group has a wide range of suppliers, primarily in Spain. The Group may suffer disruption to its supply chain if its suppliers were to fail to meet their supply obligations for whatever reason, including unexpected closure or damage to a supplier's or their subcontractors' factories due to fire, employee strikes, work stoppages, financial difficulties, bankruptcy, political unrest or natural disaster, which, in turn, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is exposed to certain risks related to raw materials, food ingredients and other input costs across several jurisdictions incurred in manufacturing and distributing product

In making, distributing and marketing the products it sells in the Retail business, the Group consumes certain key raw materials. In addition, the Group and its suppliers use significant quantities of food ingredients and packaging materials. All of these products are subject to availability constraints and price volatility caused by factors such as the high demand for fabrics, fuel prices, weather, supply conditions, government regulations, crop yields, foreign exchange rate fluctuations, war, terrorism, labour unrest, global health concerns, the economic climate and other unpredictable factors. The price and availability of such products has fluctuated in the past and may fluctuate in the future. An increase in the price of certain raw materials, such as cotton, paper and plastic, may significantly impact costs and thereby reduce margins. If raw materials required for production are not immediately available in stock at suppliers, this may cause delays and longer lead times between ordering and taking delivery of the products. This in turn may lead to lower sales than could have been realised with products potentially arriving in store once the fashion trend has passed or the season has changed. Consequently, the Group may also experience lower margins if required to mark down prices to clear inventory of slow selling products. In addition, in the future, the Group may be affected by the imposition of national or international quotas regulating, for example, volumes of raw materials, especially on fish and seafood products. If a regulatory regime establishes such measures, the price of raw materials could increase, and the Group's results could be affected.

Product defects or failure to meet the Group's quality standards may cause supply shortages, expose the Group to claims for damages and/or administrative sanctions and damage the public perception of the Group's brand

As the Group does not directly manufacture its own products, it depends on third-party manufacturers to ensure that products comply with its specifications and quality standards. If a defect or quality issue is identified during quality controls conducted by the Group, it will not accept delivery of the relevant product. In such case, the Group may be unable to replace the rejected merchandise in a timely manner, which may result in supply shortages and foregone net turnover. In addition, there is a risk that quality control procedures may not detect defects or quality issues in the merchandise that the Group receives. If the Group sells defective or low-quality merchandise, it could lose customer loyalty, harm its brands or be exposed to increased product returns and claims for damages by customers. In addition, by offering products that are defective, for example due to the use of harmful substances, raw materials or chemicals, the Group could violate applicable health, safety or environmental regulations, and become subject to administrative sanctions, such as fines. In all such cases, the images of the Group's brands and the Group's business, results of operations, financial condition and prospects may be materially adversely affected.

The food distribution business sources fresh products from local producers and climate changes may affect their ability to produce, consequently affecting the Group's capacity to offer such products

Changes in weather conditions may negatively affect the capacity of certain regions to produce fresh products such as fresh fruits and vegetables and dairy products. The Group's hypermarket and supermarket businesses have a significant focus on perishable products. As the Group sources part of its fresh products

from local producers, such changes in climate could impair or limit the Group's ability to source such products, thus affecting its capacity to offer the full assortment of products that it normally carries.

The Group depends on public sector customers and projects

The Group, and the business to consumer related to public sector area, both in sale of goods and provision of services, depends on the continued availability of attractive levels of government incentives to attract private companies. Intensive competition between private companies and business conditions with the public sector could reduce the Group's presence in public sector-related transactions and adversely affect the Group's business, financial condition, and results of operations.

1.3. Risks relating to the Travel division

The Group's Travel business division could be adversely affected by the occurrence of events affecting travel safety, such as natural disasters and political and social instability

The travel industry is sensitive to safety concerns. The Group's Travel business division could be adversely affected by the occurrence of travel-related accidents, such as airplane crashes, incidents of actual or threatened terrorism, political instability or conflict or other events whereby travellers become concerned about safety issues, including as a result of unusual weather patterns or natural disasters (such as hurricanes, tsunamis or earthquakes), potential outbreaks of epidemics or pandemics or other human or natural disasters. The occurrence of such events could result in a decrease in customers' appetite to travel. Any such decrease in demand, depending on its scope and duration, together with any other issues affecting travel safety, could adversely impact on the Group's financial condition and results of operations.

The Group's Travel business division could be adversely affected by a decline in demand due to changes in consumer behaviour

In recent years, consumer behaviour has changed in a number of ways as a result of various factors. For example, the growth of the internet has increased price transparency and choice, leading both to a significant increase in the availability of travel products and services, and to a proliferation of online information and reviews about travel experiences and destinations. Availability and choice of airline routes has also expanded, as the rise of low-cost carriers has led to a significant increase in the online distribution of seats to a wide range of destinations at competitive prices.

These changes have made it easier for customers, both individuals and companies, to research and build their own travel experiences, leading to growth in the independent travel sector, the increase of online distribution as compared with traditional high street travel agents and increased sales of travel products directly to customers rather than via tour operators. In recent years, customers in some markets have tended to book holidays nearer the time of travel than has traditionally been the case, making it more difficult for the Group to engage in effective seasonal planning (such as capacity adjustments), and making it more vulnerable to short-term changes in customer demand and potential adverse impacts on product pricing. Also, new technologies have enabled alternative strategies consisting of virtual meetings, which could lead multinational companies to a decrease in physical meetings and, as a consequence, in traditional business travel industry.

In addition, consumers are increasingly being influenced by concerns over climate change and sustainability. Travelers are becoming more environmentally conscious, favouring destinations and travel options that demonstrate a commitment to sustainability. The growing awareness of climate change has led many consumers to reconsider the environmental impact of their travel choices. This includes a preference for lower-carbon transport options, accommodations with sustainable practices, and destinations that are perceived to be more environmentally responsible.

If the Group does not successfully adapt and develop in response to these and other market developments and changes in consumer preferences for leisure travel products, this may have a material adverse effect on the Group's Travel business division segment, operating results, financial condition and prospects.

1.4. Risks relating to the Other Business division

1.4.1. Risks related to the Financial Services division

The Group's consumer finance operations may expose it to increased credit and financial risk, which may adversely affect its financial condition and results of operations

The Issuer, together with Santander Consumer Finance, S.A. (**Santander CF**) as a business partner, owns Financiera El Corte Inglés, S.A. (**FECI**). For more information on FECI's operations, please see *Information on the Group – Financial Services*.

For the fiscal year ended 29 February 2024, approximately 40 per cent. of the Group's sales to retail customers were financed by FECI. As a result, the Group is exposed to credit and financial risk, which may adversely affect its financial position and operating results.

In assessing the creditworthiness of its customers, FECI relies heavily on credit information available from its own internal databases and other sources. Due to limitations in the availability of information, FECI's assessment of the credit risks associated with a particular customer may not be based on complete, accurate or reliable information. Furthermore, FECI cannot guarantee that its credit rating systems collect complete or accurate information that reflects the actual behaviour of customers or that their credit risk can be correctly assessed.

If the Group was unable to control the level of its non-performing or poor credit quality loans, this could adversely affect the Group's financial condition and results of operations since the assets do not generate income but drain resources related to the recovery process in addition to the explicit costs that might be materialised through the constitution of provisions and other impairments. In addition, a high non-performing loans ratio could entail significant credit risks and can lead to increased provisions for loan losses, which could diminish the Group's profitability and deplete its capital resources. Several factors, including economic downturns, high unemployment rates, and unfavourable changes in market conditions, could lead to a deterioration in the credit quality of the Group's borrowers and, consequently, an increase in our non-performing loan ratio.

In addition, its credit card income is affected by general economic conditions beyond the Group's control, including employment levels, consumer confidence, inflation and interest rates. A downturn in the economy may lead to a decrease in credit card income or an increase in payment delinquencies.

Changes in credit and debit card provider requirements or applicable regulations could adversely affect the Group's business

Since a substantial portion of the Group's sales is made to customers that pay for their purchases with credit or debit cards, rather than with cash, the Group is exposed to a variety of risks associated with credit and debit cards and merchant acquiring business. For credit and debit card payments, the Group pays interchange and other fees. These fees may increase over time and thus increase the Group's operating expenses and adversely affect the Group's business, results of operations, financial condition and prospects. The Group is also subject to payment card association operating rules certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for it to comply.

Any failure to comply with applicable requirements or regulations may subject the Group to fines and higher transaction fees, the loss of its ability to accept credit and debit card payments from customers or the cessation of payments from credit and debit card providers for purchases already made. Any of these

factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Risk relating to the Group's insurance business

The Group's insurance business is subject to numerous risks. The insurance industry's profitability can be affected significantly by, among others, competition, capital capacity, rising levels of actual costs that are not foreseen by companies at the time they price their products, volatile and unpredictable developments, including man-made, weather-related and other natural catastrophes or terrorist attacks, changes in loss reserves resulting from the general claims and legal environments as different types of claims arise and judicial interpretations relating to the scope of insurers' liability develop, and fluctuations in interest rates, inflationary pressures and other changes in the investment environment, which affect returns on invested assets and may affect the ultimate payout of losses.

The demand for insurance can also vary significantly, rising as the overall level of economic activity increases and falling as that activity decreases. The insurance industry historically is cyclical in nature. These fluctuations in demand and competition could produce underwriting results that would have a negative impact on the Group's consolidated results of operations and financial condition.

Some products offered by the Group's insurance business cover losses arising from natural or man-made catastrophic events, such as accidents, pandemics, hurricanes, windstorms, earthquakes, terrorism, riots, fires and explosions, which are very unpredictable by nature and outside the Group's control. The Group pays particular attention to losses due to such disasters by using selective underwriting practices, entering into reinsurance contracts and following up accumulation risks.

2. Finance Risks

Risks related to the Group's indebtedness

As of 29 February 2024, the Group's Reported Net Financial Debt was €2,059 million. The Group's debt service obligations under such indebtedness require the Group to devote a portion of its cash flows from operations (including dividends and other payments received from subsidiaries) to the payment of principal and interest on such indebtedness, which affects its financial results and overall financial position.

In addition, the Group's indebtedness is subject to additional risks, such as: (a) the Group's long-term ability to obtain additional or refinance financing could be limited due to the level of its indebtedness; (b) the Group's indebtedness places financial and other restrictions on the Group, which limit its ability to, among other things, incur additional indebtedness and encumber or dispose of assets; and furthermore a breach of such restrictions could result in an event of early maturity, which, if not cured or waived, could have a material adverse effect on the Group; and (c) the Group's indebtedness could place it at a competitive disadvantage compared to its less indebted competitors and reduce the Group's ability to adjust quickly to changing market conditions and thus be more vulnerable in the event of a subsequent downturn in the economy.

A breach under the Group's current material financial indebtedness could adversely affect the Group

On 18 March 2022, the Group entered into an amendment and restatement agreement relating to the Group's term and revolving facilities agreement originally dated 26 February 2020, as previously amended on 25 February 2021 and 1 June 2021 with a syndicate of banks in an aggregate maximum principal amount of €2.600 million to restructure all of the Group's corporate debt (the **Syndicated Financing Agreement**). The Syndicated Financing Agreement contains acceleration clauses and provides that a breach of the obligations contemplated thereunder may result in the acceleration of the maturity date and enforcement thereunder. Therefore, a default in the Group's obligations under the Syndicated Financing Agreement could cause payment to become immediately due, which, in turn, could adversely affect the ability of the Issuer's to pay any amounts due under the Notes.

Risks related to the contractual relationships with PrimeFin.

On 13 July 2015, PrimeFin, S.A. (**PrimeFin**) and the Issuer entered into a convertible loan agreement (the **Convertible Loan**), convertible into a 10 per cent. stake in the Issuer's share capital at the option of PrimeFin. The Convertible Loan was converted by PrimeFin into such 10 per cent. stake on 13 July 2018. On 21 June 2022, the Issuer announced that it had reached an agreement with PrimeFin, pursuant to which the Issuer repurchased from PrimeFin approximately half of its shareholding stake. Following such agreement, PrimeFin remains a shareholder of the Issuer with a 5.53 per cent. stake of the share capital.

Pursuant to the terms of the agreement between PrimeFin and the Issuer, PrimeFin was granted a put option pursuant to which, if by July 2025 a liquidity event in relation to PrimeFin's shareholding stake in the Issuer has not taken place (the **First Window**), PrimeFin would have the option to request the Issuer to acquire its full remaining stake in the Issuer's share capital (the **Put Option**) at an arms length market valuation. In accordance with the terms of the Put Option, if the Put Option is not exercised in the First Window, PrimeFin is granted the right to exercise it in three additional windows (July 2028, July 2031 and July 2034).

If the Put Option is exercised at any time, it will require a material cash outflow, which could in turn have a material adverse effect on the Group's liquidity position and as a result on its business, financial condition and results of operations.

As of the date of its most recent audited financial statements and based on prevailing accounting policies the Group has not reflected any provision in its financial statements with regards to the Put Option. Potential future changes in the accounting policies in relation to the Put Option could eventually have a material impact on the Group's financial statements.

Changes in applicable accounting standards, accounting treatment or accounting policies followed by the Group could have a material adverse impact on the Group's financial position

The Group prepares its consolidated financial statements in accordance with the IFRS as issued by the International Accounting Standards Board and endorsed by the European Union. Changes in these accounting standards and accompanying accounting pronouncements, implementation guidelines, interpretations as well as in the accounting policies followed by the Group could significantly impact the Group's reported results and financial position and may even retroactively affect previously reported financial statements.

The Group may be subject to increased finance expenses if it does not effectively manage its exposure to interest rate and foreign currency exchange rate risks

The Group is exposed to various types of market risk in the normal course of business, including the impact of interest rate changes and foreign currency exchange rate fluctuations. Some of the Group's indebtedness bears interest at variable rates, generally linked to market benchmarks such as EURIBOR. Any increase in interest rates would increase the Group's finance expenses relating to its variable rate indebtedness and increase the costs of refinancing the Group's existing indebtedness and issuing new debt.

Additionally, although most of the Group's contracts are denominated in or indexed to euro, part of its revenue and cost of sales will be denominated in currencies other than the euro. As a result, the Group could become subject to increasing currency exchange risk, whereby changes in exchange rates between the euro and the other currencies in which it does business could result in foreign exchange losses.

If the Group's exposure to changes in interest rates and foreign currency exchange rates were to increase and/or it has not adequately hedged its exposure (see "*The Group's hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of interest rate or currency fluctuations*" below), its business, financial condition and results of operations could be materially and adversely affected.

The Group's hedging and other derivative arrangements may not effectively or sufficiently offset the negative impact of interest rate or currency fluctuations

The Group may use a combination of hedging techniques and financial derivatives to protect against certain interest rate risks and exchange rate fluctuations. The Group uses hedging arrangements to protect the Group's business against interest rate fluctuations on its current indebtedness, and it may continue to make use of hedging and other derivative arrangements going forward. Although the Group may enter into and maintain certain hedging arrangements designed to fix a portion of the Group's floating interest rates or hedge against exchange rate fluctuations, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that the Group may need to pay a significant amount (including costs) to terminate any hedging arrangements. Such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from interest rate volatility or foreign currency variations. Gains or losses associated with hedging activities also may negatively impact operating results.

The Group is subject to liquidity risk that may affect its access to existing and new funding and may impact its cash flow

The Group is exposed to potential liquidity risks derived from the nature of its business which may involve, among others, seasonal cash flows peaks, commercial debts and customer advances, that may result in it being unable to meet payment obligations because it has insufficient cash at its disposal, which may also arise from matters outside its control such as the retail environment in general, the state of the economy, the level of drawn debt, a credit crisis or severe economic conditions. Moreover, there can be no assurance that the Group will be able to borrow from banks or in the capital markets to meet its payment obligations and/or to refinance its exposure and/or to maintain its relationship with existing and potential financial and trade creditors, including lenders and suppliers. Although the Group believes that its capital structure and credit facilities will provide sufficient liquidity going forward, the materialisation of any of the abovementioned events and the consequent inability to ensure sufficient liquidity, may have a material adverse effect on the financial condition and results of operations of the Issuer.

The Group's existing risk management system may not adequately protect it against credit, market, liquidity, operational and other risks

The Group's risk management capability is limited by the information, tools or technologies available to it. The Group may not be able to effectively monitor, assess and control credit risk due to limited information or tools. The Group may not be able to design and implement risk management measures or policies to effectively manage risks associated with new products or information or in a timely manner or at all. If the Group is unable to effectively improve its risk management and internal control policies, procedures and systems, or if it is unable to achieve the intended results of such policies, procedures or systems in a timely manner, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group's insurance coverage may not cover all losses

The Group has taken out various types of insurance policies to cover the risks associated with its activities, including operating liability, business interruption, property damage, insurance against criminal acts (including theft or other damage as a result of a crime), employee indemnity, product liability, life and personal accident insurance, which the Group believes are customary and appropriate for its business and operations. However, there may be circumstances where certain types of losses, damages and liabilities are not covered by the Group's insurance policies or where the amount of coverage is not sufficient to cover all losses.

3. Regulatory and compliance risks

The Group is subject to numerous statutes, laws and regulations that could affect its operations

The Group is subject to numerous statutes, laws and regulations, including health and safety, food handling and processing, environmental, land planning and real estate regulations, competition, corporate, labour, data protection, taxation or retail business regulations. Failure to comply with any such laws or regulations could have an adverse effect on its financial condition or results of operations.

In particular, the Group stores must be licensed by the relevant competent authorities to operate. Group operations could be affected by changes in applicable regulation that could require modifications to regulations governing areas such as store operating hours, the construction and establishment of new stores, price fixing and tax.

Also, the Group is subject to laws and regulations which apply to retailers generally and govern the import, promotion and sale of products and the operation of retail stores and warehouse facilities. If any of the Group's management, employees, partners, suppliers, buying agents or trading companies were to fail to comply with them, the Group could experience delays in shipments of the Group's goods, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for its products and damage the Group's business, results of operations, financial condition and prospects.

Furthermore, changes in consumer legislation or the interpretation of the legislation by the relevant authorities could materially affect the operating costs or sales of the business. The Group's failure to comply with the provisions of such laws, rules or regulations may give rise to civil or, in extreme cases, criminal liability (with consequences including public censure or financial penalties), result in the imposition of disciplinary sanctions by such governmental authorities, impair the enforceability of certain consumer agreements or give rise to the loss of a license, and more generally may impair the Group's reputation.

In addition, changes in employment-related laws and regulations could result in additional compliance and other costs for the Group's business. Further increases in statutory minimum wage will result in increases in the Group's personnel costs. Other changes in labour, healthcare and other employment-related laws could cause the Group to incur additional employment costs.

In addition, increasing governmental and social attention to environmental, social and governance matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, waste production, water usage, biodiversity, emerging technologies, human capital, supply chain, and risk oversight, could expand the nature, scope and complexity of matters that the Group is required to control, assess and report.

Even though the Group believes that it is in material compliance with each applicable regulation related to its operations, it can neither guarantee full compliance, the appropriate adaptation to changing regulations, nor the successful implementation of such regulations into its corporate policies. Failure to comply with any applicable regulations could lead to the imposition of fines, penalties, administrative sanctions or, in extreme cases, criminal liability. Legal requirements are also subject to frequent changes and differing interpretations, and the Group is unable to predict the ultimate cost of compliance with these requirements or their effect on the Group's operations. The Group may be required to make significant expenditures or modify the Group's business practices in order to comply with amendments to existing laws and regulations and with future laws and regulations, which may increase the Group's costs and limit the Group's ability to operate the Group's business. As a result, the Group's business, results of operations, financial condition and prospects could be materially adversely affected.

Unanticipated changes to the regulatory environment of the Group's consumer financial and insurance divisions, as well as increased interest in this sector by regulators, could have an adverse effect on the Group's operations

Laws and regulations issued by banking, financial and insurance authorities regulate the Group's consumer finance and insurance operations. Material or unexpected changes to the regulations of the Group's consumer finance and insurance business may lead to changes in the manner it manages the business or in the manner its consumers behave, or may otherwise adversely affect its operations. Additionally, there may be legal, regulatory or other enforcement trends which seek to provide greater protections to consumers, or increased scrutiny of the business practices of companies providing financial and insurance services to consumers.

The Group can give no assurance that any current or future changes in regulations or their implementation, or enforcement trends, will not have a material adverse effect on its business, financial condition and results of operations and on the Issuer's ability to pay any amounts due under the Notes.

The Group is exposed to risks related to taxation in Spain, Portugal and other jurisdictions

The Group is subject to many different forms of national, regional and local taxation, both direct and indirect, including, but not limited to, income tax, withholding tax, property tax, value added tax, sales tax and other payroll taxes in Spain, Portugal and other jurisdictions. In this respect, as a result of any future audit, additional taxes could be identified, which could lead to a substantial increase in the Group's tax obligations (including any accrued interest and penalties). In the event of an increase of the Group's tax burden, the Group's profit may be reduced or the Group may need to increase prices to the Group's customers which could reduce demand for the Group's products.

The Group may be unable to protect its trademarks and other intellectual property and may have its brand names harmed

The Group's ability to protect and preserve its intellectual property is important to its continued success and its competitive position due to their recognition by retailers and consumers. The Group relies on laws in Spain, Portugal and in the other markets where it operates, to protect its proprietary rights. However, the Group may not be able to sufficiently prevent third parties from using its intellectual property without its authorisation. The use of the Group's intellectual property or similar intellectual property by others could reduce or eliminate any competitive advantage it has developed, causing it to lose sales or otherwise harm the reputation of its brands.

In addition, the Group is subject to the risk of third-parties counterfeiting the Group's products or otherwise infringing the Group's intellectual property rights (such as the Group's trademarks and design rights). The Group may need to resort to litigation in the future to enforce the Group's intellectual property rights. Any litigation could result in substantial costs and a diversion of resources. The Group may not be successful, particularly in developing countries or in new markets which the Group choose to enter, in securing protection for the Group's intellectual property rights, combating the production and sale of counterfeit products and preventing and halting other infringements of the Group's intellectual property rights. Any failure to protect and enforce the Group's intellectual property rights could have a material adverse effect on the Group's business, results of operations, financial conditions and prospects.

The Group may be subject to litigation which may adversely affect its business

The Group is, and may in the future be, a party to civil, criminal, arbitration, administrative, regulatory and similar proceedings arising in the ordinary course of its business (see for example the case file for possible anti-competitive practices described in *Information of the Group – Litigation and Arbitration*). These proceedings may relate to, among other things, claims for defects in the Group's products, labour claims or tax claims. Such proceedings can be costly, time-consuming and require significant management attention. In addition, if resolved unfavourably for the Group, they could result in significant liabilities and interfere with the Group's business operations.

(II) RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. The Notes may also contain features allowing the Issuer to redeem the Notes at its option, if Conditions 7.3 (*Redemption at the option of the Issuer (Issuer Call)*), 7.6 (*Redemption at the option of the Issuer (Residual Maturity Call)*) and/or 7.7 (*Redemption at the option of the Issuer (Substantial Purchase Event)*) are specified to be "Applicable" in the applicable Final Terms.

Generally, an optional redemption feature of Notes (in the case of any particular Tranche of Notes where the applicable Final Terms specifies that the Notes are redeemable at the Issuer's option) may in certain circumstances be likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this may affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer which may result in a lower interest rate return for Noteholders. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of, and return on, any such Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to, or referencing such "benchmarks"

Reference rates and indices such as the euro interbank offered rate (**EURIBOR**) and other interest rate or other types of rates and indices which are deemed to be "benchmarks" (each a **Benchmark** and together, the **Benchmarks**), to which interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reforms. This has resulted in regulatory reforms and changes to existing Benchmarks. Some of these reforms are already effective whilst

others are still to be implemented. Such reform of Benchmarks includes the EU Benchmarks Regulation and Regulation (EU) 2016/1011 (as amended, including by Regulation (EU) 2021/168) as it forms part of the domestic law of the UK by virtue of the EUWA (the **UK Benchmarks Regulation**, and together with the EU Benchmarks Regulation, the **Benchmarks Regulations**). These reforms have resulted in the cessation and loss of representativeness of certain Benchmarks, including all London Interbank Offered Rate (**LIBOR**) currencies and tenors, and may cause in the future Benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing a Benchmark.

The Benchmarks Regulations apply, among other things, to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU and the UK as applicable. Among other things, they (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based or UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU or UK supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-EU or non-UK based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulations could have a material impact on any Notes linked to or referencing a Benchmark, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the Benchmarks Regulations or are eliminated. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant Benchmark.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have (without limitation) the following effects on certain Benchmarks (i) discouraging market participants from continuing to administer or contribute to the Benchmark; (ii) triggering changes in the rules or methodologies used in the Benchmark; and/or (iii) leading to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value or liquidity of, and/or return on, any Notes linked to or referencing a Benchmark, or otherwise dependent (in whole or in part) upon, a Benchmark.

The working group on euro risk free-rates for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including commercial paper) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the working group on euro risk-free rates published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the working group issued its final statement, announcing completion of its mandate.

In addition, EMMI as administrator of EURIBOR has launched a forward-looking term rate EFTERM as alternative to and as a new fallback rate for EURIBOR. It is therefore currently not foreseeable whether EURIBOR will continue to exist permanently and beyond 2025.

The EMMI, as administrator of the EURIBOR, has developed a hybrid methodology for the determination of EURIBOR that takes into account current transaction data, historical transaction data and modelled data based on expert opinions and has obtained regulatory authorisation under the EU Benchmarks Regulation for the EURIBOR so calculated. However, since reference rates relying on expert opinion and modelled data are widely regarded as potentially less representative than reference rates determined in a fully transaction-based

approach and because central banks, supervisory authorities, expert groups and relevant markets tend to prefer the use of risk-free overnight interest rates with a broad and active underlying market as reference rates, there is a risk that the use or provision of EURIBOR may come to an end in the medium or long term.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

Fallback arrangements in respect of Benchmarks may have a material adverse effect on the value and liquidity of and return on affected Notes.

Investors should be aware that in the case of Floating Rate Notes, the Conditions of the Notes provide for certain fallback arrangements in the event that a published Benchmark, including EURIBOR or other relevant reference rates ceases to exist or be published or another Benchmark Event (as defined in the Conditions of the Notes) occurs. These fallback arrangements include the possibility that the Rate of Interest could be determined by an Independent Adviser (acting in good faith and in a commercially reasonable manner), without any separate consent or approval of the Noteholders, by reference to a Successor Rate or an Alternative Rate, and that if a Successor Rate or an Alternative Rate (as the case may be) is so determined, an Adjustment Spread (as defined in the Terms and Conditions of the Notes) shall also be determined by the relevant Independent Adviser, together with the making of certain Benchmark Amendments to the Conditions of such Notes. An Adjustment Spread could be positive, negative or zero. Investors should note that the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread in the circumstances described in the conditions of the Notes, and in any event an Adjustment Spread may not be effective in of reducing or eliminating any economic prejudice or benefit to investors arising out of the replacement of the relevant Original Reference Rate (as defined in the Conditions of the Notes) with the Successor Rate or the Alternative Rate (as the case may be). The use of a Successor Rate or an Alternative Rate may result in interest payments that are lower than, or otherwise do not correlate over time with, the payments that could have been made on the Notes if the relevant Benchmark continued to be available in its current form.

In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period (as the case may be) may result in the Rate of Interest for the last preceding Interest Period or being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of, and return on, any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

Risks relating to the Spanish withholding tax regime

Under Law 10/2014, income payments in respect of the Notes will be made free and clear from withholding tax in Spain.

In particular, article 44 of Royal Decree 1065/2007 sets out the reporting obligations applicable to preference shares and debt instruments issued under Law 10/2014, which are described under "*Taxation – Disclosure of*

Information in connection with the Notes". The procedures apply to interest deriving from preferred securities (*participaciones preferentes*) and debt instruments to which Law 10/2014 refers, including debt instruments issued at a discount for a period equal to or less than twelve (12) months.

According to the literal wording of Article 44.5 of Royal Decree 1065/2007, income derived from the abovementioned securities originally registered with the entities that manage clearing systems located outside Spain, and are recognised by Spanish law or by the law of another OECD country (such as Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**)), will be paid free of Spanish withholding tax provided that the Issue and Paying Agent appointed by the Issuer submits a statement to the Issuer, the form of which is included in the Agency Agreement.

In accordance with such Article 44 of Royal Decree 1065/2007, the relevant Issue and Paying Agent should provide the Issuer with the statement on the business day immediately prior to each interest payment date. The statement must reflect the situation at the close of business of that same day. In the event that on such date, the entity(ies) obliged to provide the declaration fail to do so, the Issuer or the Issue and Paying Agent on its behalf will make a withholding at the general rate (currently 19 per cent.) on the total amount of the return on the relevant Notes otherwise payable to such entity.

The Issuer considers that, according to Royal Decree 1065/2007, any payments under the Notes will be made by the Issuer free of Spanish withholding tax, provided that the information procedures described above (which do not require identification of the Noteholders) are complied with by the Issuer and the Issue and Paying Agent.

In the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19 per cent.

Noteholders must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Notes. None of the Issuer, the Dealers, the Issue and Paying Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.

The procedure described in this Base Prospectus for the provision of information required by Spanish laws and regulations is a summary only and neither of the Issuer or the Dealers, assumes any responsibility therefor.

The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. None of the Issuer, the Dealers, the Issue and Paying Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

Risks relating to the Insolvency Law and other restructuring regimes

The restated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (*Texto refundido de la Ley Concursal*) (**Insolvency Law**) (which has been amended by Law 16/2022, of 5 September (*Ley 16/2022, de 5 de septiembre, de reforma del texto refundido de la Ley Concursal*) to implement the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council and other important changes to the insolvency proceedings in Spain) regulates pre-insolvency and court insolvency proceedings, as opposed to out-of-court liquidation, which is only available when the debtor has sufficient assets to meet its liabilities.

A debtor (and in the case of a company, its directors) is required to apply for insolvency proceedings when it is not able to meet its current obligations (*insolvencia actual*) within the term of two months as from the moment that it knows that it is insolvent or as from the moment it should have known it is insolvent. The debtor is also entitled to apply for such insolvency proceedings when it expects that it will shortly be unable to do so (*insolvencia inminente*). This obligation to file for insolvency is suspended in case that the debtor files with the Commercial Courts the communication foreseen under Article 585 of the Insolvency Law stating that it has initiated (or has the intention to immediately initiate) negotiations with its creditors to reach a restructuring plan (the **Opening of Negotiations Communication**). The suspension of the relevant duty shall apply while the Opening of Negotiations Communication is in place (i.e. 3 + (3 optional) + 1 months).

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated (among other reasons) if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency in the Spanish Official Gazette, (ii) provisions in a contract granting one party the right to suspend, modify or terminate by reason only of the other's insolvency declaration, the filing of the Opening of Negotiations Communication, or opening of the liquidation phase will not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (a) these shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) interests shall keep accruing after the declaration of insolvency up to the lower of (i) the secured amount; and (ii) the value effectively covered by the relevant security, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgment dated 20 February 2019). In the case of secured default interests, (a) those accrued prior to the insolvency declaration shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) they shall not accrue after the declaration of insolvency, in accordance with Article 152.2 of the Insolvency Law.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may, among others, be written down or stayed (for up to 10 years in case of composition proposals), converted into (among others) a different financial instrument, equity or convertible obligations of the refinanced or insolvent debtor as well as any other company, converted into participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor, deprived from security interests or corporate guarantees guaranteeing them (the latter pursuant to a restructuring plan) and even the applicable law to the relevant claims may be changed not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of a restructuring plan that has been judicially sanctioned (*homologado*) without insolvency proceedings having been previously opened (e.g., restructuring plans which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and (ii) unless some exceptions in relation to the kind of claims or creditor apply (which would not be the case for the Notes). Any payments of unsecured interest in respect of debt securities will be subject to the subordination provisions of Article 281.1.3° of the Insolvency Law.

The Insolvency Law contains great flexibility in terms of measures that can be imposed as a consequence of the judicial sanction of a restructuring plan. It allows, among others, (i) for the cross-class cram-down of creditors (i.e. a restructuring plan that has not been approved by all classes of creditors can eventually bind dissenting creditors provided that certain conditions are met); (ii) a cram-down for dissenting equity holders if certain conditions are met; or (iii) a discharge or amendment of security interests or corporate guarantees granted by third parties belonging to the same corporate group as the debtor (provided that certain particular conditions are met). Once a restructuring plan is judicially sanctioned, it may also allow, among others, to terminate certain contracts with reciprocal pending obligations in the interest of the restructuring with the possibility of the termination claim being also subject to the effects of the restructuring.

The majorities regime envisaged for the purposes of approving a composition agreement with creditors or a restructuring plan also depends on (i) under composition agreements, the type of any intensity of the specific measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) both under composition agreements and restructuring plans on the part of claims to be affected (i.e. secured

or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law). On top of that, it must be noted that when voting the approval of a restructuring plan, affected creditors are grouped in classes of creditors (i.e. creditors with the same ranking which are deemed to share a common interest in the context of an eventual restructuring).

In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during insolvency proceedings, and accordingly, they shall be always subject to the measures contained therein, if passed by the relevant majorities. For these purposes, ordinary and privileged claims acquired by those creditors considered specially related persons (*personas especialmente relacionadas*) with the insolvent debtor after the declaration of insolvency would not be taken into account when calculating the majorities required for the approval of a composition agreement.

On the other hand, all creditors (including subordinated creditors) that could be affected by a restructuring plan would be entitled to vote it, grouped in classes of creditors sharing a common interest towards the Restructuring and subject to the fact that cross-class cram-down is now available under the Insolvency Law provided that certain conditions are met in the context of the restructuring.

In the event of insolvency of the Issuer, under the Insolvency Law, claims relating to the Notes will be ordinary credits (*créditos ordinarios*) as defined by the Insolvency Law, unless they qualify as subordinated credits (*créditos subordinados*) in the limited circumstances set out in Article 281 of the Insolvency Law. Ordinary credits rank below credits against the insolvency state (*créditos contra la masa*) and privileged credits (*créditos privilegiados*).

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer or in case of approval of a restructuring plan.

Risks related to Notes generally

Holders of Notes held through Euroclear and Clearstream, Luxembourg will have to rely on the procedures of those clearing systems to effect transfers of Notes and receive payments in respect of Notes

Notes issued under the Programme will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depositary or a common safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or a common safekeeper, as applicable, for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg and its participants to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant (as defined below).

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Although applications have been made for the Notes issued under the Base Prospectus to be listed on the Official List and admitted to trading on the Euronext Dublin's regulated market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop or, if developed, it will continue. Accordingly, there can be no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, reduced, suspended or withdrawn by the rating agency at any time. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. Any issue of Notes under the Programme that exceeds a certain size could result in a downgrade to existing Notes under the Programme and the ratings assigned to any new Notes issued under the Programme could be lower than the ratings assigned to the Programme. Any such downgrade could have an adverse effect on the ability of the Issuer to raise further financing and may have an adverse effect on the market value and/or the liquidity of the Notes in the secondary market.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has

not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the English translation of the auditors' report, the audited consolidated financial statements as of and for the financial year ended 29 February 2024 of the Issuer and the Appendix 1 of the management report as set out on the following pages:

Consolidated Statement of Financial Position	Pages 12 and 13
Consolidated Income Statement	Page 14
Consolidated Statement of comprehensive income	Page 15
Consolidated Statement of Changes in Equity	Page 16
Consolidated Statement of Cash Flows	Page 17
Notes	Pages 19 to 133
Independent Auditor's Report	Pages 3 to 12
Appendix 1 of Management Report	Pages 151 to 156

Note: the page numbers in the above table refer to the page numbers of the corresponding pdf file.

The above-mentioned auditors' report, the audited consolidated financial statements as of and for the financial year ended 29 February 2024 of the Issuer and the Appendix 1 of the management report are available for viewing at:

<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2023/07/28/23-24-annual-accounts.pdf>

- (b) the English translation of the auditors' report and the audited consolidated financial statements as of and for the year ended 28 February 2023 of the Issuer as set out on the following pages:

Consolidated Statement of Financial Position	Pages 12 to 13
Consolidated Income Statement	Page 14
Consolidated Statement of comprehensive income	Page 15
Consolidated Statement of Changes in Equity	Page 16
Consolidated Statement of Cash Flows	Page 17
Notes	Pages 18 to 125
Independent Auditor's Report	Pages 4 to 11

Note: the page numbers in the above table refer to the page numbers of the corresponding pdf file.

The above-mentioned auditors' report and the audited consolidated financial statements as of and for the financial year ended 28 February 2023 of the Issuer are available for viewing at:

<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2023/07/24/cuentas-consolidadas-2023-en.pdf>

Each of the above-mentioned auditors' reports and the audited consolidated financial statements as of and for the financial years ended 29 February 2024 and 28 February 2023 of the Issuer have been translated from the original versions in Spanish, and such translations constitute direct and accurate translations of the Spanish language text.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CBI in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the website of Euronext Dublin (<https://live.euronext.com/>) and from the website of the Issuer (www.elcorteingles.es).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, with interest coupons attached. Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note**) and, together with a Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issue and Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Issue and Paying Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10 (*Events of Default*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available, or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Issue and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event described in (iii) above, the Issuer may also give notice to the Issue and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issue and Paying Agent.

The following legend will appear on all Permanent Bearer Global Notes and Definitive Bearer Notes which have an original maturity of more than one year and on all interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a Common Depositary or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a Common Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the Common Depositary of Euroclear and Clearstream, Luxembourg or in the name of a nominee of the Common Safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Notes in definitive form (**Definitive Registered Notes**).

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the NSS, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, the Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Issue and Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream,

Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 14 June 2024 and executed by the Issuer.

FORM OF FINAL TERMS¹

The form of the Final Terms will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, as set out below:

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, 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, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **EU 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.]²

[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 Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer ['s/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.]³

[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 domestic law of the UK 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 domestic law of the UK 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 of the UK by virtue of the EUWA (the **UK Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK 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.]⁴

[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

¹ Where listing is not on an EU regulated market or Notes are unlisted, references to the Prospectus Regulation in the Final Terms should be removed.

² Legend to be included on front of the Final Terms (i) if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

³ Legend to be included if the product governance requirements under MiFID II apply to the relevant Tranche in accordance with Directive (EU) 2021/338 (as implemented in the relevant Member States).

⁴ Legend to be included on front of the Final Terms (i) if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom (**UK**) by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/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.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(1) of the SFA), that the Notes [are] [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and are [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).]⁵

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

Final Terms dated [●]

EL CORTE INGLÉS, S.A.

Legal entity identifier (LEI): 95980020140005374753

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €2,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Base Prospectus dated 14 June 2024 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of Euronext Dublin at <https://www.euronext.com/en/markets/dublin>.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except

⁵ Legend to be included on front of the Final Terms if the Notes do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or federal securities laws. Accordingly, the Notes are being offered and sold outside the United States to persons other than U.S. persons pursuant to Regulation S under the Securities Act (**Regulation S**) (see "*Subscription and Sale*"). The Notes are subject to U.S. tax law requirements.

(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.)

- | | | |
|----|--|---|
| 1. | Issuer: | El Corte Inglés, S.A. |
| 2. | (a) Series Number: | [] |
| | (b) Tranche Number: | [] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with <i>[provide issue amount/ISIN/Maturity Date/issue date of earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about <i>[date]</i>][Not Applicable] |
| 3. | Specified Currency or Currencies: | [] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [] |
| | (b) Tranche: | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |
| 6. | (a) Specified Denominations: | [] |

(Note – where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:

"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No

Notes in definitive form will be issued with a denomination above €199,000.")

(b) Calculation Amount: []

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

7. (a) Issue Date: []

(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes)

8. Maturity Date: *[Fixed rate – specify date/Floating rate - Interest Payment Date falling in or nearest to [specify month and year]]*

9. Interest Basis: [[] per cent. Fixed Rate]
[[[] month [EURIBOR]] +/- []% Floating Rate]
(see paragraphs [14]/[15] below)

10. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount

11. Change of Interest Basis: *[(Specify the date when any fixed to floating rate change occurs or cross refer to paragraph 14 below and identify there)][Not Applicable]*

12. Put/Call Options: [Issuer Call]
[Investor Put]
[Change of Control Put]
[Residual Maturity Call]

[Substantial Purchase Event]

[(see paragraphs [17]/[18]/[19]/[20]/[21] below)]

13. [Date Board approval for issuance of Notes obtained:] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (Applicable to Notes in definitive form.)*
- (d) Fixed Coupon Amount for a short or long Interest Period (**Broken Amount(s)**): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (Applicable to Notes in definitive form.)*
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) [Determination Date(s)]: [[] in each year][Not Applicable]
- (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*

15. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in paragraph (b) below not subject to adjustment, as the Business Day Convention in paragraph (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issue and Paying Agent): [] (the **Calculation Agent**)
- (f) Screen Rate Determination:
- (i) Reference Rate: [] month [EURIBOR]
- (ii) Interest Determination Date(s): []
- (The second day on which the T2 System is open prior to the start of each Interest Period)*
- (iii) Relevant Screen Page: []
- (iv) Relevant Time: []
- (v) Relevant Financial Centre: []

- (g) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
 [Actual/365 (Fixed)]
 [Actual/365 (Sterling)]
 [Actual/360]
 [30/360][360/360][Bond Basis]
 [30E/360][Eurobond Basis]
 [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16. Notice periods for Condition 7.2 (Redemption and Purchase – Redemption for taxation reasons): Minimum period: [] days
 Maximum period: [] days
17. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [[] per Calculation Amount][Make-whole Amount]
- (c) Make-whole Amount: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Reference Bond: []/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(ii) Redemption Margin: []

(iii) Financial Adviser:

(iv) Quotation Time:

(v) Discount Rate: []/[Not Applicable]

(vi) Make-whole Exemption Period: [Not Applicable]/[From (and including) [●] to (but excluding) [●]/the Maturity Date]

(d) If redeemable in part:

(i) Minimum Redemption Amount: []

(ii) Maximum Redemption Amount: []

(e) Notice periods: Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issue and Paying Agent)

18. Investor Put: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): []

(b) Optional Redemption Amount: [] per Calculation Amount

(NB: The Optional Redemption Amount must be a specified amount per Calculation Amount)

(c) Notice periods: Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issue and Paying Agent)

19. Change of Control Put: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Change of Control Put Redemption Amount: [] per Calculation Amount

(b) Change of Control Put Redemption Date: [] days after the last day on which Noteholders are able to exercise the Change of Control Put, being [] days after the end of the Change of Control Period.

(Ensure that this date falls sufficiently after the date referred to in paragraph (c) below)

(c) Period for exercising Change of Control Put: Not later than the date falling [] days after the end of the Change of Control Period.

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and

custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issue and Paying Agent)

20. Residual Maturity Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Date fixed for redemption: No earlier than []/[three] months before the Maturity Date
21. Substantial Purchase Event: [Applicable/Not Applicable]
22. Final Redemption Amount: [] per Calculation Amount
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) Form: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
- [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation]

in accordance with article 4 of the Belgian Law of 14 December 2005]⁶

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 above includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

[Registered Notes:

[Global Note registered *initially* in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]

- | | | |
|-----|---|--|
| (b) | New Global Note: | [Yes][No] |
| 25. | Additional Financial Centre(s): | [Not Applicable/give details]

<i>(Note that this paragraph relates to the date of payment and not Interest Period end dates to which paragraph 15(c) above relates)</i> |
| 26. | Talons for future Coupons to be attached to Definitive Notes: | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |

THIRD PARTY INFORMATION

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

⁶ Include for Notes that are to be offered in Belgium.

Signed on behalf of **El Corte Inglés, S.A.:**

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the official list of Euronext Dublin/[].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the official list of Euronext Dublin/[].]
- (b) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin/[] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin/[] with effect from [].] [Not applicable]
- (c) Estimate of total expenses related to [] admission to trading:

2. RATINGS

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

[S&P Global Ratings Europe Limited (**S&P**): [●]

[Moody's Investor Services Limited (**Moody's**): [●]

[Fitch Ratings Limited (**Fitch**): [●]

[●]:[●]

[Each of] [S&P,] [Moody's] [and] [Fitch] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).] [[Each of] [●] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of

domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**).]

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

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

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (a) Reasons for the offer: [The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries] / [*if there is any particular identified use of proceeds, this can be stated here*]
- (b) Estimated net proceeds: []

5. YIELD (Fixed Rate Notes Only)

Indication of yield: [[]/Not Applicable]

6. OPERATIONAL INFORMATION

- (a) ISIN Code: []
- (b) Common Code: []
- (c) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]
- (d) Delivery: Delivery [against/free of] payment

- (e) Names and addresses of additional Paying Agent(s) (if any): []
- (f) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/*give names*]
- (c) Date of [Subscription] Agreement: []
- (d) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (e) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]

- (f) U.S. Selling Restrictions: Reg. S Compliance Category [2]; TEFRA D/TEFRA C/TEFRA not applicable to Notes with a maturity of one year or less
- (g) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)
- (h) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)
- (i) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to the applicable Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by El Corte Inglés, S.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 14 June 2024 and made between the Issuer, Deutsche Bank AG, London Branch as issue and paying agent and agent bank (the **Issue and Paying Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Issue and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents) and Deutsche Bank Luxembourg S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and Deutsche Bank AG, London Branch as transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Issue and Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms), the Registrar, the other Paying Agents and other Transfer Agents are together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest-bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are

expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 14 June 2024 and made by the Issuer. The original of the Deed of Covenant is held by Deutsche Bank AG, London Branch in its capacity as common depository and common safekeeper for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of Euronext Dublin, the applicable Final Terms will be published on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note or a Floating Rate Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal

amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraphs 2.3 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS OF THE NOTES

The payment obligations of the Issuer in respect of the Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated claims (*créditos subordinados*) in accordance with the Spanish Insolvency Law approved by Royal Legislative 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, including, without limitation, by virtue of Law 16/2022, of 5 September, the **Spanish Insolvency Law**) or any equivalent legal provision which replaces it in the future) and, subject to any legal and statutory exceptions, will rank *pari passu* without any preference among themselves and with all other outstanding, unconditional, unsecured and unsubordinated obligations of the Issuer, present and future and will be ordinary claims (*créditos ordinarios*) as defined in the Spanish Insolvency Law.

Accrued and unpaid interest due in respect of the Notes issued by the Issuer at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated claims (créditos subordinados) ranking in accordance with provisions 281.1.3° of the Spanish Insolvency Law.

4. NEGATIVE PLEDGE

- (a) So long as any of the Notes or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer shall not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee of or, indemnity in respect of, any Relevant Indebtedness, without:
- (i) at the same time or prior thereto securing the obligations of the Issuer under the Notes and the Coupons equally and rateably therewith; or
 - (ii) providing such other security, guarantee, indemnity or other arrangement for the obligations of the Issuer under the Notes and the Coupons as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.
- (b) In these Conditions:

Holding Company means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

Material Subsidiary means any subsidiary of the Issuer, the total assets or revenues of which (consolidated where that subsidiary itself has subsidiaries) accounts for more than 10 per cent. of the consolidated total assets or consolidated total revenues of the Group.

Permitted Security Interest means any Security Interest created in respect of Relevant Indebtedness of a company or a corporation which has merged with the Issuer or one of the Issuer's Subsidiaries or which has been acquired by the Issuer or one of the Issuer's Subsidiaries, provided that such Security Interest was already in existence at the time of the merger or acquisition, was not created for the purpose of financing the merger or acquisition and secures Relevant Indebtedness which is not increased in amount or extended in maturity following the merger or acquisition.

Relevant Indebtedness means Financial Indebtedness (as defined in Condition 10.2 (*Definitions*)) in the form of notes, bonds, debentures, debenture stock, loan stock or other securities which are, or (with the consent of the issuer thereof) are for the time being capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

Security Interest means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Subsidiary means, in relation to any Holding Company, a company, corporation or other legal entity:

- (i) which is controlled, directly or indirectly, by the Holding Company;
- (ii) more than half the issued share capital of which is owned, directly or indirectly, by the Holding Company; or
- (iii) which is a Subsidiary of another Subsidiary of the Holding Company,

and, for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to determine the composition of the majority of its board of directors or equivalent body.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are partly paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount as set out in the applicable Final Terms,

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(c) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2 (*Interest on Floating Rate Notes*) – (a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of paragraph (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of paragraph (ii) above shall apply mutatis mutandis or (b) in the case of paragraph (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- I. a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any additional business centre (**Additional Business Centre**) (other than T2) specified in the applicable Final Terms;
- II. if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and
- III. either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which T2 is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(c) **Screen Rate Determination for Floating Rate Notes**

The Rate of Interest for each Interest Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Rate is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as the time specified in the preceding paragraph.

(d) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) **Determination of the Rate of Interest and calculation of Interest Amounts**

The Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will at or as soon as practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are partly paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided

above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

(f) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means the period of time designated in the Reference Rate.

(g) **Notification of Rate of Interest and Interest Amounts**

The Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issue and Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Issue and Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Benchmark Discontinuation

If the Issuer (acting reasonably) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser (acting in good faith and in a commercially reasonable manner) determining, no later than five Business Days prior to the relevant Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with paragraph (a) below) and, in either case, an Adjustment Spread if any (in accordance with paragraph (b) below) and any Benchmark Amendments (in accordance with paragraph (c) below).

(a) **Successor Rate or Alternative Rate**

If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in paragraph (b) below) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5.3); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in paragraph (b) below) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5.3).

If the Issuer (i) is unable to appoint an Independent Adviser or (ii) the Independent Adviser, acting in good faith and in a commercially reasonable manner, fails to determine a Successor Rate or an Alternative Rate, in accordance with this paragraph (a), the fallback provisions set out in Condition 5.2 (*Interest on Floating Rate Notes*) and the applicable Final Terms, as the case may be, shall continue to apply. For the avoidance of doubt, this paragraph (a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this paragraph (a)

(b) Adjustment spread

If a Successor Rate or Alternative Rate is determined in accordance with paragraph (a) above, the Independent Adviser, acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a specified quantum, or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(c) Benchmark Amendments

If any Successor Rate, Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.3 and the Independent Adviser determines, acting in good faith and in a commercially reasonable manner: (i) that amendments to these Conditions and/or the Agency Agreement are necessary to follow market practice or to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (d) below, without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this paragraph (c), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(d) Notice

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.3 will be notified promptly by the Issuer to the Calculation Agent and the Paying Agents and, in accordance with Condition 14 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than the date on which the Issuer notifies the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the Paying Agents a certificate signed by two authorised signatories of the Issuer:

- (i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) the Adjustment Spread and (D) the specific terms of the Benchmark Events (if any), in each case as determined in accordance with the provisions of this Condition 5.3;
- (ii) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread; and
- (iii) certifying that (A) the Issuer has duly consulted with an Independent Adviser with respect to each of the matters above or, if that is not the case, (B) explaining, in reasonable detail, why the Issuer has not done so.

The Issuer and Paying Agent shall display such certificate at its offices, for inspection by the Noteholders, at all reasonable times during normal business hours.

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

ability to rely on such certificate as aforesaid) be binding on the Issuer, the Issue and Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 5.3, if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5.3, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(e) Survival of Original Reference Rate Provisions

Without prejudice to the obligations of the Issuer under paragraphs (a) to (d) above, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 (*Interest on Floating Rate Notes*) and the applicable Final Terms, as the case may be, will continue to apply unless and until the Issue and Paying Agent or, if so specified in the applicable Final Terms, the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 5.3.

(f) Definitions

In these Conditions:

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

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (b) the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being the industry standard for over-the counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (c) if the Independent Adviser determines that neither paragraph (a) nor (b) above applies, the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders or Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

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

Benchmark Amendments has the meaning given to it in paragraph (c) above.

Benchmark Event means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the specified date referred to in subparagraph (i) above; or
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in subparagraph (i) above; or
- (e) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in subparagraph (i) above; or
- (f) where it has or will prior to the next Interest Determination Date become unlawful for any Paying Agent, Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or
- (g) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative.

Independent Adviser means an independent financial institution of recognised standing or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense).

Original Reference Rate means:

- (a) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes; or
 - (b) any Successor Rate or Alternative Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of this Condition 5.3,
- as applicable.

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

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

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

5.4 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issue and Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee; and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 5.1 (*Interest on Fixed Rate Notes*) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) each Additional Financial Centre specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and
- (c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which T2 is open.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

Subject to Condition 7.8 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Issue and Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable) if:

- (a) (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (ii) such obligations as described under subparagraph (i) above cannot be avoided by the Issuer taking reasonable measures available to it; or
- (b) the Spanish tax authorities determine on or after the date of issue of the first Tranche of the Notes that interest payments by the Issuer are subject to Spanish withholding tax,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall (i) deliver to the Issue and Paying Agent a certificate signed by one director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) use its best efforts to deliver to the Issue and Paying Agent an opinion of independent legal advisers of recognised standing addressed to the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. In the case of a partial redemption of Notes, such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

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

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (A) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (B) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

For the purpose of this Condition:

Discount Rate will be as set out in the applicable Final Terms.

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

Financial Adviser means the entity so specified in the applicable Final Terms or, if not so specified or such entity is unable or unwilling to act, any financial adviser appointed by the Issuer that agrees to perform such role.

Make-whole Exemption Period will be as set out in the applicable Final Terms.

Redemption Margin will be as set out in the applicable Final Terms.

Reference Bond shall the bond so specified in the applicable Final Terms or, if not so specified or if no longer available, the FA Selected Bond.

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

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

Reference Date will be set out in the relevant notice of redemption, such date to fall no earlier than the date falling 30 days prior to the date of such notice.

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

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

Remaining Term Interest means with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the date on which such Note is to be redeemed by the Issuer in accordance with this Condition 7.3 to, but excluding, the Maturity Date (or, if Residual Maturity Call is specified in the applicable Final Terms, the first date on which the Issuer would be entitled to redeem the Notes under Condition 7.6 (*Redemption at the option of the Issuer (Residual Maturity Call)*)).

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 7.4 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note

must, within the notice period, give notice to the Issue and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Issue and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events of Default*).

7.5 Redemption at the option of the Noteholders (Change of Control Put)

If Change of Control Put is specified as being applicable in the applicable Final Terms, if a Change of Control Event occurs, then, unless the Issuer shall have previously given notice under Condition 7.2 (*Redemption for tax reasons*) or Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) or, in respect of the occurrence of a previous Change of Control Event, in accordance with this Condition 7.5 (*Redemption at the option of the Noteholders (Change of Control Put)*), upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not later than the date specified in the applicable Final Terms after the end of the Change of Control Period, the Issuer will, upon the expiry of such notice, redeem such Note on the Change of Control Put Redemption Date specified in the applicable Final Terms and at the Change of Control Put Redemption Amount specified in the applicable Final Terms, together, if appropriate, with interest accrued to (but excluding) the Change of Control Put Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed Put Notice and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Issue and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Noteholder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Issue and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a **Change of Control Event Notice**) to Noteholders in accordance with Condition 14 (*Notices*) specifying the procedure and other pertinent information for exercising the Change of Control Put.

For the purpose of this Condition:

acting in concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly obtain or constitute control of the Issuer.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

A **Change of Control** shall be deemed to have occurred if any Relevant Person(s) acquire(s) control, directly or indirectly, of the Issuer.

A **Change of Control Event** shall be deemed to occur if (a) a Change of Control occurs and (b) either (i) where, at the beginning of the Change of Control Period, a rating is assigned to the Issuer by at least one Rating Agency solicited by or with the consent of the Issuer, a Rating Downgrade occurs, or (ii) where subparagraph(b)(i) does not apply, a Negative Rating Event occurs.

Change of Control Period means the period commencing on the date that is the earlier of:

- (a) the date of occurrence of the relevant Change of Control; and
- (b) the date of the earliest Potential Change of Control Announcement (if any),

and ending on the date which is 90 days after the date of the occurrence of the relevant Change of Control (or if, in the case of paragraph (b) above, a subsequent public announcement or public statement is made confirming that the potential Change of Control referred to in the Potential Change of Control Announcement will not occur, the date of such subsequent public announcement or public statement is made).

control means:

- (a) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or
- (b) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

Fitch Ratings means Fitch Ratings Limited. **Investment Grade Rating** means (a) with respect to S&P, any of the categories from and including AA to and including BBB- (or equivalent successor categories); (b) with respect to Moody's, any of the categories from and including Aaa to and including Baa3 (or equivalent successor categories); and (c) with respect to Fitch Ratings, any of the categories from and including AAA to and including BBB- (or equivalent successor categories).

Moody's means Moody's Investors Service Limited.

A **Negative Rating Event** shall be deemed to have occurred in respect of a Change of Control if (a) the Issuer does not on or before the date which is 90 days after the start of the Change of Control Period seek, and thereafter use all reasonable endeavours to be assigned a rating of its long-term senior unsecured debt by one or more Rating Agencies or (b) if it does so seek and use such endeavours, it has, at the expiry of the Change of Control Period, either not been assigned such a rating or been assigned such a rating and that rating is not an Investment Grade Rating.

Potential Change of Control Announcement means any public announcement or public statement by the Issuer, any actual or potential bidder or any adviser thereto relating to any potential Change of Control.

Rating Agency means any of (a) Fitch Ratings, (b) Moody's, (c) S&P, and (d) any other rating agency of similar international standing and (in each case) their respective affiliates and successors and Rating Agencies shall be construed accordingly.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if (a) within the Change of Control Period the rating so assigned by any Rating Agency is: (i) withdrawn; (ii) ceases to be an Investment Grade Rating; or (iii) if the rating so assigned by any Rating Agency is, at the time the Change of Control Period begins, below an Investment Grade Rating, lowered one full rating notch by such Rating Agency (for example BB+ to BB by S&P) and (b) such rating is not within the Change of Control Period subsequently reinstated (in the case of a withdrawal) or upgraded (in the case of a downgrade) either to an Investment Grade Rating (in the case of (a)(i) and (ii)) or to its earlier credit rating or better (in the case of (a)(iii)) by such Rating Agency, and, in the case of either paragraph (a) or (b) (above), each Rating Agency withdrawing a rating or making the reduction in rating announces or publicly confirms or, having been so

requested by the Issuer, informs the Issuer in writing that the withdrawal or lowering of the rating or the failure to assign an Investment Grade Rating was the result of the applicable Change of Control. If at the time that the relevant Change of Control Period begins any rating assigned to the Issuer by a Rating Agency is an Investment Grade Rating, sub-paragraph (a)(iii) above will not apply.

Relevant Person means any person or group of persons acting in concert or any person or persons acting on behalf of such person or group of persons other than, in each case, any of (a) Fundación Ramón Areces, (b) Cartera de Valores IASA, S.A., (c) any of the shareholders of Cartera de Valores IASA, S.A. as at 14 June 2024, and (d) any persons directly or indirectly controlled by any of them, whether acting individually or as a group.

S&P means S&P Global Ratings Europe Limited.

7.6 Redemption at the option of the Issuer (Residual Maturity Call)

If Residual Maturity Call is specified in the applicable Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 60 days' notice to the Paying Agents and, in accordance with Condition 14 (*Notices*) the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption), redeem all (but not only some) of the outstanding Notes comprising the relevant Series at their Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*) below together with interest accrued to, but excluding, the date fixed for redemption, which shall be no earlier than three months before the Maturity Date of the Notes, or such other time period as may be specified in the applicable Final Terms.

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 7.6.

7.7 Redemption at the option of the Issuer (Substantial Purchase Event)

If a Substantial Purchase Event is specified in the applicable Final Terms as being applicable and a Substantial Purchase Event has occurred and is continuing, then the Issuer may, subject to having given not less than 15 nor more than 60 days' notice to the Paying Agents and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time, in each case at their Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*) below, together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption.

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 7.7.

A **Substantial Purchase Event** shall be deemed to have occurred if at least 75 per cent. of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased by, or on behalf of, the Issuer or any Subsidiary of the Issuer in accordance with Condition 7.9 (*Purchases*) (and in each case is cancelled in accordance with Condition 7.10 (*Cancellation*)).

7.8 Early Redemption Amounts

For the purpose of Condition 7.2 (*Redemption for tax reasons*) above, Condition 7.5 (*Redemption at the option of the Noteholders (Change of Control Put)*), Condition 7.6 (*Redemption at the option of the Issuer (Residual Maturity Call)*), Condition 7.7 (*Redemption at the option of the Issuer (Substantial Purchase Event)*) and Condition 10.1 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof; or

- (b) in the case of a Note with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount.

7.9 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation. All Notes so purchased will be surrendered to a Paying Agent or the Registrar for cancellation.

7.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Issue and Paying Agent and cannot be reissued or resold.

8. TAXATION

All payments in respect of the Notes (and their respective Coupons) by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect of interest and, if so specified in the applicable Final Terms, principal (and premium, if any), as shall be necessary in order that the net amounts received by the holders of the Notes, or their respective Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or their Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Notes or their Coupons:

- (a) presented for payment in Spain; or
- (b) to, or to a third party on behalf of, a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (*Payment Day*)); or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Notes or Coupon to another Paying Agent in a Member State of the European Union; or
- (e) to, or to a third party on behalf of, a Spanish-resident legal entity subject to Spanish Corporation Income Tax if the Spanish Tax Authorities determine that the Notes do not comply with applicable exemption requirements including those specified in the Reply to a Non-Binding Consultation of the Directorate General for Taxation (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made; or
- (f) to, or to a third party on behalf of, a holder who does not provide such information concerning its identity and tax residence as may be required in order to comply with the procedures that may be implemented to comply with the interpretation of Royal Decree 1065/2007 eventually made by the Spanish Tax Authorities.

As used herein:

- (i) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Issue and Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders; and
- (ii) **Tax Jurisdiction** means the Kingdom of Spain or any political subdivision or any authority thereof or any authority thereof or therein having power to tax.

9. PRESCRIPTION

The Notes (whether in bearer or registered form), and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*).

10. EVENTS OF DEFAULT

10.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) *Non-payment*: if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) *Breach of other obligations*: if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) *Cross-default of the Issuer or Material Subsidiaries*:
 - (i) any Financial Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or, as the case may be, within any originally applicable grace period;
 - (ii) any Financial Indebtedness of the Issuer or any of its Material Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of non-payment or an event of default (however described); and/or
 - (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under a guarantee for, or indemnity in respect of, any Financial Indebtedness,

provided that no Event of Default shall occur under this provision if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within sub-paragraphs (i) to (iii) above is less than €50,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Insolvency etc.*: (i) the Issuer or any of its Material Subsidiaries becomes insolvent, is adjudicated bankrupt (or applies for an order of bankruptcy) or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or any of the whole

or part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made) in connection with insolvency proceedings and, other than where such appointment was initiated, approved or consented by the Issuer and/or any Material Subsidiary, such appointment is not discharged or stayed within 30 days, (iii) the Issuer or any of its Material Subsidiaries takes any action for a general readjustment or deferment of its obligations or makes a general assignment or arrangement or composition with or for the benefit of its creditors generally or declares a moratorium in respect of its indebtedness and, other than where such action was approved or consented to by the Issuer and/or any Material Subsidiary, such action is not discharged or stayed within 30 days, or (iv) any other proceeding is commenced in respect of the Issuer or any of its Material Subsidiaries which requires the application of priorities pursuant to (or equivalent to) any applicable Spanish laws and,

other than where such proceeding was approved or consented to by the Issuer and/or any Material Subsidiary, such proceeding is not discharged or stayed within 30 days,

- (e) *Winding up etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent);
- (f) *Unsatisfied judgment*: if one or more judgment(s) or order(s) (in each case being a judgment or order from which no further appeal or judicial review is permissible under applicable law) for the payment of any amount is rendered against the Issuer or any of its Material Subsidiaries (if any) for any amount in excess of €50,000,000 (or its equivalent in any other currency or currencies) and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (g) *Unlawfulness*: if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under or in respect of the Notes; or
- (h) *Authorisation and Consents*: if any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its respective rights and perform and comply with its respective obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable, and (iii) to make the Notes and the Coupons admissible in evidence in the courts of England and the Kingdom of Spain, is not taken, fulfilled or done; or
- (i) *Enforcement Proceedings*: any distress, attachment, execution or other legal process which is material in the context of the issue and offering of the Notes is levied, enforced or sued on or against any part of the property, assets or revenues of the Issuer or any of the Issuer's Material Subsidiaries and is not discharged or stayed within 90 days; or
- (j) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, over the whole of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries or, if over less than the whole of the undertaking, assets and revenues, then provided that such undertaking, assets and revenues is material in the context of the issue and offering of the Notes; or
- (k) *Cessation of business*: if the Issuer or any of its Material Subsidiaries ceases to carry on the whole or substantially the whole of its business, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) while solvent or (ii) on terms approved by an Extraordinary Resolution of the Noteholders; or
- (l) *Nationalisation*: if all or a material part of the assets owned by the Group is nationalised or compulsorily acquired,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Issue and Paying Agent, effective upon the date of receipt thereof by the Issue and Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

10.2 Definitions

For the purposes of the Conditions:

Financial Indebtedness means (without double counting) any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of finance leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (e) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing,

but in each case excluding:

- (i) any such amounts constituting obligations owed by a member of the Group to any other member of the Group; and
- (ii) any such amounts constituting indebtedness that is, or is expressed on its terms to be subordinated to, and ranks in order of priority below, (x) the obligations of the Issuer under the Notes and/or (y) any other Financial Indebtedness that ranks equally and rateably with the Notes.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issue and Paying Agent (in the case of Bearer Notes, Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Issue and Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.4 (*Payments in respect of Registered Notes*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, the Issuer shall ensure that such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there will, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to

have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issue and Paying Agent (in the case of Bearer Notes) and the Registrar (in the case of Registered Notes). While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Issue and Paying Agent and the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issue and Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes or the Coupons or amending the Deed of Covenant in certain respects), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Issue and Paying Agent) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Issue and Paying Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and construed in accordance with, English law (except for Condition 3 (*Status of the Notes*) which shall be construed in accordance with Spanish law).

18.2 Submission to jurisdiction

- (a) Subject to paragraph (c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**).
- (b) For the purposes of this Condition 18.2, the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (c) Paragraph (a) above is for the benefit of Noteholders and Couponholders only. As a result, nothing in this Condition 18.2 prevents any Noteholder or Couponholder from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, Noteholders and Couponholders may take concurrent Proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints TMF Global Services (UK) Limited at 13th Floor, One Angel Court, EC2R 7HJ London, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of TMF Global Services (UK) Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.4 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries, and any particular identified use of proceeds as may be specified in the applicable Final Terms.

INFORMATION ON THE ISSUER

Incorporation and Status

The corporate name of the Issuer is El Corte Inglés, S.A. and its commercial name is El Corte Inglés (ECI).

The Issuer is a Spanish company which operates under the Spanish Companies Act (*Ley de Sociedades de Capital*) and which was first incorporated under the laws of Spain on 28 June 1940 as a limited liability company with the form of a *sociedad de responsabilidad limitada*, El Corte Inglés, S.L., and was later transformed into a public limited company with the form of a *sociedad anónima*, El Corte Inglés, S.A., in 1952. Its registered office is located at calle Hermosilla nº 112, 28009 Madrid, Spain and is registered with the Madrid Commercial Registry at volume (*tomo*) 519, sheet (*folio*) 1, page (*hoja*) M-9880. The Spanish Tax Identification Number (N.I.F.) of the Issuer is A28017895.

The Legal Entity Identification number (LEI) of the Issuer is 95980020140005374753.

Share Capital and Principal Shareholders

As at the date of this Base Prospectus, the authorised share capital of the Issuer is €454,600,944, divided into 75,766,824 ordinary shares, each with a par value of €6.00.

As at the date of this Base Prospectus, 6.8 per cent. of the Issuer's share capital is Treasury Shares and 89.5 per cent. is held by the following main shareholders: Fundación Ramón Areces (40.0 per cent.), Cartera de Valores IASA, S.A. (18.4 per cent.), Corporación Ceslar (9.6 per cent.), Cartera Mancor, S.L. (8.0 per cent.), Grupo Mutua Madrileña (8.0 per cent.) and PrimeFin, S.A. (**PrimeFin**) (5.53 per cent.).

History

For information on the history of the Group, please refer to the section entitled "*Information on the Group – History*" in this Base Prospectus.

Principal activities

For a description of the principal activities of the Group, please refer to the section titled "*Information on the Group – Overview of the Group's Business*" in this Base Prospectus.

Management

Board of Directors

The following table sets forth the name, title and principal activities outside the Group of each member of the Board of Directors of the Issuer as at the date of this Base Prospectus.

Name	Title	Principal activities outside the Group
Mrs. Marta Álvarez Guil	Chairwoman	Not Applicable
Mrs. Cristina Álvarez Guil	Director	Not Applicable
Mrs. Carlota Areces Galán (representing Corporación Ceslar, S.L.)	Director	Not Applicable

Name	Title	Principal activities outside the Group
Mrs. Paloma García Peña (representing Cartera Mancor, S.L.)	Director	Not Applicable
Mr. Ignacio Garralda Ruiz de Velasco (representing Grupo Mutua Madrileña)	Director	Chairman of Grupo Mutua Madrileña and Director of Endesa, S.A.
Mr. Manuel Pizarro Moreno	Director	Director of Sanitas, S.A. and Director of Henneo Media, S.A.
Mr. Fernando Becker Zuazúa	Director	Not Applicable
Mr. José Ramón de Hoces Íñiguez	Secretary & Executive Director	Not Applicable
Mr. Javier Rodríguez-Arias Ambrosini	Executive Director	Not Applicable

The business address of each of the members of the Board of Directors as at the date of this Base Prospectus is calle Hermosilla nº 112, 28009 Madrid, Spain.

Conflicts of Interest

There are no potential conflicts of interest between any duties owed by the directors of the Issuer to the Issuer and their respective private interests and/or other duties.

Credit Ratings

The Issuer has been assigned long term credit ratings of BBB- (Stable outlook) and BBB- (Stable outlook) by S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited respectively. Each of S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited are established in the European Union and are registered under the EU CRA Regulation.

INFORMATION ON THE GROUP

History

The history of the Group's activities dates back to 1935, when its founder Ramón Areces acquired a tailor shop named "El Corte Inglés" in Madrid, Spain. In June 1940, Ramón Areces constituted the company El Corte Inglés, S.L., with his uncle César Rodríguez as a partner and first Chairman of the Group.

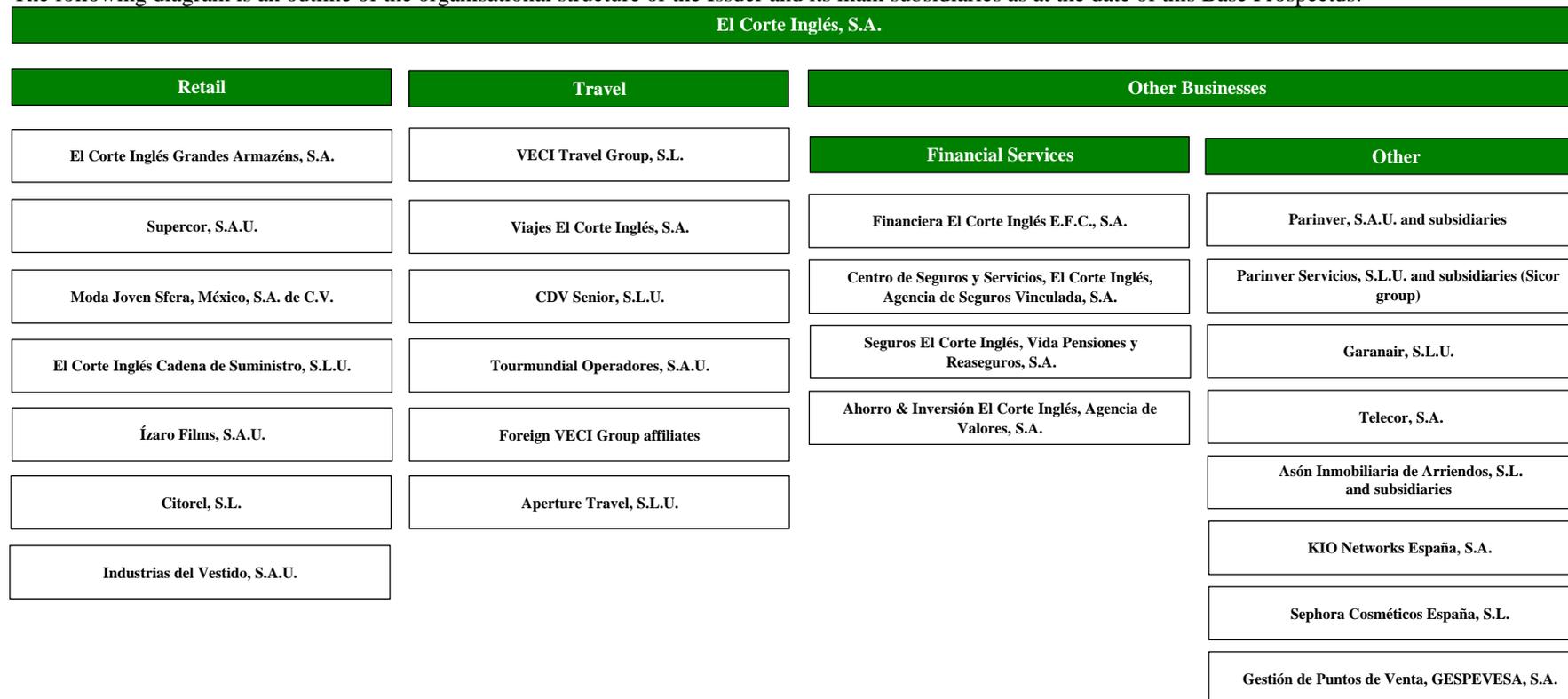
From its origin and throughout its history, the Group has gradually expanded its footprint and diversified its activities, both geographically within the Iberian Peninsula and into several divisions, thus becoming a prominent brand in the Spanish consumer retail industry.

A summary of some of the key events in the Group's history is set out below:

- (i) In 1966, the ECI purchasing card was launched, a new payment concept at the time to make it easier for its customers to make purchases.
- (ii) In 1969, the Issuer expanded into the travel agency business, through Viajes El Corte Inglés, S.A. (**VECI**), offering a wide range of domestic and international travel services and specialised activities.
- (iii) In 1979, the Issuer entered the hypermarket business through Hipercor, S.A., offering food items, perishable products, groceries, textiles, household articles, drugstore and other products.
- (iv) In 1982, the Issuer entered the insurance services business with the acquisition of the insurance company, Centro de Seguros y Servicios, Correduría de Seguros, S.A.
- (v) In 1995, the Issuer entered into the consumer finance business, launching FECEI.
- (vi) In 1995, the Issuer acquired the assets of its former main competitor in the Spanish department stores market, Galerías Preciados, S.A., adding 30 large department stores to its asset portfolio.
- (vii) In 2000, a new chain of supermarkets was launched, Supercor, operating under Supercor, S.A.U. (**Supercor**) offering quality and a wide choice of food, cleaning and perfumery products.
- (viii) In 2013, the Issuer entered into a strategic investment agreement with Santander Consumer Finance to jointly manage FECEI.
- (ix) In 2019, the Board of Directors named Marta Álvarez as its chairwoman.
- (x) In October 2021, the Issuer announced a strategic alliance with Grupo Mutua Madrileña through which Grupo Mutua Madrileña acquired 50.01 per cent. of each of the two companies that develop the Issuer's insurance activities, namely Seguros El Corte Inglés, Vida, Pensiones y Reaseguros, S.A. (**SECI**) and Centro de Seguros y Servicios ECI, Agencia de Seguros Vinculada, S.A. (**CESS**), for €550 million. Furthermore, Grupo Mutua Madrileña acquired an 8 per cent. stake in the Issuer for €555 million. As a result of such alliance, Grupo Mutua Madrileña disbursed €1,105 million on 31 May 2022.
- (xi) In February 2022, ECI announced the merger of VECI with Logitravel, a leading online travel operator with strong technological capabilities.
- (xii) In March 2022, a new Management Team was hired with the appointment of a Corporate Managing Director and a Retail Managing Director. Further, the Group set up a new Executive Committee constituted by its chairwoman, two Executive Directors from the Board of Directors and with the new Managing Directors as permanent guests.

Organisational Structure

The following diagram is an outline of the organisational structure of the Issuer and its main subsidiaries as at the date of this Base Prospectus:



Overview of the Group's Business

Founded in 1940 by Ramón Areces and his uncle, ECI has evolved from a small tailor shop to become one of Iberia's leading large variety retailers. The Group's scale and position in the market is evidenced by its outsized economic relevance, with Total Transaction Value accounting for 1.1 per cent. of Spanish GDP during the fiscal year ended 29 February 2024 (*Source: IHS Market*).

As the go-to one-stop-shop in the region, the Issuer has a strong presence throughout the country (approximately 80 per cent. of the Spanish population lives within a forty-minute drive of an ECI store), a loyal customer base (approximately 12 million ECI branded cards have been issued to Spanish consumers) and footfall of over 550 million in the fiscal year ended 29 February 2024.

Over the years the Issuer has achieved a strong top-of-mind awareness ranked above competitors by customers in terms of quality, trust, service, after-sales service and a varied offering with leading positions across retail, travel, consumer finance and insurance (*Source: Company Information*). The Group aims to have a competitive advantage via its dominance of the national market, its omni-channel offering and its business diversification across categories and retail formats. The Group operates under a complementary and synergistic ecosystem that leverages first-party data along its strong consumer brand to optimise customer experience throughout the entire purchasing process.

During the 2021-2023 fiscal period the Group has achieved significant growth, with Total Transaction Value growing at a 14.3 per cent CAGR, Revenue at a 9.7 per cent CAGR and EBITDA at a 15.9 per cent CAGR. Such growth has also been accompanied by considerable profitability enhancement, as evidenced by an EBITDA Margin expansion of 0.8 per cent. over the 2021-2023 fiscal period. Operational performance has also contributed significantly to accelerated deleveraging, with the Reported Net Financial Debt / Adjusted EBITDA ratio decreasing to 1.9x as at 29 February 2024 from 3.7x as at 28 February 2022 and Loan to Value to 13.3% as at 29 February 2024 from 19.2% as at 28 February 2022.

	FY2021 ⁷	FY2022 ⁸	FY2023	FY21-23
KPI	(€Mn)	(€Mn)	(€Mn)	CAGR
Group				
Total Transaction Value	12,508	15,494	16,333	14.3%
Revenue	11,997	13,754	14,440	9.7%
Gross Profit	3,898	4,387	4,738	10.3%
<i>Gross Profit Margin</i>	32.5%	31.9%	32.8%	

⁷ FY2021 numbers shown in this section "Information on the Issuer" are those restated in the FY2022 annual account as described in Notes 2.4 and 2.6 of the audited consolidated financial statements as of and for the year ended 28 February 2023.

⁸ FY2022 numbers shown in this section "Information on the Issuer" are those restated in the FY2023 annual account as described in Notes 2.4 and 2.6 of the audited consolidated financial statements as of and for the year ended 29 February 2024.

	FY2021⁷	FY2022⁸	FY2023	FY21-23
KPI	(€Mn)	(€Mn)	(€Mn)	CAGR
EBITDA	804	951	1,081	15.9%
<i>EBITDA Margin</i>	6.7%	6.9%	7.5%	
Reported Net Financial Debt	3,094 ⁹	2,295	2,059	
Reported Net Financial Debt / Adjusted EBITDA	3.7x	2.4x	1.9x	
Loan to Value	19.2%	14.3%	13.3%	

As owner of most of its operating assets as well as other real estate investments across Spain and Portugal, the Group benefits from a unique real estate portfolio that provides operational and financial flexibility, with a Gross Asset Value (**GAV**) as at 29 February 2024 of €15.5 billion, making the Issuer one of Spain's largest real estate owners. The portfolio is diversified across asset classes with department stores and hypermarkets contributing 87 per cent., offices contributing 5 per cent., industrial warehouses and logistic lands contributing 4 per cent. and other commercial lands and premises 4 per cent. to the GAV of the portfolio.

The Group has a deeply enrooted ESG commitment with a focus on progressing towards best practices in social, environmental and corporate governance matters. With the purpose of contributing to creating a more sustainable environment, ECI works permanently on the rationalisation and reduction of resource consumption, on waste management, on promoting responsible and adequate manufacturing practices, and on reinforcing the links it maintains with society and with the environment. In 2023, MSCI upgraded ECI's ESG Rating to "AA" from "A" and Sustainalytics assigned ECI the top ESG Risk Rating among its peers, evidencing ECI's ESG commitment. Likewise, ECI's Carbon Disclosure Project score was also upgraded to "B" from "C".

Business and Industry

The Group is organised around three complementary and diverse business segments which improves resilience across economic cycles:

1. **Retail:** The main business of the Group, consisting of a leading online and offline product distribution platform in Spain and Portugal with a strong presence in categories such as fashion, beauty, electronics, home, food, among others, acting through different brands and retail formats.
2. **Travel:** Spain's leading travel group, with significant international presence, providing a wide range of services (travel packages, tour operation, agency, bed bank, etc.) both to individual and corporate clients.
3. **Other Businesses:** Encompasses the Group's interest in other industries including:

⁹ The FY2022 and FY2023 Reported Net Financial Debt figures includes an intercompany loan between ECI and SECI, which is not reflected in the FY2021 numbers given the deconsolidation of the Insurance business took place in FY2022. The Reported Net Financial Debt for FY2021 including such intercompany loan (amounted to €91 million) would be €3,185 million.

- a. **Financial Services:** The Issuer is present in the sector through a leading consumer finance business with approximately 12 million shopping cards (25% of the Spanish population) issued, an insurance unit managing a portfolio of approximately 3.3 million policies and a recently constituted investment agency business. These business interests are all managed through strategic partnerships with Banco Santander, S.A. (**Banco Santander**) in consumer finance and Mutua Madrileña in insurance and investment.
- b. **Other:** The Issuer also owns businesses and investments in sectors such as business to business security services, business to customer home services, energy commercialisation, commercial real estate and lodging, amongst others.

1. Retail

The retail division lies at the core of the Group's business, generating 86 per cent. of total revenues for the fiscal year ended 29 February 2024, around which other divisions and business verticals have been established and developed. It offers a wide selection of products and services, which include fashion, beauty and household products, electronics, sports goods, food and culture, leisure and gourmet experiences as a one-stop shop comprising comfortable user-friendly physical and online channels. The Retail division brings together a broad spectrum of private and third-party Spanish and international brands across its department stores, high-street stores, convenience stores and digital platforms.

Market

The Group's operations are mainly confined to Spain and Portugal, although some of its divisions carry out non-material international operations. Spain is the fourth largest European economy in GDP terms and both the Spanish and Portuguese economies are estimated to grow faster than the Eurozone in terms of nominal GDP per capital growth (2022-27E CAGR), with an estimated CAGR of 4.8 per cent. for Spain and 4.1 per cent. for Portugal, compared to 3.7 per cent for the Eurozone (*Source: IHS Markit*). Furthermore, Spain, as well as the Group given its exposure to foreign customers, stands to benefit from the growth and resilience of tourism, with a projected 2022-27E CAGR of 8.3 per cent. in foreign visitors (*Source: IHS Markit*), underpinned by a stable geopolitical situation, strong infrastructure and a well-developed hospitality sector.

The Group also benefits a large total addressable market across its categories, with significant growth potential driven by favourable macro trends. The Spanish retail market is estimated to grow at a 2022-27E CAGR of 5.3 per cent. with a total addressable market in 2022 of approximately €170 billion for the Group's retail categories, which includes approximately €28 billion for fashion and apparel, approximately €36 billion for home and approximately €104 billion for food (*Source: Insider Intelligence, Fitch Solutions*).

Diversified and flexible business model

The Group's diversified business approach across retail categories with a balanced presence in fashion and beauty, food, culture and leisure and home, among others, improves the business' resilience, flexibility and customer loyalty. For the fiscal year ended 29 February 2024, (i) fashion and beauty contributed 38 per cent. to retail revenues, driving profitability across retail, (ii) restaurants and groceries contributed 25 per cent., acting as a store traffic generator and adding to the business' resilience, (iii) culture and leisure contributed 18 per cent., (iv) home contributed 11 per cent. and (v) other retail accounted for 7 per cent.

The Group also benefits from a balanced mix of retail business models, including wholesale, private brands and concessions, enriching the Group's offering and diversifying business risks related to stock, personnel and logistics. The combination of a diversified category and diversified business model mix results in approximately 40 per cent. of revenues carrying zero to low inventory risk.

Omnichannel offering

The Group has fully integrated digital and physical assets aiming to provide a frictionless shopping journey and a seamless customer experience, boosting convenience and encouraging repeat usage. Omnichannel offerings like home delivery, click & collect, click & car and fast delivery under two hours result in high sales densities and conversion rates.

Physical Offering

The ECI department stores are a showcase for brands that find in the department store prominent and attractive positioning to permanently display the latest trends in fashion, home, beauty, technology, food, dining, leisure and culture. Department stores display a broad portfolio of prestigious brands, both national and international, to which, in some cases, the Group's private labels are added. In the fiscal year ended 29 February 2024, the Group operated 74 department stores, 72 located in Spain and 2 in Portugal.

In addition to the department stores, as at 29 February 2024, the Group operated 35 hypermarkets, 194 convenience stores and 54 in-store supermarkets in Spain and Portugal. Currently, the Group's restaurants and groceries division has different formats, all with a strategic differentiated positioning in the market: El Corte Inglés Supermarkets, Hipercor, Supercor, Sanchez Romero and the Club del Gourmet stores. In addition to these, there are 166 high-street Sfera stores, 287 international franchises, 2 high-street Unit stores (a private brand of the Group) and 55 high-street Sephora stores (a Group joint venture), as well as 630 service-points that operate at Repsol gas stations under the Supercor Stop&Go brand.

Online Offering

In the fiscal year ended 29 February 2024, the Group ranked among the top 3 Spanish online retailers (Source: *Statista*), with 11 per cent. of its total retail revenues now constituting online sales, which have grown by 19 per cent. CAGR from 2019 to 2023. In the same year, there were 17.3 million online retail orders and reservations across categories, with more than 960 million visits between websites and apps. Furthermore, in the same fiscal year, there were 2.9 million online users of the ECI app and the website representing a 9 per cent. growth compared to the previous year.

Financials

	FY2021⁷	FY2022⁸	FY2023	CAGR FY2021- 2023
KPI	(€Mn)	(€Mn)	(€Mn)	
Retail				
Total Transaction Value	11,326	12,380	12,845	6.5%
Revenue	11,326	11,920	12,351	4.4%
Gross Profit	3,708	3,992	4,230	6.8%

	KPI	FY2021⁷ (€Mn)	FY2022⁸ (€Mn)	FY2023 (€Mn)	CAGR FY2021- 2023
	<i>Gross Profit Margin</i>	32.7%	33.5%	34.2%	
	EBITDA	700	756	840	9.6%
	<i>EBITDA Margin</i>	6.2%	6.3%	6.8%	
<i>Fashion and Beauty</i>					
	Revenue	4,151	4,560	4,728	6.7%
<i>Restaurants and Grocery</i>					
	Revenue	2,780	2,913	3,101	5.6%
<i>Culture and Leisure</i>					
	Revenue	2,199	2,219	2,280	1.8%
<i>Home</i>					
	Revenue	1,340	1,374	1,390	1.8%
<i>Other Retail</i>					
	Revenue	857	854	853	(0.2)%

2. Travel

The Group's travel division is a leading player by revenue in the Spanish travel sector in both the business to customer and business to business sub-sectors (*Source: Company Information*) and generated 13 per cent. of the Group's total revenues for the fiscal year ended 29 February 2024. The travel division aims to be diversified in businesses, markets and channels and is committed to the development of value propositions adapted to each traveller, covering all segments of the value chain: leisure, corporate, MICE (Meetings, Incentives, Conferences, and Exhibitions), bed bank, holiday experiences (tour operation), inbound and ticketing.

As at the date of this Base Prospectus, the travel division is present in 18 countries with a strong position in Spain, Portugal, Italy, France and the Americas and is the only outbound travel group with significant presence in 11 countries of the American continent. It has an extensive agency network, with 540 agencies in Spain and 181 international ones, as well as 1,844 associated agencies, with a total of over 5,000 professionals. It also owns online distribution assets both in Spain and internationally, being one of the leading online travel agencies in Spain.

In addition, in the fiscal year ended 29 February 2024, the travel division served approximately 12,000 corporate accounts, managing accounts for major companies.

The travel operations are spread across the different commercial brands that make up the travel division of the Group: Viajes El Corte Inglés, Logitravel, Tourmundial, Club de Vacaciones, Smytravel, Utópica, Contigo, Tourenia, Traveltool Partners, Smyrooms, Passengy and VECI Group Tech.

Financials

KPI	FY2021 ⁷ (€Mn)	FY2022 ⁸ (€Mn)	FY2023 (€Mn)	CAGR FY2021- 2023
Travel				
Total Transaction Value	983	2,935	3,306	83.4%
Revenue	472	1,677	1,927	102.0%
Gross Profit	111	342	444	100%
<i>Gross Profit Margin</i>	23.4%	20.4%	23.0%	
EBITDA	(57)	50	93	n.m.
<i>EBITDA Margin</i>	n.m.	3.0%	4.8%	
Leisure				
Revenue	237	1,219	1,420	144.9%
Corporate Travel				
Revenue	235	458	507	46.9%

3. Other Businesses

This segment includes a wide range of businesses and investments across different industries.

3.1 Financial Services

The strategic strength of the Group lies in a business model focused on customer satisfaction throughout the entire purchasing process. In this regard, the Issuer also facilitates the means of payment, different financing mechanisms and the possibility to insure the goods or services contracted within the Group. The consumer finance and insurance businesses are a vector of growth and diversification with high potential, as they are allowing the distribution of financial products not directly associated with retail sales (for example, direct loans and home, auto and health insurance).

Consumer Finance

FECI is authorised by the Bank of Spain to provide various financial services, including granting loans, issuing payment instruments and providing payment initiation services. In 2013, the Issuer entered into a strategic investment agreement with Santander Consumer Finance to acquire 51 per cent. of the business (with the Group holding the remaining 49 per cent. stake), thereby incorporating the expertise of Banco Santander into its management.

As at 31 December 2023, FECI is a leading player in consumer finance activity in Spain (*Source: ASNEF*), with 11.8 million holders of different ECI cards and €7.2 billion of investment volume. FECI is present in much of the Group's activity, managing a significant share of the sales eligible for financing in 2023.

Moreover, in 2022 and following an agreement with MasterCard, a new ECI card was launched which now also operates in an open loop system, allowing greater payment coverage for customers, and thus, a new source of additional income not linked to retail activity within the Group. In the future, this new development would allow the Group to expand its consumer finance business, which has been traditionally linked primarily to sales within ECI.

Insurance Services

The Group's insurance division comprises the insurance company SECI and the insurance brokers CESS and Correduría de Seguros Corporativas El Corte Inglés, S.A.U. (CSC). The business is one of the largest insurance operators in Spain, ending the fiscal year ended 31 December 2023 with a portfolio of approximately 3.3 million insurance policies and net income attributable to the Group of €32.5 million.

In May 2022, the agreement between the Issuer and Grupo Mutua Madrileña announced on 28 October 2021, was completed, whereby Grupo Mutua Madrileña acquired 50.01 per cent. of each of SECI and CESS. The strategic alliance has allowed it to extend its distribution channels and offer its products to the Group's large customer base and, in this way, offer the Group's customers a better, more complete, and personalised insurance proposition.

Seguros El Corte Inglés (SECI)

SECI is duly authorised by the *Dirección General de Seguros y Fondos de Pensiones* as an insurance entity and offers life and personal accident insurance. Specifically, SECI offers accident insurance, term life insurance, savings life insurance, as well as temporary and lifelong annuity insurances. The SECI division has 31 offices outside of the Group's stores in Spain that support the network of exclusive agents.

Centro de Seguros y Servicios (CESS)

CESS acts as a tied insurance agent offering products from SECI, Mutua Madrileña and other insurance companies, both within ECI's stores and outside the stores through a network of exclusive insurance agents. As of December 2023, the Issuer had a portfolio of approximately 3.3 million policies.

Investment Agency

As part of the agreement between the Issuer and Grupo Mutua Madrileña, an investment agency, Ahorro & Inversión El Corte Inglés, S.A. (**Ahorro & Inversión ECI**) was established, as a result of which Grupo Mutua Madrileña acquired a 50.01 per cent. stake. Ahorro & Inversión ECI is authorised by the CNMV (*Comisión Nacional del Mercado de Valores*) to provide investment services as well as the marketing of a wide range of products (investment funds, pension plans and others).

Financials

		FY2021 ⁷	FY2022 ⁸	FY2023	CAGR FY2021- 2023
	KPI	(€Mn)	(€Mn)	(€Mn)	
Consumer Finance					
	Gross Margin	158	171	175	5.3%
	Net Income attributable to the Group	27.4	28.8	20.3	(13.8)%
Insurance Services					
	Net Income attributable to the Group	n.a.	25.6 ¹⁰	32.5	n.a.
SECI					
	Net Income attributable to the Group	n.a.	11.3 ¹⁰	23.7	n.a.
CESS					
	Net Income attributable to the Group	n.a.	14.3 ¹¹	8.8	n.a.

3.2 Other

¹⁰ This figure shows the full year 2022. Since the deconsolidation of the Insurance business took place on 31 May 2022, the Net Income attributable to the Group included in the FY2022 annual accounts (considering the period from June to December 2022) amounted to €6.6m.

¹¹ This figure shows the full year 2022. Since the deconsolidation of the Insurance business took place on 31 May 2022, the Net Income attributable to the Group included in the FY2022 annual accounts (considering the period from June to December 2022) amounted to €6.0m.

The Issuer operates or invests in a wide variety of other businesses in different sectors through different entities:

- Parinver, S.A.I. is an investment vehicle with stakes, among others, in Multiva (9 per cent.), a listed Mexican financial services company, and Camino Real (11 per cent.), a Mexican hotel company.
- Parinver Servicios, S.L.U., through its subsidiary Sicor Seguridad El Corte Inglés, S.L. (100 per cent.), provides security services to retail and corporate customers.
- Granair, S.L.U. (100 per cent.-owned by the Issuer) holds 50% of the political rights and some non-material economic rights in Iberia, a Spanish airline.
- Telecom, S.A. (100 per cent.-owned by the Issuer) is the energy business of the Group managing the Group's energy consumption and operating in the retail energy commercialisation industry under the trademark Energía El Corte Inglés.
- Asón Inmobiliaria de Arriendos, S.L. (100 per cent.-owned by the Issuer) is the owner of the Group's largest real estate asset not related to ECI's core businesses, collecting rents from third-party tenants.
- KIO Networks España, S.A. (50 per cent.-owned by the Issuer), is a digital infrastructure company that provides infrastructure-related services.
- Sephora Cosméticos España, S.L. (50 per cent.-owned by the Issuer), is a leading beauty retailer in partnership with the LVMH Group.

Financials*

KPI	FY2021 ⁷ (€Mn)	FY2022 ⁸ (€Mn)	FY2023 (€Mn)	CAGR FY2021- 2023
Other Businesses				
Revenue	305	274	267	(6.3)%
Gross Profit	152	154	161	3.0%
EBITDA	41	30	25	(21.7)%

* Figures exclude non-consolidated subsidiaries.

Board Committees

Executive Committee

The Executive Committee's mission is to assist the Board of Directors with its duty to supervise the Issuer's executive and management bodies, making sure the latter report to the Board of Directors as required.

As at the date of this Base Prospectus, the Executive Committee is made up of three executive directors: Marta Álvarez Guil (chairwoman), Javier Rodríguez-Arias Ambrosini and José Ramón de Hoces Íñiguez (secretary).

The Issuer's two managing directors also sit on the committee as permanent attending members: José María Folache Gonzalez-Parrado and Santiago Bau Arrechea. The former runs the retail business and the latter acts as Chief Financial Officer and heads up the non-retail businesses and both report directly to the Executive Committee and are supported by the Management Committee.

Audit and Control Committee

The Audit and Control Committee must be made up of between three and six directors, all of whom are non-executive and the majority of whom are independent.

As at the date of this Base Prospectus, it comprises three directors: Fernando Becker Zuazua, who has been chairing this committee since June 2020, Cristina Álvarez Guil and Cartera Mancor, S.L. (represented by Paloma García Peña). José Ramón de Hoces Íñiguez, a Board director, serves as its secretary.

The Audit and Control Committee's General Meeting, through its chairperson or secretary, deals with matters including the outcome of the external audit.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee comprises between three and six directors. As at the date of this Base Prospectus, it is made up of three directors: Marta Álvarez Guil, Cristina Álvares Guil and Cartera Mancor, S.L. (represented by Paloma García Peña). José Ramón de Hoces Íñiguez, a Board director, serves as its secretary.

Sustainability Committee

As at the date of this Base Prospectus, the Sustainability Committee is made up of four directors: Manuel Pizarro Moreno, who has been chairing it since 2020, Cristina Álvarez Guil, Cartera Mancor, S.L. (represented by Paloma García Peña) and Corporation Ceslar, S.L. (represented by Carlota Areces Galán). José Ramón de Hoces Íñiguez, a Board director, serves as its secretary.

Financial policy

The Group's management team is strongly committed to the Group's deleveraging and has put in place a strict financial policy as part of its strategic plan with the target to keep Reported Net Financial Debt to Adjusted EBITDA below a ratio of 2.0.

Material Contracts

PrimeFin Compensation Agreement and Put Option

In 2015, in the context of the Convertible Loan, the Issuer entered into a put option agreement with PrimeFin, by virtue of which, if a liquidity event in relation to PrimeFin's shareholding stake in the Issuer has not taken place by July 2025 (the **First Window**), PrimeFin would have the option to sell its full remaining stake in the Issuer's share capital to the Issuer (the **Put Option**) at an arms' length market valuation. If the Put Option is not exercised in the First Window, PrimeFin is granted the right to exercise it in three additional windows (July 2028, July 2031 and July 2034). As of the date of this Base Prospectus, PrimeFin holds 5.53 per cent. of the Issuer's share capital.

Issuer's alliance with SCF in connection with FECI

On 7 October 2013, the Issuer entered into a strategic investment agreement with Santander Consumer Finance, S.A. (**SCF**) by which SCF agreed to acquire 51 per cent. of FECI (with the Group holding the remaining 49 per cent. stake) (the **FECI Alliance**). In the context of the FECI Alliance, the Issuer and SCF entered into, on the same date, a shareholders' agreement, amended on 26 September 2023, in which, among others, a call

option was granted to the Issuer in respect of all of SCF's shares in FECCI, and a put option was granted to SCF in respect of all of its shares in SCF (the **Call and Put Options**).

Litigation and Arbitration

Comisión Nacional de los Mercados y la Competencia (CNMC) case file

On 28 November 2023, the Directorate of Competition of the CNMC notified the Issuer of the initiation of a case file for possible anti-competitive practices prohibited under Article 1 of the LDC (*Ley 15/2007, de 3 de julio, de Defensa de la Competencia*) and Article 101 of the Treaty on the Functioning of the European Union (TFEU), consisting of agreements and/or concerted practices for the allocation of customers and/or the awarding of bids for the provision of travel agency services, as well as the exchange of commercially sensitive information for the provision of said service. The initiation of the case file is a preliminary step in the investigation process of the alleged anti-competitive conduct and does not prejudice the outcome of the investigation, the guilt of the inspected companies, or the existence of any damage caused. As at the date of this Base Prospectus, no infringements have been declared by the Issuer nor has it received any penalties in this regard.

Employees

As at 29 February 2024, the Issuer had 81,714 employees across all the companies of the Group.

The Issuer supports the labour integration and inclusion of disabled people in its workforce. It also cooperates with specialised employment centres by subcontracting services and purchasing products made in these centres.

The Issuer has training initiatives and programs tailored to each job position and level of experience aimed at enhancing the specialisation and knowledge of its employees. Furthermore, the Issuer schedules flexible training actions with the goal of informing and keeping its employees up-to-date on new developments to ensure they can maintain the quality of service.

Alternative Performance Measures

This Base Prospectus (and the documents incorporated by reference in this Base Prospectus) contains certain management measures of performance or alternative performance measures (APMs), which are used by management to evaluate the Issuer's overall performance. These APMs are not audited, reviewed or subject to review by the Issuer's auditors and are not measurements required by, or presented in accordance with, International Financial Reporting Standards as adopted by the EU (IFRS-EU). Accordingly, these APMs should not be considered as alternatives to any performance measures prepared in accordance with IFRS-EU. Many of these APMs are based on the Issuer's internal estimates, assumptions, calculations, and expectations of future results and there can be no guarantee that these results will actually be achieved. Accordingly, investors are cautioned not to place undue reliance on these APMs.

Furthermore, these APMs, as used by the Issuer, may not be comparable to other similarly titled measures used by other companies. Investors should not consider such APMs in isolation, as alternatives to the information calculated in accordance with IFRS-EU, as indications of operating performance or as measures of the Issuer's profitability or liquidity. Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU and investors are advised to review these APMs in conjunction with the audited consolidated annual financial statements incorporated by reference in this Base Prospectus.

The Issuer believes that the description of these management measures of performance in this Base Prospectus follows and complies with the ESMA Guidelines introduced on 3 July 2016 on Alternative Performance Measures.

The descriptions (including definitions, explanations and reconciliations) of all APMs in respect of the financial years ended 28 February 2023 and 29 February 2024 are set out in Appendix 1 of the Issuer's consolidated

management report for the year ended 29 February 2024, which is incorporated by reference into this Base Prospectus (see "*Documents Incorporated by Reference*").

The descriptions (including definitions, explanations and reconciliations) of the APMs in respect of the financial year ended 28 February 2022 are set out below.⁷

Total Transaction Value

- **Definition:** the Total Transaction Value is defined as the total amount invoiced to the customer.
- **Rationale for usage:** it is used to measure the total volume of transactions carried out by the Group with third parties, taking into account the gross amount of the operations in which the Group acts as "Agent".
- **Comparability:** the criteria have not changed from last year.
- **Reconciliation:** the reconciliation is shown below:

	FY2021 (€Mn)
(=) Revenue	11,997
(+) Invoiced amount recorded by "Net"	511
(=) Total Transaction Value	12,508

EBITDA

- **Definition:** EBITDA is defined as operating profit before depreciation and amortisation charges, the expenses and income recognised within "Other gains/losses" and the expenses recognised under "Employee benefit obligations".

Note that the Group recognises asset impairment losses, the gains and losses arising from transactions involving fixed assets and non-current assets held for sale and non-recurring gains and losses under "Other gains/losses".

- **Rationale for usage:** EBITDA is an earnings indicator widely used in the financial markets as it provides a proxy for operating cash generation and facilitates comparisons across different businesses in the same or different sectors.
- **Comparability:** the criteria used to define EBITDA have not changed from last year.
- **Reconciliation:** the reconciliation between EBITDA and the amounts presented in the statement of profit or loss is shown below:

	FY2021 (€Mn)
(=) Operating profit	195
(+) Depreciation and amortisation	507
(+) Other gains/(losses)	55
(+) Employee benefit obligations	47
(=) EBITDA	804

Set out below is the reconciliation of EBITDA by business segment:

FY2021 (€Mn)	Retail	Travel	Other Business	Consolidation Adjustments	Total
Revenue	11,326	472	305	(106)	11,997
Cost of goods sold	(7,617)	(361)	(153)	33	(8,099)

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Gross profit	3,708	111	152	(73)	3,898
Other operating income and expense	(3,009)	(167)	(111)	194	(3,093)
Depreciation and other results	(496)	(36)	(4)	(74)	(609)
Operating Profit	204	(92)	37	47	195
Depreciation and other results	496	36	4	74	609
EBITDA	700	(57)	41	121	804

EBITDA Margin

- **Definition:** the ratio between EBITDA and Revenue.
- **Rationale for usage:** The EBITDA margin is used to track the business's performance for analytical purposes.
- **Comparability:** the criteria used to define the EBITDA margin have not changed from last year.
- **Reconciliation:** the reconciliation between EBITDA and the amounts presented in the statement of profit or loss is shown below:

Item	FY2021 (€Mn)
(=) EBITDA	804
(=) Revenue	11,997
(=) EBITDA Margin (%)	6.7%

Adjusted EBITDA

- **Definition:** Adjusted EBITDA is defined as EBITDA, as defined above, less lease payments under IFRS 16, plus dividends received from associates plus extraordinary charges.
- **Rationale for usage:** adjusted EBITDA is used to calculate the Group's debt ratio for the purposes of its syndicated loan agreement.
- **Comparability:** the criteria used to define adjusted EBITDA have not changed from last year.
- **Reconciliation:** the reconciliation between adjusted EBITDA and the amounts presented in the statement of profit or loss is shown below:

Item	FY2021 (€Mn)
(=) EBITDA	804
(-) Lease payments (IFRS 16)	(117)
(+) EBIT Insurance Services	94
(-) Depreciation and other results Insurance Services	5
(+) Dividends from equity method investments	21
(+) Extraordinary charges	21
(=) Adjusted EBITDA	828

Reported Gross Financial Debt

- **Definition:** the Group uses this APM Reported Gross Financial Debt as defined in its syndicated loan agreement. As per that agreement, includes the following headings:
 - Bank borrowings, excluding interest accrued and unpaid.
 - Notes and other marketable securities, including the commercial paper listed on Spain's alternative fixed-income market (MARF), excluding interest accrued and unpaid.
 - The capitalised amount of finance leases other than those falling under the scope of IFRS 16.
- **Rationale for usage:** it is used to gauge the Group's gross borrowings, as well as for the calculation of the reported net financial debt.
- **Comparability:** the criteria used to define this APM have not changed from last year.
- **Reconciliation:** the reconciliation is provided below:

Item	FY2021 (€Mn)
(+) Current and non-current bank borrowings	1,739
(+) Non-current and current notes and other marketable securities	1,575
(=) Reported Gross Financial Debt	3,314

Cash and Other Liquid Assets

- **Definition:** the Group uses this to identify those financial assets considered to have a high degree of liquidity, as well as to calculate their Reported Net Financial Debt. Reported Net Financial Debt includes the following headings:
 - the total amount in the heading "Cash and cash equivalents".
 - the amount of those deposits with a high degree of liquidity, included in the heading of "Current financial assets".
- **Rationale for usage:** it is used to measure the Group's liquidity and solvency capacity.
- **Comparability:** the criteria used to define this APM have not changed from last year.
- **Reconciliation:** the reconciliation between this APM and the related headings of the statement of financial position is provided below:

Item	FY2021 (€Mn)
(+) Current financial assets	63
(+) Cash and cash equivalents	159
(-) Adjustment for derivatives, security deposits and others	(3)
(=) Cash and Other Liquid Assets	219

Reported Net Financial Debt

- **Definition:** the Group uses Reported Net Financial Debt (or ND) as defined in its syndicated loan agreement. As per that agreement, ND includes the APM's defined above:
 - Reported gross financial debt.

- Cash and other liquid assets.
- **Rationale for usage:** ND is used to gauge the Group's net borrowings and its liquidity and solvency position.
- **Comparability:** the criteria used to define this APM have not changed from last year.
- **Reconciliation:** the reconciliation between net financial debt and the related headings of the statement of financial position is provided below:

Item	FY2021 (€Mn)
(+) Reported Gross Financial Debt	3,314
(-) Cash and other liquid assets	(219)
(=) Reported Net Financial Debt	3,094

Reported Net Financial Debt over Adjusted EBITDA

- **Definition:** The Group defines leverage as the ratio of Reported Net Financial Debt to Adjusted EBITDA.
- **Rationale for usage:** The Group used this ratio to monitor compliance with the Group's capital and financial management objectives.
- **Comparability:** the criteria used to define this APM have not changed from last year.
- **Reconciliation:** the reconciliation of this APM is provided below:

Item	FY2021 (€Mn)
Reported Net Financial Debt	3,094
Adjusted EBITDA	828
(=) Reported Net financial Debt / Adjusted EBITDA	3.7x

TAXATION

The following is a general description of certain Spanish tax considerations relating to the Notes. The information provided below does not purport to be a complete overview of all tax considerations currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. This analysis is a general description of the tax treatment under Spanish legislation without prejudice of regional tax regimes that may be applicable.

This taxation summary solely addresses the principal Spanish tax consequences of the acquisition, ownership and disposal of Notes, issued by the Issuer, held by a Noteholder, after the date hereof. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law or to the special tax regimes applicable in the Basque Country and Navarra (Territorios Forales). Where in this summary English terms and expressions are used to refer to Spanish concepts, the meaning attributed to such terms and expressions shall be the Spanish equivalent meaning attributed to those concepts under Spanish tax law. This summary assumes that each transaction with respect to the Notes is at arm's length.

This analysis is based on Spanish law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, including changes having retroactive effect.

References in this section to Noteholders include the beneficial owners of the Notes, where applicable. Any prospective investors should consult their own tax advisers who can provide them with personalised advice based on their particular circumstances. In addition, investors should consider the legislative changes which could occur in the future.

1. Introduction

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

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June, on the management, supervision and solvency of credit institutions (the **Law 10/2014**), as well as Royal Decree 1065/2007, of 27 July, approving the general regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended by Royal Decree 1145/2011, of 29 July (**Royal Decree 1065/2007**);
- (b) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax (**PIT**), Law 35/2006 of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, the Non-Residents Income Tax Law and the Net Wealth Tax Law (the **PIT Law**) and Royal Decree 439/2007 of 30 March promulgating the PIT Regulations as amended by Royal Decree 633/2015, of 10 July (**PIT Regulations**), along with Law 19/1991, of 6 June, on Net Wealth Tax, as amended, Law 29/1987, of 18 December, on Inheritance and Gift Tax, as amended, and Law 38/2022, of 27 December, on the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended;
- (c) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax (**CIT**), Law 27/2014, of 27 November, as amended (the **CIT Law**), and Royal Decree 634/2015, of 10 July promulgating the CIT Regulations, as amended (the **CIT Regulations**);
- (d) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax (**NRIT**), Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended (the **NRIT Law**), and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended (the **NRIT Regulations**) along with Law 19/1991, of 6 June, on Net Wealth Tax, as amended, Law 29/1987, of 18 December, on Inheritance and Gift Tax and Law 38/2022, of 27

December, on the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes, as amended.

Whatever the nature and residence of the beneficial owner, the acquisition and transfer of Notes will be exempt from indirect taxes in Spain, i.e., 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 and not subject to Spanish Financial Transaction Tax, in accordance with Law 5/2020, of 15 October regulating such tax.

2. Individuals with Tax Residency in Spain

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

Spanish individuals with tax residency in Spain are subject to PIT on a worldwide basis. Accordingly, income obtained from the Notes will be taxed in Spain when obtained by persons that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest or guarantees payments under a Note will not lead an individual or entity to be considered tax resident in Spain.

Both, interest periodically received and income deriving from the transfer, redemption or repayment 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 PIT Law, and therefore must be included in each investor's PIT savings taxable base and taxed at the tax rate applicable from time to time, currently at a flat rate of 19% for taxable income up to €6,000, 21% for taxable income between €6,000.01 and €50,000; 23% for taxable income between €50,000.01 and €200,000; 27% for taxable income between €200,000.01 and €300,000; and 28% for any amount in excess of €300,000.

Income from the transfer of the Notes shall generally be computed as the difference between their transfer value and their acquisition or subscription value. Also, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced in calculating the income. When calculating the net income, expenses related to the management and deposit of the Notes will be deductible, excluding those pertaining to discretionary or individual portfolio management.

As a general rule, both types of income are subject to withholding tax on account at the rate of 19 per cent. However, Royal Decree 1065/2007 introduced certain procedures for the provision of information regarding the Notes which are explained under section "Disclosure of Information in connection with the Notes" below and that, in particular, in the case of debt listed securities issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state, as the Notes issued by the Issuer:

- (a) it would not be necessary to provide the Issuer with the identity of the Noteholders who are individuals resident in Spain for tax purposes or to indicate the amount of income attributable to such individuals; and
- (b) interest paid to Noteholders should be paid free of Spanish withholding tax, provided that the information procedures detailed under section "*Disclosure of Information in connection with the Notes*" are complied with. In addition, income obtained upon the transfer, redemption or repayment of the Notes may also be paid without withholding.

Therefore, the Issuer understands that, according to Royal Decree 1065/2007, it has no obligation to withhold any tax amount for interest paid on the Notes corresponding to Noteholders who are individuals with tax residency in Spain provided that the referred information procedures (which do not require identification of the Noteholders) are complied with.

Conversely, if the Issue and Paying Agent fails to provide the Issuer with the required information described under "*Disclosure of Information in connection with the Notes*", the Issuer may be required to withhold tax (as at the date of this Base Prospectus, at a rate of 19 per cent.) from any payment in respect of the relevant Notes as to which the required information has not been provided.

In the case of such Notes held by Spanish resident individuals and deposited with a Spanish entity acting as depositary or custodian, payments of interest or income obtained upon the transfer redemption or repayment may be subject to withholding tax at the current applicable rate of 19%.

In any event, individual holders may credit the withholding against their PIT liability for the relevant fiscal year.

2.2 Net Wealth Tax (*Impuesto sobre el Patrimonio*)

Net Wealth Tax may be levied in Spain on tax resident individuals, on a worldwide basis.

Generally, individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under the relevant legislation of an Autonomous Region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as of 31 December each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent. However, as the Autonomous Regions are entitled to apply their own regulation on such tax, this rate will just apply to the regions that have not approved their own net wealth tax schedules. As such, prospective investors should consult their tax advisers.

2.3 Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad a las Grandes Fortunas*)

In addition, the solidarity wealth tax for high-net-worth individuals (the so-called "Solidarity Tax") was approved in December 2022 by Law 38/2022, of 27 December, for the establishment of temporary taxes on energy and on credit institutions and financial credit establishments (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 €3 million in net assets on 31 December of each year. Nonetheless, the regulation lays down a minimum exempt amount of €700,000.00, which means that its effective impact, in general, will occur when their net wealth, not tax exempt, is greater than €3.7 million. Note that, although it was initially introduced as a two-year direct wealth tax, in December 2023 it was extended indefinitely.

The taxpayers of the Solidarity Tax and the Net Wealth Tax are individuals. In practice, as the Solidarity Tax Law allows the Net Wealth Tax amount payable to be deducted, the Solidarity Tax will have a greater impact on taxpayers residing in autonomous regions in which the Wealth Tax is partially or fully exempt.

The rates of the Solidarity Tax are (i) 1.7% on a net worth between €3,000,000 and €5,347,998.03, (ii) 2.1% on a net worth between €5,347,998.04 and €10,695,996.06 and (iii) 3.5% on a net worth of more than €10,695,996.06.

2.4 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, being the taxpayer the transferee. The applicable tax rates range between 7.65 per cent. and 34 per cent., depending on relevant factors (such as previous net wealth or family relationship between the transferor and transferee), although the final tax rate may vary depending on any applicable regional tax laws. The final effective tax cost may range from 0 per cent. to 87.6 per cent.

As the actual collection of this tax depends on the regulations of each Autonomous Region, investors should consult their tax advisers according to the particularities of their situation.

3. Legal Entities with Tax Residency in Spain

3.1 Corporate Income Tax (*Impuesto sobre Sociedades*)

Legal entities with tax residency in Spain are subject to CIT on a worldwide basis.

Both interest received periodically and income derived from the transfer, redemption or repayment of the Notes, which constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital, are subject to CIT and would have to be included in the profit and taxable base of legal entities with tax residency in Spain for CIT purposes, in accordance with the rules for CIT and subject to the general rate of 25 per cent.

Pursuant to Section 61.s of CIT Regulations, there is no obligation to make a withholding on income obtained by taxpayers subject to Spanish CIT from financial assets traded on organised markets in OECD countries.

However, in the case of Notes held by a Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest and income deriving from the transfer may be subject to withholding tax at the current rate of 19 per cent. Such withholding may be made by the depositary or custodian if the Notes do not comply with the exemption requirements specified in the ruling issued by the DGT dated 27 July 2004 (that is, placement of the Notes outside of Spain in another OECD country and admission to listing of the Notes on an organised market in an OECD country other than Spain).

The amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

Notwithstanding the above, according to Royal Decree 1065/2007, in the case of listed debt instruments issued under Law 10/2014 and initially registered in a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OECD member state (such as the Notes), interest paid to investors should be paid free of Spanish withholding tax. The foregoing is subject to certain information procedures having to be fulfilled and submitted by the relevant Paying Agent. These procedures are described in section "*Disclosure of Information in connection with the Notes*" below. Conversely, if the Issue and Paying Agent fails to provide the Issuer with the required information described under "*Disclosure of Information in Connection with the Notes*", the Issuer may be required to withhold tax (as at the date of this Base Prospectus, at a rate of currently, 19 per cent.) from any payment in respect of the relevant Notes as to which the required information has not been provided.

3.2 Net Wealth Tax (*Impuesto sobre el Patrimonio*)

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

3.3 Solidarity Tax on Large Fortunes (*Impuesto Temporal de Solidaridad a las Grandes Fortunas*)

Legal entities resident in Spain for tax purposes are not subject to the Solidarity Tax.

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

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax but the market value of the Notes shall be included in their taxable income for Spanish CIT purposes.

4. Individuals and Legal Entities with no Tax Residency in Spain

4.1 Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*)

(a) *Non-Spanish 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 determine 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, the tax rules applicable to income deriving from such Notes are, generally, the same as those previously set out for Spanish CIT taxpayers. See section "*—Corporate Income Tax (Impuesto sobre Sociedades)*" above.

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

Both, interest payments periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or legal entities who have no tax residency in Spain, being Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax on the same terms laid down for income from public debt, provided that certain requirements are met.

The Issuer has no obligation to withhold any tax amount for interest paid on the Notes to holders who are Non-Resident Income taxpayers with no permanent establishment in Spain provided that the information procedures are complied with in the manner detailed under "*Disclosure of Information in connection with the Notes*" as set out in section 44 of Royal Decree 1065/2007 (as amended by Royal Decree 1145/2011). Conversely, if these information procedures are not complied with within the manner indicated thereof, the Issuer may be required to withhold tax (as at the date of this Base Prospectus, at a rate of 19 per cent.) from any payment in respect of the relevant Notes as to which the required information has not been provided.

4.2 Net Wealth Tax (*Impuesto sobre el Patrimonio*)

This tax is only applicable to individuals (i.e., non-Spanish resident legal entities are not subject to Net Wealth Tax). However, individuals' resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights are located in Spain or that can be exercised within the Spanish territory (such as the Notes issued by the Issuer) exceed €700,000 would be subject to Net Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent., although certain reductions may apply.

Noteholders who are not tax residents in Spain may be entitled to apply the specific regulation of the Autonomous Region where their most valuable assets are located and which trigger this Spanish Net Wealth Tax, since they are located or are to be exercised or must be fulfilled within the Spanish territory. As such, prospective investors should consult their tax advisers.

4.3 Solidarity Tax on Large Fortunes (*Impuesto de Solidaridad a las Grandes Fortunas*)

Non-Spanish resident individuals whose properties and rights are located in Spain or that can be exercised within the Spanish territory and exceed €3,000,000 may be subject to the Solidarity Tax. In such event, noteholders should take into account the value of the Notes which they hold as of 31 December each year.

The Solidarity Tax is qualified as a direct tax, of a personal nature and supplementary to Net Wealth Tax, which is levied on the net wealth of individuals exceeding €3 million. Nonetheless, the regulation lays down a minimum exempt amount of €700,000.00, which means that its effective impact, in general, will occur when their net wealth, not tax exempt, is greater than €3.7 million. In particular,

Royal Decree-Law 8/2023, of 27 December 2023, extended this €700,000.00 exemption to non-resident individuals. Note that, although it was initially introduced as a two-year direct wealth tax, in December 2023 it was extended indefinitely.

The amount payable for this tax could be reduced by the amount paid for Wealth Tax.

The rates of the Solidarity Tax” are (i) 1.7 per cent. on a net worth between €3,000,000 million and €5,347,998.03 million, (ii) 2.1 per cent. on a net worth between €5,347,998.04 million and €10,695,996.06 million and (iii) 3.5 per cent. on a net worth of more than €10,695,996.06 million. Prospective investors are advised to seek their own professional advice in this regard.

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

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

Unless otherwise provided under an applicable double tax treaty in relation to Inheritance and Gift Tax, the latter may be levied in Spain on non-resident individuals only on those assets and rights that are located or that may be exercised or fulfilled within the Spanish territory.

Pursuant to the IGT Law, the applicable tax rate ranges between 7.65% and 34.00%. However, final effective taxation may vary depending on various factors, such as the specific regulations imposed by each Spanish region, the amount of the gift or inheritance, the net wealth of the heir or beneficiary of the gift, the kinship with the deceased or the donor and the qualification for tax benefits.

Non-Spanish tax resident individuals are subject to Spanish Inheritance and Gift Tax according to the rules set forth in the Spanish state level or relevant autonomous region law. If the deceased, the heir or the donee, as the case may be, is resident outside Spain, the applicable rules will be those corresponding to the relevant autonomous regions as per the rules set out in the law. As such, prospective holders of the Notes should consult their tax advisers.

Non-Spanish resident corporations are not taxpayers of the Spanish Inheritance and Gift Tax and income inherited or obtained by gift (*a título lucrativo*) will generally be subject to NRIT, as capital gains, unless otherwise provided under an applicable double tax treaty.

5. Obligation to inform the Spanish tax authorities of the ownership of the Notes

From 1 January 2013, Law 7/2012, of 29 October, as implemented by Royal Decree 1558/2012, of 15 November, introduced annual reporting obligations applicable to Spanish residents (i.e., individuals, legal entities, permanent establishments in Spain of non-resident entities) in relation to certain foreign assets or rights.

Consequently, if the Notes are deposited with or placed in the custody of a non-Spanish entity, Noteholders that are resident in Spain will be obliged, if certain thresholds are met as described below, to declare before the Spanish Tax Authorities, between 1 January and 31 March every year, the ownership of the Notes held on 31 December of the immediately preceding year (e.g., to declare between 1 January 2025 and 31 March 2025 the Notes held on 31 December 2024).

This obligation would only need to be complied with if certain thresholds are met: specifically, if the only rights/assets held abroad are the Notes, this obligation would only apply if the value of the Notes together with other qualifying assets held on 31 December exceeds €50,000 (with the corresponding valuation to be made in accordance with Wealth Tax rules). If this threshold is met, a declaration would only be required in subsequent years if the value of the Notes together with other qualifying assets increases by more than €20,000 as against the declaration made previously. Similarly, cancellation or extinguishment of the ownership of the Notes before 31 December should be declared if such ownership was reported in previous declarations.

6. Disclosure of Information in connection with the Notes

According to Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, the Issuer is subject to certain reporting obligations in relation to the Notes.

In accordance with section 5 of Article 44 of Royal Decree 1065/2007 and provided that the Notes issued by the Issuer are initially registered for clearance and settlement in Euroclear, the Issuer and Paying Agent would be obliged to provide the Issuer with a declaration (the form of which is set out in the Agency Agreement) which should include the following information:

- (a) description of the Notes in respect of which the relevant payments is made;
- (b) the date on which the relevant payment under the Notes is made;
- (c) total amount of the relevant payment; and
- (d) total amount of the relevant payment allocated to each non-Spanish clearing and settlement entity involved.

According to section 6 of Article 44 of Royal Decree 1065/2007, the relevant declaration will have to be provided to the Issuer on the business day immediately preceding each date on which any payment of interest, principal or any amounts in respect of the early redemption of the Notes is made.

In the event that the Issuer and Paying Agent were to fail to provide the information detailed above, according to section 7 of Article 44 of Royal Decree 1065/2007, the Issuer, or the Issuer and Paying Agent acting on its behalf, could be required to withhold tax from the relevant interest payments as to which the required information has not been provided, at the general withholding tax rate (currently, 19 per cent.).

In particular, the information which needs to be disclosed in reference to the Notes, must be certified by means of a certificate in the form of which is attached as "Annex I" of this Base Prospectus. Sections in English in "Annex I" have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in "Annex I" and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

7. The Spanish financial transactions tax (the Spanish FTT)

On 16 January 2021, Law 15/2020, of 15 October, on the Spanish financial transactions tax (the **FTT Law**) entered into force.

Spanish FTT charges a 0.2 per cent. on specific acquisitions of listed shares issued by Spanish companies, regardless of the residence of the agents that intervene in the transactions, provided the market value of the capitalisation thereof is greater than €1 billion on December 1 of the year prior to the acquisition. The taxpayer will be the financial traders that transfer or execute the purchase order and must submit an annual tax return. The list of Spanish companies with a market capitalisation exceeding €1 billion on 1 December of each year will be published on the Spanish tax authorities' website before 31 December each year.

Notwithstanding the above, the Notes will not be subject to this new tax in accordance with the FTT Law.

Prospective holders of Notes are advised to seek their own professional advice in relation to the Spanish FTT.

8. **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, 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. A number of jurisdictions (including the Kingdom of 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, proposed regulations have been issued that provide that such withholding would not apply 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. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

ANNEX I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007 / Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos.

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes.

Don (nombre), con número de identificación fiscal (...), en nombre y representación de (entidad declarante), con número de identificación fiscal (...) y domicilio en (...) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (...), in the name and on behalf of (entity), with tax identification number (...) and address in (...) as (function – mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.
Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.
Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.
Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.
Fiscal Agent appointed by the Issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

In relation to paragraphs 3 and 4 of Article 44:

- 1.1 Identificación de los valores.....
Identification of the securities.....
- 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)
Income payment date (or refund if the securities are issued at discount or are segregated)
- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados).....
Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated).....

- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora
- Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.....*
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).
- Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).*
- 2. En relación con el apartado 5 del artículo 44.**
- In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores
- Identification of the securitites*
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)
- Income payment date (or refund if the securities are issued at discount or are segregated)*
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)
- Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated).....*
- 2.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora
- Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.....*
- 2.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).
- Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).*
- 3. En relación con el apartado 5 del artículo 44.**
- In relation to paragraph 5 of Article 44.
- 3.1 Identificación de los valores
- Identification of the securitites*
- 3.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)
- Income payment date (or refund if the securities are issued at discount or are segregated)*
- 3.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)
- Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated).....*
- 3.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.
- Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.*

- 3.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.
Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 3.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.
Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.
- 3.7 **Lo que declaro en a dede**
I declare the above in on the.... of of

En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**), dated 14 June 2024, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time, or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

- (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **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 the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- (i) the expression **an offer of Notes to the public** in relation to any Notes in any Member State means 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 the Notes; and
- (ii) the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the 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 domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK 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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- (i) the expression **an offer of Notes to the public** in relation to any Notes means 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 the Notes; and
- (ii) the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK 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 an 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; 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 United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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 FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- A) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Consolidated Banking Act**); and
- B) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Spain

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 or sold in the Kingdom of Spain other than by institutions authorised under Law 6/2023, of 17 March, on the Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (the **Securities Market Law**) and related legislation, to provide investment services in the Kingdom of Spain. 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 or without complying with all legal and regulatory requirements under Spanish securities laws. Neither the

Notes nor this Base Prospectus have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the **CNMV**) and therefore this Base Prospectus is not intended for any offer of the Notes in the Kingdom of Spain that would require the registration of a prospectus with the CNMV.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 Base Prospectus 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 person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that: (i) the Notes may not be publicly offered, sold, advertised or marketed, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act dated 15 June 2018, as amended (**FinSA**), except to any investor that qualifies as a professional client within the meaning of the FinSA; (ii) neither this Base Prospectus nor any other offering or marketing material relating to either Issuer, the Guarantor or the Notes (y) constitutes a prospectus or a key information document (or an equivalent document) as such term is understood pursuant to the FinSA or (z) has been or will be filed with or approved by a Swiss review body pursuant to article 51 of the FinSA; and (iii) neither this Base Prospectus nor any other offering or marketing material relating to either Issuer, the Guarantor or the Notes may be distributed or otherwise made available in Switzerland, except to any investor that qualifies as a professional client within the meaning of the FinSA.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief), comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sell or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchase, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibilities therefor.

None of the Issuer and the Dealers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Under certain circumstances, the Dealers have the right to be released and discharged from their obligations under the relevant subscription agreement before the issuance of the Notes. This includes situations where certain conditions precedent have not been delivered or met to their satisfaction by the Issue Date. In such cases, the issuance of the Notes may not be completed. Investors will not have any rights against the Issuer or Dealers concerning any expenses incurred or losses suffered in these circumstances.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 29 May 2024. The issue of the Notes has been or, on or before the Issue Date of such Notes, will be duly authorised by the Issuer.

Issues of Notes under the Programme by the Issuer may be required to comply with certain formalities contained in the Spanish Corporations Law (*Ley de Sociedades de Capital*), including as at the date of this Base Prospectus, the execution of a public deed (*escritura pública*) before a Spanish Notary Public in relation to the Notes issued under the Programme, if so required by Spanish law.

Listing of Notes

It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Base Prospectus to be admitted to the Official List and trading on its regulated market. The approval of the Programme in respect of the Notes was granted on 14 June 2024.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and at the website of the Issuer at www.elcorteingles.es/informacioncorporativa:

- (a) the constitutional documents of the Issuer;
- (b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 28 February 2023 and 29 February 2024 (with an English translation thereof), in each case together with the audit reports prepared in connection therewith;
- (c) the Agency Agreement and the Deed of Covenant; and
- (d) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated by reference.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this base prospectus.

This Base Prospectus and any supplement to this Base Prospectus and Final Terms will be available, in electronic format, on the website of Euronext Dublin (<https://live.euronext.com/>).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Group since 28 February 2024. There has been no material adverse change in the prospects of the Issuer since 28 February 2024.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

The auditors of the Issuer are Ernst & Young, S.L., located at Calle Raimundo Fernández Villaverde, 65, 28003, Madrid, Spain and registered in the Official Registry of Accounting Auditors (*Registro Oficial de Auditores de Cuentas*). The Spanish language original consolidated financial statements of the Issuer and its consolidated subsidiaries for each of the years ended 28 February 2023 and 29 February 2024, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, has been audited and the reports has been issued, without qualification, by Ernst & Young, S.L.

Third Party Information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dealers transacting with the Issuer

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates. These transactions occur in the ordinary course of business, and the Dealers have received, or may receive, customary fees, commissions, expense reimbursements, and indemnifications for such services. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a wide range of investments and actively trade in debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for both their own accounts and those of their clients. These activities may involve securities and/or instruments of the Issuer or its affiliates.

Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued

under the Programme. Such Dealers have received, or may in the future receive, customary fees and commissions for these transactions. Any such short positions could adversely affect future trading prices of Notes issued under the Programme.

The Dealers and their affiliates may also provide investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The net proceeds from the issue of the Notes will be used for the general corporate purposes of the Issuer and its subsidiaries (or as otherwise specified in the applicable Final Terms).

ISSUER

El Corte Inglés, S.A.

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Spain

ARRANGER

J.P. Morgan SE

Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

DEALERS

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Ciudad BBVA – Edificio Asia
Calle Saucedo, 28
28050, Madrid
Spain

Banco Santander, S.A.

Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar

BNP Paribas

16, boulevard des Italiens
75009 Paris
France

BofA Securities Europe SA

51 rue La Boétie
75008 Paris
France

Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Deutsche Bank Aktiengesellschaft

Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

J.P. Morgan SE

Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Société Générale

29, boulevard Haussmann
75009 Paris
France

ISSUE AND PAYING AGENT AND TRANSFER AGENT

Deutsche Bank AG, London Branch

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London
EC2Y 9DB

LISTING AGENT

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2, Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

REGISTRAR

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To the Issuer as to English and Spanish law

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INDEPENDENT AUDITORS

To the Issuer

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