Listing Particulars dated March 30, 2022

Anarafe, S.L.U.

*(a sociedad de responsabilidad limitada, organized under the laws of Spain and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under Volume 1473, Page 175, Sheet number GC-22908) (the "**Issuer**")*

EUR 376,292,750
Floating Rate Senior Secured Notes due 2026

The Issuer is incorporated as a *sociedad de responsabilidad limitada*, organized under the laws of Spain. These Listing Particulars give information on the Issuer and on the EUR 376,292,750 Floating Rate Senior Secured Notes due 2026 (the **"Notes"**) issued by the Issuer.

On January 12, 2022, within the context of a financial restructuring of the group of companies to which the Issuer belongs (the **"Group"),** including Bahía de Las Isletas, S.L. (the **"Parent"**) and certain of its subsidiaries completed on September 28, 2021 (the **"Restructuring"**), the Issuer issued an aggregate principal amount of EUR 376,292,750 of Notes pursuant to an English law governed trust deed dated as of January 12, 2022 entered into by and between, amongst others, the Issuer as issuer and Lucid Trustee Services Limited as trustee and security agent (the "**Trustee**"), to authorize the issuance of the Notes (the **"Trust Deed"**). The Notes mature on 31 March 2026, with interest on the Notes payable quarterly in arrears on March 31, June 30, September 30, and December 31 of each year, beginning on March 31, 2022.

The Restructuring was implemented by an *acuerdo de homologacion* pursuant to article 609 et seq. of the Spanish Insolvency Law (the **"Homologation"**) pursuant to which (i) the EUR 282,000,000 Floating Rate Senior Secured Notes due 2023 and the EUR 300,000,000 Floating Rate Senior Secured Notes due 2024, pursuant to New York law governed indentures dated, respectively, July 29, 2016 (the **"2016 Notes"**) and November 17, 2017 (the "**2017 Notes**") issued by Naviera Armas, S.A. (the "**2016 and 2017 Notes Issuer**") were cancelled, and (ii) in consideration for the cancellation of the 2016 Notes and the 2017 Notes, *inter alia*, the Notes were issued by the Issuer and subscribed to by holders of the 2016 Notes and 2017 Notes pursuant to the Homologation and the related documentation.

The Notes are senior secured obligations of the Issuer pursuant to the Trust Deed and fully and unconditionally guaranteed by its Parent and certain of its subsidiaries, Bahia 2 Luxembourg Limited, Bahia 1 Luxembourg Limited, Naviera Armas, S.A., Agencia Schembri, S.A, Caflaja, S.L.U., Compañía Transmediterránea, S.A., Estudios y Consignaciones, S.L.U., Hermes Logística, S.A., Marítima de Sotavento, S.L.U., Marítima de Barlovento, S.L.U., Marítima de las Islas, S.L.U., Naviera de Jandía, S.L.U., Terminal Ferry De Barcelona, S.L.U., Terminales Marítimas Armas, S.L.U. and Armas Trasmediterréna Factoring, S.L. (together, the **"Guarantors"**) and secured by collateral granted by Anarafe, S.L.U., Estudios y Consignaciones, S.L.U., Mr. Antonio Armas Fernández, Compañía Trasmediterránea, S.A., Mrs. Sandra Margaret Mead Dugan, Mr. Antonio Armas Mead, Mrs. Alexandra Margaret Mead Dugan, Bahía de las Isletas, S.L., Naviera de Jandía, S.L.U., Marítima de Sotavento, S.L.U., Compañía Trasmediterranéa, S.L., Caflaja, S.L.U., Agencia Schembri, S.A., Naviera Armas, S.A., Marítima de las Islas, S.L.U., Marítima de Barlovento, S.L.U., Armas Trasmediterranéa Factoring, S.L., Anarafe, S.L., Bahia 1 Luxembourg Limited, Bahia 2 Luxembourg Limited, Europa Ferrys, S.A., LHBI Limited and Maritime Highways Limited (the "**Security Providers**").

This document (and all documents incorporated by reference herein) (the "**Listing Particulars**") has been prepared for the purpose of providing disclosure information with regard to the Notes which are to be admitted to the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and to trading on the Global Exchange Market which is the exchange regulated market of Euronext Dublin (the "**GEM**"). Euronext Dublin's GEM is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**EU MiFID II**"). These Listing Particulars constitute listing particulars for the purposes of listing on the official list of Euronext Dublin (the "**Official List**") and to trading on its GEM. Application has been made to Euronext Dublin for the approval of these Listing Particulars and for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin. Investors should note that securities to be admitted to Euronext Dublin's Official List and to trading on its GEM will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

These Listing Particulars do not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation"). These Listing Particulars have been prepared solely with regard to the Notes which are (i) not to be admitted to listing or trading on any regulated market for the purposes of EU MiFID II and (ii) not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 1(4) of the Prospectus Regulation). These Listing Particulars have not been approved or reviewed by any regulator which is a competent authority under the Prospectus Regulation.

The Notes are in denominations of EUR 1,000.00 and integral multiples of EUR 1.00 above EUR 1,000.00. The Notes issued pursuant to Regulation S under the U.S. Securities Act of 1933 (as amended, the "**Securities Act**") are initially represented by global notes (the "**Global Notes**"), which are registered in the name of The Bank of New York Depository (Nominees) Limited, and were deposited with The Bank Of New York Mellon, London Branch, as common depositary (the "**Common Depositary**"), on behalf of the Euroclear and Clearstream systems on January 12, 2022 (the "**Issue Date**"). The Notes issued pursuant to Rule 144A under the Securities Act are initially represented by a Global Note, which is registered in the name of The Bank of New York Depository (Nominees) Limited, and was deposited with Common Depositary on the Issue Date. The Global Notes will be exchangeable for definitive registered notes (the "**Definitive Registered Notes**") in the limited circumstances set out within them.

The Issuer is not offering the Notes in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Regulation nor is any person authorised to make such an offer of the Notes on behalf of the Issuer in any jurisdiction.

Prospective investors should have regard to the factors described under the section of these Listing Particulars headed "***Risk Factors***". These Listing Particulars do not describe all of the risks of an investment in the Notes.

IMPORTANT NOTICE

Listing Particulars and responsibility

The Issuer has prepared these Listing Particulars solely for use in connection with the listing of the Notes on the Euronext Dublin and takes responsibility for its contents.

Each of the Issuer, the Parent and the Subsidiary Guarantors accepts responsibility for the information contained in these Listing Particulars and confirms that, having taken all reasonable care to ensure that such is the case, that the information contained in these Listing Particulars is, to the best of each the Issuer's, the Parent's and the Subsidiary Guarantors' knowledge, in accordance with the facts and makes no omission likely to affect its import

Prohibition of sales to EEA and 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 European Economic Area ("**EEA**") or 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 (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.

Information limited to that contained in these Listing Particulars

No person has been authorised to give any information or to make any representation other than those contained in these Listing Particulars in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. The language of these Listing Particulars is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

The Issuer is not providing prospective purchasers with any legal, business, tax or other advice in these Listing Particulars. Prospective purchasers should consult with their own advisors as needed to assist in making an investment decision and advice as to whether such prospective purchaser is legally permitted to purchase the Notes.

Overview of selling restrictions

These Listing Particulars do not constitute an offer of, or an invitation by or on behalf of the Issuer to subscribe for, or purchase, the Notes. The distribution of these Listing Particulars and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer to inform themselves about and to observe any such restriction. Prospective purchasers of the Notes must also obtain any consents or approvals needed for them in order to purchase any Notes.

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S.

persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act ("**Rule 144A**"). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of these Listing Particulars, see "*Subscription and Sale*".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of these Listing Particulars. Any representation to the contrary is a criminal offence in the United States.

The Issuer has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the **"Investment Company Act**"). It is expected that the Issuer will be relying on an exemption from the definition of "investment company" under the Investment Company Act pursuant to Rule 3a-7 adopted thereunder.

Available Information

The Issuer has agreed that, for so long as any of the Notes issued pursuant to Rule 144A Notes (the "**Rule 144A Notes**") remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish, upon request of a holder or of any beneficial owner of such a Rule 144A Note or of any prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the **"Exchange Act**"), or is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes were sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. As used in this section, the terms "United States," "U.S. person" and "offshore transaction" have the meanings given to them in Regulation S.

Each 144A Global Note and each Definitive Registered Note issued in reliance on Rule 144A bears the following legend (the "**Private Placement Legend**"):

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER

WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT (E) AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3), (7) OR (9) UNDER THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) OR CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE"

By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in the Trust Deed and in the Private Placement Legend and agrees that it will transfer such Note only as provided in the Trust Deed.

Each Global Note bears the following legend (the "**Global Note Legend**"):

"THIS GLOBAL NOTE IS HELD BY THE COMMON DEPOSITARY (AS DEFINED IN THE DEED GOVERNING THIS GLOBAL NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE DEED, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE DEED, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE DEED AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE COMMON DEPOSITARY TO A NOMINEE OF THE COMMON DEPOSITARY OR BY A NOMINEE OF THE COMMON DEPOSITARY TO THE COMMON DEPOSITARY OR ANOTHER NOMINEE OF THE COMMON DEPOSITARY OR BY THE COMMON DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR COMMON DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR COMMON DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (WHICH SHALL INITIALLY BE THE BANK OF NEW YORK DEPOSITORY (NOMINEES) LIMITED) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR SUCH OTHER ENTITY AS MAY BE

REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN."

By its acceptance of any Note bearing the Global Note Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in the Trust Deed and in the Global Note Legend and agrees that it will transfer such Note only as provided in the Trust Deed.

Independent analysis and risk assessment

Prospective investors should have regard to the factors described in "*Risk Factors*". These Listing Particulars do not describe all of the risks of an investment in the Notes. Neither these Listing Particulars nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer that any recipient of these Listing Particulars or any other financial statements should purchase the Notes.

Prospective purchasers are responsible for making their own examination of and their own assessment of the merits and risks of investing in the Notes. Prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Prospective purchasers of the Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in these Listing Particulars and the merits and risks of investing in the Notes in the context of their financial position and circumstances.

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PRESENTATION OF INFORMATION

Unless otherwise specified or the context requires, references to “euros,” “€” and “EUR” are to euros.

Unless otherwise specified or the context requires, references to “we”, “us” and “our” are to the Group, including the Issuer, the Parent and the Guarantors.

Certain figures included or referred to in these Listing Particulars may have been rounded for ease of presentation. Percentage figures included in these Listing Particulars have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding.

FORWARD-LOOKING STATEMENTS

Certain statements included herein may constitute “forward-looking statements”. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Whenever used in these Listing Particulars, the words “intend,” “estimate,” “expect,” “believe,” “anticipate,” or similar expressions are intended to identify such forward-looking statements. In the past actual results have varied materially and unpredictably from expectations. The Issuer cautions readers not to place undue reliance on these forward-looking statements, which speak only as to the date of these Listing Particulars. The Issuer undertakes no obligation to republish revised forward-looking statements to reflect new information, future events or otherwise. New factors emerge from time to time and it is not possible to predict all such factors, nor can the Issuer assess the impact of any such factor on its business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. The Issuer urges prospective investors to carefully review and consider the factors in the succeeding paragraph.

DOCUMENTS INCORPORATED BY REFERENCE

These Listing Particulars should be read and construed in conjunction with the following documents, which shall be deemed to be incorporated in, and to form part of these Listing Particulars:

- the 2018, 2019 and 2020 consolidated financial statements of the Parent.

Copies of the documents incorporated by reference in these Listing Particulars have been filed with Euronext Dublin.

Any statements contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Listing Particulars.

DEFINITIONS

For the purpose of the Listing Particulars, the following defined terms have the following meanings, unless the context requires otherwise. Capitalized terms not expressly defined herein will have the meaning assigned to them in the Trust Deed.

Business Day	each day that is not a Saturday, Sunday or other day on which banking institutions in Madrid, Spain, London, United Kingdom, or New York, New York, United States are authorized or required by law to close.
Clearstream	Clearstream Banking, S.A.
EBITDA	profit/loss for the period from continuing operations before financial loss, income tax and depreciation of fixed assets and share in profit (loss) of companies carried under the equity method.
Euroclear	Euroclear Bank S.A./N.V.
Holder	means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the nominee of Euroclear or Clearstream.
IMO	the International Maritime Organization.
Intercreditor Agreement	the intercreditor deed dated the Issue Date and entered into by, and between, *inter alios,* the Issuer, the Parent and the Trustee.
Island-Peninsula	an island–peninsula route which connects the Canary Islands and southern mainland Spain.
Issue Date Collateral	the collateral created by the Security Documents.
Maintenance Capital Expenditures	expenditures related to dry-dock maintenance and regular investments in vessel machinery parts and equipment.
Operating Fleet	the 22 vessels that we currently operate, which are (i) the vessels that we own (excluding any vessels that we own and lease to other companies) and (ii) vessels that we lease.
Person	any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.
PIK Interest	the payment of interest on the Notes by increasing the principal amount of the outstanding Notes or by issuing Additional Notes (as defined in the Trust Deed) in a principal amount equal to such interest.

REBECA	a special register of Canary Islands' vessels.
Security Documents	the security documents described in *"Issue Date Security Documents"* as may be further amended.
Spanish Shipping Act	The Spanish Shipping Act of 2014.
Strait	the strait which connects southern mainland Spain with northern Morocco and the Spanish city of Ceuta.
Subsidiary Guarantor	the Guarantors, excluding the Parent.
U.S.	the United States of America.
Vessel Collateral	the security interests in the vessels described in *"Issue Date Security Documents"*.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. The Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the transaction documents and reach their own views prior to making any investment decision

Risks relating to our business and industry

We may be adversely affected by fluctuations in crude oil and bunker fuel prices.

Bunker fuel *(Combustibles),* which is used to operate our ships, represents a significant portion of our operating expenses. We are exposed to price volatility with respect to bunker fuel, which can have a materially negative impact on our margin, cash flows and results of operations. Economic, market and political conditions around the world, such as the demand for bunker fuel and oil, regulatory requirements, supply disruptions and related infrastructure needs, make it difficult to predict the future price and availability of bunker fuel and oil.

We will attempt to have hedging policies in place for our estimated fuel oil and gas oil needs. There can be no assurance that we will be able to put these hedging policies in place or that these hedging arrangements will provide a sufficient level of protection against potential increases in bunker fuel prices. We use commodity swaps requiring monthly cash settlement to hedge each of our exposures to fluctuations in the price of bunker fuel and mitigate its effect on each of our fuel costs. Under these swaps, we are required to pay a fixed amount corresponding to a given quantity of bunker fuel at a pre-determined price. In exchange for this fixed payment, we receive or make payment of a variable amount corresponding to the current price of that same quantity of bunker fuel as determined by reference to a specified bunker fuel price index.

A significant or continued increase in bunker fuel prices could have a material adverse effect on our business, financial condition or results of operations, to the extent that such increase exceeds our hedging to manage such exposure or if our hedging proves ineffective. For example, commodity swaps subject us to the risk of a mismatch between the movement of the index referenced by the relevant swap agreements and the movements in bunker fuel prices in the markets in which we operate. If the price increases in our local market are not mirrored by movements in the specified price index, these swaps may fail to fully protect us against the effects of rising bunker fuel prices. Additionally, since bunker fuel hedging arrangements are entered into in advance, we may incur losses with respect to such hedges to the extent that bunker fuel prices decrease compared to the hedged price. If our competitors elect not to hedge or hedge differently than we do, they may be affected differently by variations in bunker fuel prices in the market. Should such differences in hedging activities allow them to reduce their overall bunker fuel costs more than we can, they may be able to charge less for their services, thereby gaining a competitive advantage.

Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. For example, our derivative contracts may be subject to termination or break clauses, which may force us to renegotiate or replace those contracts on unattractive terms, and we face the risk that our swap counterparties and/or the clearinghouses through which we or they purchased our swaps may become insolvent and thus unable, or unwilling, to pay us the amounts owed in respect of our swap agreements. Disruptions in the global fuel markets may increase hedging-related risks. For example, proposals to impose limits on sulphur oxide emissions from vessels may, if implemented broadly, cause a significant decline in the price of bunker fuel, while simultaneously triggering an increase in prices for alternative fuels. If decreased bunker fuel prices were to coincide with a need to switch to more expensive fuel to comply with changes to emission requirements, the combination of increased fuel costs and costs related to our hedges could adversely affect our profit and cash flow.

Future increases in the global price of bunker fuel could also increase our other expenses, such as crew travel, cargo and commodity prices. We may be unable to increase ticket prices or introduce bunker fuel supplements, which would help to fully or partially offset potential bunker fuel price increases. Increases in bunker fuel prices or increases in other operating costs caused by increased bunker fuel prices could have a material adverse effect on our business, financial condition and results of operations.

As the price of oil is internationally traded in U.S. dollars, and the price of bunker fuel is correlated to the U.S. dollar denominated price of oil, our need to purchase fuel also increases our exposure to foreign exchange rate fluctuations. As we purchase most of our commodity swaps in euro, we are exposed to movements in the exchange rate of the euro against the U.S. dollar in relation to costs for the purchase of fuels and lubricants and significant adverse fluctuations in exchange rates between U.S. dollars and euros could adversely affect the prices we pay in respect of our hedging agreements. Furthermore, volatility in the bunker fuel market, the oil market or the U.S. dollar/euro exchange rate could impact the performance of our current swaps and the price and availability of new swaps. This, in turn, could affect our ability to purchase swaps at commercially reasonable prices, or at all. If we are unable to pass on increases to our cost base related to changes in the U.S. dollar/euro exchange rate, we may incur higher costs of sales and lower margins. If we are unable to implement our hedging policy, we may face increased risk from bunker fuel price fluctuations in the future. Consequently, any adverse fluctuation in currency exchange rates could have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to general economic and political conditions in Spain.

The Group's activities are primarily concentrated in the Canary Islands. As such, our results of operations are vulnerable to economic and political conditions in Spain. Although the economy of Spain has shown signs of increased stability since the global financial crisis, there can be no assurance that the economy of Spain will remain stable and it is possible that events, particularly following the impact of the Covid-19 pandemic and the United Kingdom's withdrawal from the European Union ("**Brexit**"), may continue to affect current economic stability and future economic growth. In particular, the Group's operating performance and financial results were adversely impacted since March 2020 by the protracted and ongoing decline in tourism, freight and other maritime traffic, arising as a result of, or in connection with, the Covid-19 pandemic. This included, for example, the disruption of business, quarantine and travel restrictions, government and regulatory restrictions and disruptions to supply chains. Following Brexit, British tourism, which comprises a significant percentage of tourism in Spain, has decrease, having a negative impact on the economy of Spain. Tourism from nationals of other EU member states such as Germany may also decrease if their economies experience a slowdown. Because tourism is a significant driver of the Spanish economy's growth and stability, a significant decrease in tourism could have a negative effect on our results of operations and financial condition.

One of the main businesses of the Group is the straight business, which connects the South of Spain with the North of Morocco. Due to a diplomatic conflict between the government of Spain and the government of Morocco related to the sovereignty of the Sahara, Morocco has forbidden all passenger maritime transport between Spain and Morocco. Even though it is expected that the prohibition will be lifted before the peak season begins in the summer of 2022, a failure of this materialise will negatively impact the turnover and EBITDA of the Group and could affect the ability of the Group to service its debts.

The government of Morocco has indicated that it may forbid the Group from operating in Morocco as a result of a dispute relating to a vessel that ran aground a number of years ago in the Moroccan coast "**Assalama**". They have demanded that the Group scraps Assalama and the UK P&I Club, the insurer of Assalama at the time of the incident, will pay the cost of the removal of the vessel. However, in the event of a failure to resolve this dispute and the government of Morocco prohibiting the Group from operating in Morocco, the turnover and EBITDA of the Group will be less than expected and could negatively affect the capacity of the Group to pay its debts.

Any adverse change to the passenger subsidy regime of the central Spanish government or the Canary Islands local government or to the REBECA tax regime applicable to us would have a negative impact on our business.

Canary Islands residents purchasing tickets for inter-island maritime routes and routes between the Canary Islands and mainland Spain, as well as residents of the cities of Melilla and Ceuta purchasing tickets between Melilla and Ceuta and mainland Spain, who are nationals of either Spain or other member states of the European Union, the European Economic Area or Switzerland, receive a subsidy of at least 50% of regular ticket prices. Passengers eligible for the subsidy pay 75% or a lesser amount, as the case may be, of the ticket price. In the Inter-islands market, the Spanish central government and local government of the Canary Islands reimburse ferry companies 75% of the regular ticket prices. In the Island-Peninsula market and in the Strait, the Spanish central government reimburses ferry operators for the entire amount of the subsidy. Ferry companies request the corresponding reimbursement from the applicable government on a quarterly basis.

Certain of our Freight customers who are local producers of basic goods receive government subsidies. Unlike the government subsidies for our customers who are residents of the Canary Islands, we do not receive any payments from the government in respect of the local producer subsidies. Any changes to these subsidies, such as a decrease in the amount of the subsidy, or the discontinuation of the subsidy, which may decrease our customers' use of our services, could have an adverse effect on our financial results and results of operations.

Although operators providing these services in the region have benefited from passenger subsidies for more than 30 years, there can be no assurance that the local and central governments will be able to provide these subsidies in the future or that they will do so on substantially the same terms. Any changes to these subsidies or the discontinuation of these subsidies entirely could decrease passengers' use of our services. In addition to losing a portion of our net turnover, we could be forced to reposition our business and re-adjust our cost base, which we may not be able to do efficiently. If our customers lose the benefits of government subsidies and reduce the use of our services, this could have a material adverse effect on our business, financial condition and results of operations.

In addition to benefiting from a subsidy regime, ferry companies with vessels registered in the Canary Islands benefit from REBECA, which has relevant tax and social security contribution advantages, including a 90% rebate on the Spanish corporate income tax charge derived from taxable income generated by those vessels that are registered in REBECA. We are subject to the risk that in the future, we will not receive the same tax benefits. The risk of not being able to realize these tax benefits depends on many factors outside of our control, including changes in the applicable tax code. If we are unable to realize these tax benefits, it may have a material adverse effect on our results of operations.

We face direct competition from ferry companies as well as indirect competition from airlines, and we may not be able to compete effectively.

We face direct competition from other established ferry operators who provide the same or similar services in the markets in which we operate. With respect to our passenger services, we also face indirect competition from airlines that provide an alternative to ferry transportation services. While the competition from airlines is limited with respect to our inter-island routes, as air travel is more expensive, it is possible that on any of our routes, customers may opt for airline packages in lieu of our ferry services depending on the relative price of tickets, length of journey or other factors. Customer travel preferences may also change, leading to more customers choosing airline companies for routes we currently serve. We cannot predict future customer behavior and a change in such behavior may affect our sales, and thus could have a material adverse effect on our business, financial condition and results of operations.

Certain of our direct and indirect competitors may have greater financial resources, greater purchasing economies of scale and lower cost bases than we do. Consequently, they may be able to afford to spend more on marketing and advertising campaigns, thereby attracting market share. Some of our competitors may be able to react more swiftly to changes in market conditions and may have a material competitive advantage that allows them to utilize their greater market presence, stronger brand or other advantages when navigating new or changing markets. Certain of our competitors may also be able to accept lower prices than we can offer or withstand higher costs for longer than we can. The adoption by competitors of competitive pricing, intensive promotional activities and discounts in the future, as well as our actions to seek to maintain our competitiveness and reputation despite our competitors' actions, could have a material adverse effect on our business, financial condition and results of operations. If we are unable to operate or to compete effectively with other ferry companies or other transportation companies, there could be a material adverse effect on our business, financial condition and results of operations.

A portion of our Passenger net turnover is seasonal owing to variation in occupancy levels and prices at different times of the year, and we experience fluctuations in our working capital requirements and liquidity.

We experience fluctuations in our quarterly working capital driven by the seasonality of demand for our Passenger business in the Island-Peninsula and the Strait regions, combined with seasonality in our dry docking expenses. Although our inter-island Freight and Passenger businesses are relatively consistent and stable, our passenger net turnover generated in the Island-Peninsula is highly seasonal. Additionally, our Maintenance Capital Expenditures are at their greatest during dry-docking periods which are usually scheduled during the off-peak season. Accordingly, our liquidity is typically at its highest immediately before and during our peak season and at its lowest during the winter months of each year. If cash flows from our operations are insufficient to fund our working capital requirements due to the combination of seasonality in the Island-Peninsula and Strait region, combined with Maintenance Capital Expenditures, this could have a material adverse effect on our business, financial condition and results of operations.

Our net turnover is concentrated in certain geographic areas and certain routes, and the loss of any of these routes (or lower sales from these routes) could lead to significantly lower net turnover.

Our ferry activities are primarily concentrated in the Canary Islands. If any economic disruptions occur in the Spanish market, especially in the Canary Islands or Strait submarkets, our net turnover could be significantly affected, which could have a material adverse effect on our business, results of operations and financial condition.

Likewise, passengers may, for any number of reasons, opt to take different routes (including those of our competitors), different forms of transportation (including air travel) or seek out different vacation destinations. Depending on general economic factors, passengers may also have less expendable income for services such as ours. If we were to lose the ability to operate any of our routes for any reason, whether due to a decision by a port or an administrative body or if existing authorities request us to change our routes, or if our routes experience lower sales and consequently reduced net turnover, our business, financial condition and results of operations could be materially adversely affected.

Adverse general economic conditions in Europe could reduce the demand for our services and adversely impact our business. We could also be adversely impacted by large scale macroeconomic events affecting the global economy.

In recent years, sovereign debt crises in Greece, Ireland, Portugal, Spain and Cyprus have led to concerns about the ability of some EU states, including Spain, to service their sovereign debt obligations. These concerns impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations, indicating a reassessment of the associated risks, and increased the difficulty in obtaining liquidity. Concerns persist regarding the debt and/or deficit burden of certain eurozone countries, including Spain, and their ability to meet future financial obligations, given the diverse economic and political circumstances in individual member states of the eurozone. Additionally, the possible exit from the eurozone of Spain, where all of our net turnover is sourced, and/or the replacement of the euro by one or more successor currencies could cause significant market dislocations and lead to adverse economic and operational impacts that are inherently difficult to predict or evaluate.

Risks affecting the global economy identified during the last couple of years included the Covid-19 pandemic, the softening in the growth outlook for the Asia region driven by global macroeconomic environment changes compared to mid-2015, general economic pressure and potential political and regulatory changes in the Latin America region, rising inflation, Brexit and macroeconomic instability related to the Russian invasion of the Ukraine and the corresponding economic sanctions that have followed. Even though to date some of these factors have had a limited impact on our financial performance, they could have a material adverse effect on our business, prospects, results of operations, cash flow and financial condition in the future and as a result, we will continue to monitor developments and the potential related risks.

The impact of adverse global and Spanish economic and market conditions could have a material adverse effect on our business, financial condition and results of operations. Disruptions in Europe and global economic uncertainty may also restrict our access to capital and impair our ability to refinance our debt and have a material adverse effect on our business, financial condition and results of operations.

Our business and results of operations are dependent on our operating fleet. The prolonged breakdown, unavailability or loss of any vessel or the inability to implement our vessel repairs, maintenance and refurbishments on terms and within time frames that are favorable or consistent with our expectations could have a significant adverse impact on our financial condition and results of operations.

If any one of the vessels in our Operating Fleet were to cease operations for an extended period of time, for example due to mechanical failure, an extended dry-dock or maintenance may be required and our brand, business, financial condition and results of operations could be negatively impacted. In the event of a cancellation of a voyage or part of a voyage, we aim to rebook our customers on other vessels. This may not, however, be possible for our routes in the Strait during our peak season when utilization rates on our vessels are highest as customers are travelling home for the summer holidays. In addition, the replacement of any of our vessels may involve significant delays and expense. The total loss of a vessel could also negatively affect our reputation, which could, in turn, have a material adverse effect on our business, financial condition and results of operations.

In general, the cost of maintaining a vessel in good operating condition increases with the age of the vessel. We may incur increased costs due to longer and more expensive dry-dockings that may be required over time, resulting in more off-hire days and reduced net turnover. Our fleet may also become less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Governmental regulations and safety or other equipment standards related to the age of a vessel may require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our vessels may engage. For instance, as they grow older, vessels may need significant enhancements to meet emissions regulations under the International Convention for the Prevention of Pollution from Ships (“**MARPOL**”).

Our Maintenance Capital Expenditures consist of investments in vessel machinery parts, industrial and commercial equipment and dry-dock maintenance as well as intangible assets. The repair, maintenance and refurbishment of our vessels are complex processes and involve risks similar to those encountered in other large and sophisticated construction, repair, maintenance and refurbishment projects. We could experience delays and cost overruns in completing such work.

Other events, such as work stoppages and other labor actions, insolvencies, *force majeure* events or other financial difficulties experienced at the shipyards and among the subcontractors and suppliers that build, repair, maintain or refurbish our vessels could prevent or delay the completion of the refurbishment, repair and maintenance of our vessels. A significant delay in the refurbishment or repair of one or more of our vessels, or a significant performance deficiency or mechanical failure of a vessel could have a material adverse effect on our business, financial condition and results of operations.

Finally, we rely on the shipyards of Las Palmas de Gran Canaria to conduct our repair operations. If we are unable to use these shipyards for any reason, the lack of alternative qualified shipyard repair facilities could result in our inability to repair and maintain our vessels on a timely basis, which could result in reduced profitability. As a result, our inability to implement our vessel repairs, maintenance and refurbishments on terms and within certain time frames could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to realize the expected financial benefits of our investments in new vessels, new routes and improved terminal facilities may carry unexpected liabilities and/or result in significant increases in our indebtedness.

We may make investments, including in new vessels, in the future that we believe present opportunities for the growth and strengthening of our business, including by enhancing our geographical presence or improving our operational efficiencies. Successful growth through future investments is dependent upon our ability to identify suitable investment opportunities and negotiate transactions on favorable terms and obtain authorizations.

Our strategy includes identifying and launching new routes and expanding our services into new regions, which entails certain risks inherent in identifying desirable routes, investing in and chartering new vessels and integrating new routes and vessels into our existing operations. Additionally, we may not realize any of the anticipated benefits of a new route, or the costs may exceed anticipated benefits. In addition, we may experience difficulty in assigning new vessels to an established route. We may also face competition from existing ferry operators in those regions that could reduce the benefits we acquire from any expansion.

Moreover, significant investments may result in unfavorable external perceptions of the transaction or us, creating the potential for ratings downgrades or adversely affecting the market price of the Notes. Future acquisitions and investments may also increase our indebtedness, both through debt incurred to finance the investment or the acquisition and existing indebtedness of the acquired company, as the case may be, which could significantly reduce or eliminate the headroom under certain of our indebtedness and make it more difficult to incur additional indebtedness.

Amendments to the collective bargaining agreements for crew members of our fleet and land-based employees and other employee relation issues may adversely affect our financial results.

A large number of our employees are represented by labor unions under various collective bargaining agreements with varying expiration dates. We may not be able to satisfactorily renegotiate our collective bargaining agreements when they expire.

In addition, existing collective bargaining agreements may not prevent a strike or work stoppage on our vessels. Furthermore, we have in the past and may in the future seek, or be obliged to seek, agreements with our employees regarding workforce reductions, closures and other reorganizations, which could result in labor disputes.

Any such work stoppages or potential work stoppages could have a material adverse effect on our business, financial condition or results of operations

We charter some of our vessels and lease several trucks and warehouses, and our business is subject to the risks and costs associated with such charters and leases.

We may, from time to time, charter our vessels to other entities and charter vessels from other entities. Time charter and lease agreements contain several covenants and obligations that the charterer or lessee must observe. Noncompliance with the relevant covenants and/or obligations would generally lead to a default under the contract and could generally result in (i) the relevant agreement being terminated by the vessel owner or lessor and (ii) the need for the charterer or lessee to indemnify the vessel owner or lessor, as applicable. In the case of vessel charters, should the charterer be unable to meet the relevant obligations towards the vessel owner, pursuant to the 1992 International Convention Relating to the Arrest of Sea Going Ships as implemented in Spain, the vessel owner may be entitled to arrest the vessel against which the claim under the time charter is asserted. Accordingly, any failure on our part to meet our obligations under the time charter or lease could adversely affect our ability to carry out our operations.

Charterers and lessees require approval from the owner before the charterer or lessee can alter the physical structure of any chartered in vessel, truck or warehouse. The owners have the right to their property returned in the same condition as it was delivered to the charterer or lessee, with customary exceptions for normal wear and tear. If any of our time charters or leases expire, we cannot assure you that we will be able to renew them on commercially favorable terms, or that we will be able to renew our time charters or leases at all. If we are not able to extend or renew any such time charters, we may need to charter other vessels or, alternatively, purchase vessels so that our ferry service can continue to provide its offering without disruption. We may face difficulties purchasing new vessels, however, as there is a scarcity of vessels on the secondary market. Failure to renew a time charter or lease following its expiration could have a material adverse effect on our business, financial condition and results of operations. There may be unforeseen costs involved with returning the vessels to their original condition or we may experience difficulty in renewing the time charter or lease after it expires. Such risks related to our current or future chartered in vessels or trucks or warehouses could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Taxation

We are subject to many different forms of national, regional and local taxation, both direct and indirect, including, but not limited to, income tax, withholding tax, value added tax and other payroll taxes. Tax laws and administration criteria are not a clear-cut area, are subject to changes and often require us to make subjective interpretations. In this respect, as a result of any future audit, additional taxes could be identified, which could lead to a substantial increase in our tax obligations (including any accrued interest and penalties), either as a result of the relevant tax payment being levied on us directly or as a result of us becoming liable for tax as a secondary obligor due to a primary obligor's failure to pay. Eventually, an increase of our tax burden could negatively impact our results of operations and financial condition, making it difficult for us to service our debt, including the Notes.

We benefit from and rely on certain tax advantages.

We benefit from certain tax advantages which include exemption from taxation for our inter-island operations, a 90% rebate on the Spanish corporate income tax charge derived from taxable income generated by those vessels that are registered in REBECA and tax deductions for investment in fixed assets in the Canary Islands. We are subject to the risk that in the future we will not receive the same tax benefits. The risk of not being able to realize these tax benefits depends on many factors outside of our control, including changes in the applicable tax regulations. If we are unable to realize these tax benefits, it may have a material adverse effect on our business, financial condition and results of operations.

Spanish legislation has imposed certain measures that may reduce our available cash

As of January 1, 2022, Law 22/2021, of December 28, 2021, of the Spanish General Budget for 2022, has introduced a minimum effective tax rate of 15% of the taxable base for taxpayers (i) whose net turnover are at least €20 million in the twelve-month period immediately preceding the start date of the taxable period, or (ii) who are taxed under the consolidated tax group regime.

However, as we benefit from a 90% rebate on the Spanish corporate income tax charge derived from taxable income generated by those vessels that are registered in REBECA and tax deductions for investment in fixed assets in the Canary Islands, in case our net tax liability is less than the minimum tax liability as a result of the beforementioned benefits, our minimum net tax liability will be the gross tax liability minus those reductions.

The impact of the above rules could potentially increase our tax burden and therefore negatively impact our financial condition and operating results.

An increase in port taxes or fees or other adverse changes in our terms of business with the authorities operating the ports at which we call could increase our operating costs and could have a material adverse effect on our business, financial condition and results of operations.

Port authorities operating ports-of-call that we regularly visit may introduce new fees or raise existing fees, or the government may assess new taxes. To the extent that we are not able to pass on any potential additional costs to our customers, our operating costs will increase. In addition, an increase in the prices we charge our customers as a result of such increased operating costs could decrease the demand for our services, which could adversely affect our net turnover. An increase in port costs or other adverse changes in tax law or of our terms of business with the authorities operating the ports at which we call could increase our operating costs or reduce our net turnover, and could, in turn, have a material adverse effect on our business, financial condition and results of operations.

Our operations may be subject to incidents involving safety and security of our customers and employees.

The operation of our vessels involves the risk of serious incidents affecting the safety and security of our passengers and employees, including those caused by fire onboard our vessels, accidents or injuries resulting from the improper operation of our vessels, groundings, incidents involving guest and employee illnesses, collisions and accidents resulting from navigational errors, as well as other incidents. If a customer or employee is seriously ill or injured, we may be required to deviate from our route in order to seek medical attention. Such deviations may result in a disruption to our scheduled service, which may result in complaints by other customers. In addition, accidents or injuries affecting our customers could damage our reputation or lead to litigation, either of which, in turn, could have an adverse effect on our results of operations.

While at sea or in port, the conduct of our customers and employees, including the potential for missing customers, inappropriate crew or guest behavior and onboard crimes, may also pose an actual or perceived risk to the safety and security of those aboard. Any such event may result in loss of life or property, loss of net turnover or increased costs, guest and crew discomfort, and the alteration of itineraries or the cancellation of a journey. Such conduct may also lead to litigation against us and lead customers and potential customers to perceive ferry travel as unsafe.

We have from time-to-time experienced incidents involving guests in the past, including incidents with passenger injuries, and there can be no assurance that similar events will not occur in the future. To the extent that we encounter a serious accident or other safety-related event, we may be required to delay or cancel a trip, face civil or criminal liability and/or incur significant costs. In addition, any such event involving our vessels or land-based activities may cause current and potential employees and customers to question whether our operations imperil their health, safety and security. This, in turn, may adversely affect our brand reputation, guest satisfaction and demand for our services in general, as well as our sales, costs and profitability. Additionally, any incident affecting the safety and security of our customers and employees may lead to increasing government or other regulatory oversight and associated compliance costs. Furthermore, an adverse judgment or settlement in respect of any claim against us resulting from a serious safety or security incident may also lead to negative publicity about us.

We may also be adversely affected by negative publicity regarding the safety of our ferries and ferries generally. For instance, highly publicized events such as the Costa Concordia accident in 2012, in which 32 people died in an accident involving a cruise vessel sailing out of the Italian port of Civitavecchia, could affect customers' decision to use our services by leading current and potential customers to perceive that travel by boat is unsafe or by reducing the confidence our current customers have in our services.

A decline in customer demand for the services we offer as a result of an actual or perceived risk to their safety and security could have a material adverse effect on our business, financial condition and results of operations. Anything that damages our reputation (whether or not justified), including adverse publicity about guest safety, could also have an adverse impact on demand, which could lead to price discounting and a reduction in our sales. Finally, some of the same factors that affect the decisions of our customers to purchase our services such as concerns over their health and safety may also affect our ability to employ qualified employees. Thus, incidents involving the safety and security of our customers and employees and the consequences thereto could have a material adverse effect on our business, financial condition and results of operations.

Our business could be adversely affected by customer payment delays or customer bankruptcies.

Our Freight business is conducted through informal bilateral arrangements with customers, for which we do not execute formal contracts and can be characterized by delays between the provision of services and the time payment is received, which may lead to customer disputes or delays in the receipt of payments. While we do not believe any delayed payments or other such matters should result in material adjustments, if a large number of payments were delayed or withheld for any reason, the effect could be materially adverse to our business or results of operations.

If our customers experience adversity in their business, they may delay or default on their payment obligations to us, file for bankruptcy or modify or cancel plans to use our services. For instance, if our customers are not successful in generating sufficient cash or are precluded from securing financing, they may be unable or unwilling to pay, or may delay the payment of, accounts receivable that are owed to us. Our customers' inability to fulfil payment obligations, in turn, may adversely affect our net turnover and cash flow. Payment defaults by our customers could have a material adverse effect on our financial condition and operating results and result in an increase in our bad debt expense.

We are dependent on our IT systems and any failure to maintain reliable and effective IT systems may materially and adversely affect our business and results of operations.

We rely on information technology systems, including the internet and other computer systems, which may be subject to disruptions during the process of upgrading or replacing software, databases or components; power outages; hardware failures; computer viruses; or outside parties attempting to disrupt our business or gain unauthorized access to our electronic data. If our computer systems were to be damaged, disrupted or breached, it could result in a negative impact on our operating results and could also cause reputational damage, business disruption or the disclosure of confidential data.

Damage to or the malfunction of our equipment or technology systems may require capital expenditure to rectify and cause delays in our operations. Any material disruption or slowdown of our equipment or technology systems, including those caused by our failure to successfully upgrade our equipment or systems, could cause disruption in our operations or delay our services. Such delays or cancellations could (particularly if the disruption occurred during our peak season) have a material adverse effect on our business, financial condition and results of operations.

Breaches in data security or other disturbances to our information technology and other networks could adversely affect our reputation and operations, and have a material adverse effect on our business, financial condition and results of operations.

Our ability to increase net turnover and control costs, as well as our ability to serve customers most effectively depend in part on the reliability of our sophisticated technologies and system networks. We use communications, information technology and other systems to manage our inventory of available cabins to maximize our net turnover yields and optimize the effectiveness and efficiency of our operations. Gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, causing operational disruptions and other cyber-related risks could adversely impact our guest services and satisfaction, employee relationships, business plans and our reputation, and we could experience lost net turnover, fines or lawsuits. In addition, the operation and maintenance of these systems is in some cases dependent on third-party technologies and service providers for which there is no certainty of uninterrupted availability. While we have invested and continue to invest in technologies and other security initiatives and disaster recovery plans to mitigate these risks, these measures cannot completely insulate us from disruptions that could result in adverse effects on our operations and results of operations. These potential disruptions and cyber-attacks could have a material adverse effect on our business, particularly on customer demand and pricing for our services, as well as our financial condition and results of operations.

Our headquarters are located at Las Palmas de Gran Canaria, Calle Juan Dominguez Perez N° 2. Although we have developed disaster recovery and similar contingency plans in another location, actual or threatened natural disasters or similar events in Spain may cause disturbances to our information technology and could have a material adverse effect on our business, financial condition or results of operations.

Our management of personal information and other passengers' data subjects us to governmental regulation and other legal obligations related to privacy, information security and data protection.

We collect, process and use personal information and other passenger data. Among the data we collect is personally identifiable information regarding our passengers. Due to the volume and sensitivity of the personal information and data we manage and the nature of our services, the security features of our platform and information systems are critical. If our security measures are breached or fail, unauthorized persons may be able to obtain access to passengers' sensitive data. We may experience successful attempts by third parties to obtain unauthorized access to the personally identifiable information of our passengers. This information could also be otherwise exposed through human error or malfeasance. The unauthorized access or compromise of this personally identifiable information could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, we are subject to laws regarding privacy and protection of data. Some jurisdictions have enacted laws that require companies to notify individuals of data security breaches involving certain types of personal data. In addition, the interpretation of data protection laws in Spain and elsewhere, and their application to the internet, is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from jurisdiction to jurisdiction, and in a manner that is not consistent with our current data protection practices. Changes to such data protection laws may impose more stringent requirements for compliance and impose significant penalties for noncompliance. For instance, the

Regulation (EU) 2016/676 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of data, and repealing Directive 95/46/EC (General Data Protection Regulation) ended its two-year transition period on May 25, 2018, requiring members of the European Union to comply with certain data protection laws therein described. Any such new laws or regulations, or changing interpretations of existing laws and regulations, may cause us to incur significant costs and effort to ensure compliance. Because of our website, certain foreign jurisdictions may claim that we are required to comply with their laws, including in jurisdictions where we have no local entity, employees or infrastructure.

Our failure to comply with laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by our passengers. These proceedings or violations could force us to spend money in the defense or settlement of these proceedings, result in the imposition of monetary liability, increase our costs of doing business, and adversely affect our reputation and the demand for our solutions. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that our insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition and results of operations.

The loss of key personnel or our inability to recruit or retain qualified personnel could adversely affect our results of operations.

Our success depends to a certain degree on the continued involvement of the current senior management and other key managers. For instance, our Executive Chairman, Antonio Armas Fernandez, passed away on March 14, 2022. There can be no assurance that we will be able to replace Antonio Armas Fernandez in a timely manner and/or that his replacement(s) will perform their duties at the same or higher standard. The members of our senior management team have substantial experience and expertise in our business and have made significant contributions to our growth and success. We cannot guarantee that any given executive will remain with us and the loss of the service of one or more of our key managers without an adequate succession plan could have a material adverse effect on our business, financial condition and results of operations.

Our success and ability to anticipate and effectively respond to changing customer preferences and tastes also depends, in part, on our attracting and retaining high quality employees in our management and other key functions. We must continue to recruit, retain and motivate management and other key employees sufficient to maintain our current business and support our business strategy. In addition, we require technically skilled employees with specialized training who can perform physically demanding work. Competition for such personnel is intense, and we may not be able to attract and retain a sufficient number of qualified personnel in the future. For example, a trend away from maritime education in some countries, including Spain, and an increase in vessel capacity may result in difficulties sourcing sea officers and other key onboard personnel. Increased cruise capacity could impact our ability to retain and attract qualified crew, including officers, at competitive rates and therefore increase our shipboard employee costs.

There can be no assurance that we will be able to attract and retain skilled and motivated employees. Any failure to attract and retain such personnel could have a material adverse effect on our business, financial condition and results of operations.

We are subject to complex laws and regulations, including competition, environmental, health and safety laws and regulations, which could adversely affect our results and any changes in the current laws and regulations could lead to increased costs or decreased net turnover.

We are directly and indirectly subject to various international, national and local laws, regulations, treaties and employee union agreements related to, among other things, the environment, health, safety, security and employment. Failure to comply with these laws and regulations could lead to enforcement actions, fines, civil or criminal penalties, or the assertion of litigation claims and damages. Additionally, our sea transportation services are subject to the control of the antitrust authorities which have had an active role monitoring potential antitrust activities in the sea transportation market.

Many aspects of the ferry, sea transportation and vacation industries are regulated by national legislators and other authorities (like Canarian legislators), the European Union and international treaties, such as (i) the International Convention for the Safety of Life at Sea ("**SOLAS**"), an international safety regulation; (ii) MARPOL, an international environmental regulation; (iii) the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("**SWTC**"), an international treaty providing qualifications for seagoing personnel; (iv) the International Convention on Maritime Search and Rescue ("**SAR**"), an international convention covering search and rescue operations, rescue co-ordination and operating procedures to be followed in the event of emergencies or alerts during search and rescue operations; (v) the International Safety Management Code ("**ISM**"), an international standard for the safe management and operation of ships and for prevention of pollution; (vi) the International Ship and Port Facility Security Code ("**ISPS**"), an international standard for enhancing the security onboard ships and in port facilities; and (vii) the International Convention for the Control and Management of Ships' Ballast Water and Sediments ("**BWM**"), an international convention intended to prevent the spread of harmful aquatic organisms from one region to another.

Due to concern over the risks of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emission from ships. These regulatory measures may include adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. Emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change or any amendments or successor agreements. The Paris Agreement adopted under the United Nations Framework Convention on Climate Change in December 2015, which contemplates commitments from each nation party thereto to take action to reduce greenhouse gas emissions and limit increases in global temperatures but did not include any restrictions or other measures specific to shipping emissions. However, restrictions on shipping emissions are likely to continue to be considered and a new treaty may be adopted in the future that includes additional restrictions on shipping emissions to those already adopted under MARPOL. Compliance with future changes in laws and regulations relating to climate change could increase the costs of operating and maintaining our ships and could require us to install new emission controls, as well as acquire allowances, pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program.

Annex VI of MARPOL, which is the main international treaty addressing air pollution prevention requirements from ships, applies to our vessels; however, the 2015 amendments related to the release of sulphur are not yet applicable to the group. Required compliance, in the future, with such Annex VI may entail significant expenses for vessel modification and changes in operating procedures, which could adversely impact our financial condition and results of operations. Annex VI requirements comprise both engine-based and fuel-based standards, and apply to U.S. flagged ships wherever located and to non-U.S. flagged ships operating in U.S. waters. Annex VI establishes: (i) limits on NO_x emissions from marine diesel engines with a power output of more than 130 kW. The standards apply to both main propulsion and auxiliary engines and require the engines to be operated in conformance with the Annex VI NO_x emission limits; and (ii) limits on the sulfur content of marine fuels. While ships operating in the Mediterranean are currently not subject to Emission Control Area ("**ECA**") requirements, these requirements may be imposed in the Mediterranean in the future. For instance, in the future, we may incur additional capital expenditures in order to comply with regulatory requirements set forth by Annex VI of MARPOL for our vessels operating in ECA areas that will be required to undertake significant investments to reduce emissions.

In addition, we may incur costs, such as clean-up costs, fines and other sanctions, and third-party claims for property damage or personal injury as a result of violations of or liabilities under such laws and regulations, including in connection with any release or disposal of or exposure to hazardous substances or wastes. We are also required to maintain safety plans and concessions for each of the ports from which we operate, which we may let lapse or expire as our operational needs change.

Certain of our Freight customers who are local producers of basic goods receive government subsidies. Unlike the government subsidies for our customers who are residents of the Canary Islands, we do not receive any payments from the government in respect of the local producer subsidies. Any changes to these subsidies, such as an increase in the amount of the subsidy, or the discontinuation of the subsidy, which may decrease our customers' use of our services, could have an adverse effect on our financial results and results of operations.

Environmental, health, safety, security and employment issues within the cruise, sea transportation and vacation industries are, and we believe will continue to be, an area of focus by the relevant authorities throughout the world. Accordingly, new legislation, regulations or treaties, or changes thereto, could impact our operations and would likely subject us to increased compliance costs in the future. We are required to invest financial and managerial resources to comply with these laws and regulations. In addition, training of our crew and land-based employees may become more time consuming and may increase our operating costs due to increasing regulatory and other requirements. Furthermore, failure to comply with applicable laws and regulations may subject us to criminal sanctions or civil remedies, including fines, injunctions or seizures of assets.

In addition, any failure in health and safety practices or environmental risk management procedures that results in serious harm to employees, the public or the environment could expose us to investigations, prosecutions and/or civil litigation, each of which could have a material adverse effect upon our business, financial condition and results of operations, including our ability to retain or renew existing contracts (also with public entities), concessions and licenses or obtain new contracts, concessions and licenses and cause an increase in costs for fines, settlements and management time. Such incidents could subject us and our key personnel to criminal or civil penalties by customers, subcontractors, governments, public authorities, employees or members of the public for damage to the environment, damage to property, assets and other equipment, including for personal injury or wrongful death, which could lead to the payment of extensive damages. Although we have insurance for such monetary payments, insurance may not be enough to cover the monetary impact, and we may also face criminal fines or imprisonment of key personnel and could have a material adverse effect on our business and financial condition. Adverse publicity in respect of any such events or circumstances, whether justified or not, could harm our reputation and cause our customers to choose services provided by our competitors, including as a result of public pressure, and could have a material adverse effect on our business, results of operations, financial condition or prospects.

Our sea-based operations depend on our ability to renew our annual ISM compliance certificates for our vessels and compliance with the annual audit by the relevant regional maritime administrations.

In order to continue our vessel operations, and to evidence our compliance with the IMO International Safety Management Code (the "**ISM Code**"), our vessels are required to undergo an annual inspection in order to obtain a renewed passenger vessel safety certificate issued by the maritime administration ("**Capitania Maritima**"). Our passenger vessel safety certificates are subject to annual review of compliance conducted by the Capitania Maritima, during which they may identify items that need to be improved or addressed for us to operate in compliance with the ISM Code. Furthermore, our business related to vessel operations is subject to an annual review by Capitania Maritima in order to obtain a document of compliance. During such audits, the Capitania Maritima may identify items that need to be improved or addressed for us to operate in compliance with the ISM Code.

To the extent that our vessels or our operations do not comply with the required standards, including those set by SOLAS, we may be required to incur additional expenses in order to conduct work required to obtain the safety certificates and documents of compliance, or we may not receive such certificates or document of compliance at all. A significant delay in receiving and maintaining such certification or loss of the certification is likely to result in the suspension of our vessel operations until we receive the necessary certificates, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Our operations are susceptible to unseasonable changes in weather, and we may be affected by adverse weather conditions.

Severe or unseasonal weather conditions, natural disasters, health hazards or other major events or the prospect of these events could also impact consumer spending and confidence levels and may disrupt or require us to alter or cancel our operations. Extreme weather events, adverse weather and climate conditions could also disrupt commercial airline flights that transport our customers to the geographic areas in which we operate. In addition, we may incur costs in providing alternative transportation to those customers aboard our vessels that need to get to the next port, and we may lose net turnover from commissions paid to us by our partners at ports where we cancel calls. In most cases with respect to our ferries, where we have vessels departing every day, we try to rebook such customers to the next departing vessel. In the event we are unable to rebook customers, we will refund their ticket prices. In addition, inclement weather conditions may prevent or discourage our customers from electing our services altogether. In addition, extreme weather conditions could result in increased wave and wind activity, which would make it more challenging to sail and dock our vessels and could cause sea/motion sickness among customers and crew. Weather events could have an adverse impact on the safety of, and our customers' satisfaction with, our services and could have a material adverse effect on our business, financial condition and results of operations.

Terrorist acts, acts of piracy, armed conflict and threats thereof, and other international events impacting the security of travel could adversely affect the demand for our services.

Demand for our service options has been and is expected to continue to be affected by the public's attitude towards the safety and security of travel. Factors including, but not limited to, past acts of terrorism and threats of additional terrorist attacks, acts of piracy, the threat or possibility of hostilities, the issuance of travel advisories by national governments, other geopolitical uncertainties and general concerns over the safety and security aspects of traveling have had and may have in the future an adverse effect on tourism, travel, pricing in the travel and vacation industry, and the availability of air service and other forms of transition. Our operations in the Strait are exposed to increasing threats of terrorism as regional terrorist groups expand in North Africa. Decreases in demand and reduced pricing in response to such decreased demand could have a material adverse effect on our business, financial condition and results of operations. These types of events could also impact our ability to source qualified employees at competitive costs and, therefore, increase our shipboard crew costs, which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

Adverse incidents affecting the health of our passengers and crew or the regions in which we operate, including actual or perceived risks related to the spread of contagious diseases and viral outbreaks, could have an adverse effect on our sales and profitability.

Public perception about the safety of travel and adverse publicity related to customers or crew illness, such as incidents of the COVID-19 pandemic, Zika virus, MINI, the Ebola virus, stomach flu, Legionnaire's disease or other contagious diseases, may impact demand for our services. If any wide-ranging outbreak of disease or health scare should occur, our business, financial condition and results of operations would likely be adversely affected, and if such an outbreak or health scare were to disproportionately affect one of the areas in which we operate, its effect on us would likely increase.

In particular, our ability to effectively and efficiently operate ferries may be impacted by widespread public health issues/illnesses or health warnings resulting in, among other things, reduced demand for our services and cancellations and employee absenteeism that could have an adverse effect on our sales and profitability. Outbreaks of disease could, among other things, disrupt our ability to embark and disembark customers and crew from our vessels or conduct our land-based services, disrupt air travel to and from ports, increase costs for prevention and treatment, and adversely affect our supply chain. Such outbreaks, or the fear of such outbreaks, could also adversely impact demand for our services in unaffected areas and could, in turn, have a material adverse effect on our business, financial condition and results of operations.

If our services are delayed or cancelled, we may need to re-route our customers to other ports of call or cancel their bookings. As a result, we may face difficulty in maintaining consumer loyalty to our brand and it could have a material adverse effect on our business, financial condition and results of operations.

Our services may be delayed, cancelled or disrupted due to conditions that are beyond our control. For example, if there are delays in the operations of the ports of call or if other vessels staying in the port are delayed, we may not be able to moor alongside the pier and, as a result, our scheduled service may be delayed or we may be required to cancel stops or reroute our services. In addition, a delay at one port may result in ongoing delays to the remainder of our route and scheduled stops at other ports. As a result of rerouting or delays in our services, we may need to direct our customers to our other ports of call or cancel their bookings. Such incidents may prevent or discourage our customers from selecting our services altogether having a material adverse effect on our business, financial condition and results of operations.

We may be involved in arbitrations and civil, criminal, tax or administrative proceedings.

From time to time we may be involved in various civil, criminal, tax and administrative proceedings or arbitrations in the ordinary course of our business, either as plaintiff or as defendant, in Spain and abroad. These proceedings may seek, among other things, compensation for alleged personal injury, workers' compensation, violations of law, employment discrimination, breach of contract, property damage, punitive damages, civil penalties, consequential damages or other losses, or injunctive or declaratory relief. Any defects or errors, or failures to meet our customers' expectations could also result in damage claims against us. Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such proceedings. Regardless of the outcome, these legal proceedings could result in substantial costs and may require us to devote significant resources to defend ourselves or demand our management team's attention. When appropriate, we establish reserves for litigation and claims that we believe to be adequate in light of current information, legal advice and professional indemnity insurance coverage, and we adjust such reserves from time to time according to developments. The ultimate resolution of these matters through settlement, mediation or court judgment could have a material impact on our financial condition, results of operations and cash flows. Any unfavorable outcomes may result in liabilities for us and that could have a material adverse effect on our business, financial condition and results of operations.

Our insurance may be insufficient and, due to factors beyond our control or a claim by us, our insurance premiums may increase significantly, which may adversely affect our results of operations. Also, our decisions to self-insure against various risks or our inability to obtain insurance for certain risks at reasonable rates could result in higher expenses or lower net turnover.

Insurance of our fleet and transportation activities is an important element of our business. We seek to maintain comprehensive insurance coverage at commercially reasonable rates. We believe that our current coverage is adequate to protect us against most of the significant risks involved in the conduct of our business. Certain risks, however, are not insurable. In addition, we may choose higher deductibles to insure against risks we consider to be more remote in order to minimize the cost of our insurance policies.

In addition, our insurance policies are subject to limits and exclusions. There can be no assurance that our insurance program will be sufficient to cover all potential losses (including, without limitation, those resulting from theft, fire, accidents, natural disasters, terrorism, political unrest, enhanced national security measures, conflicts, strained international relations or severe weather), that we will be able to obtain sufficient levels of insurance coverage in the future or that such coverage will be available on terms acceptable to us. Furthermore, if a claim falls outside the scope of the coverage or exceeds the monetary limit of the relevant policy, we would be liable for covering the entirety of the relevant unreimbursed claim.

In any of these circumstances where we face liabilities not covered by insurance, such liabilities could have a material adverse effect on our business, financial condition and results of operations. Even when insured, there can be no assurance that all risks are fully insured against or that any particular claim will be fully paid. In addition, the carriers with which we hold our policies may go out of business, or may be otherwise unable to fulfil their contractual obligations.

Insurance costs may increase substantially in the future. Significant incidents followed by significant insurance claims could result in higher insurance premiums commencing on the policy renewal dates or the inability to obtain coverage. Insurance costs may also be affected by natural catastrophes, the fear of terrorism, and intervention by the government or a decrease in the number of insurance carriers. In addition, we have been and continue to be subject to calls, or premiums, in amounts based not only on our own claim records, but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity coverage for tort liability. Our payment of these calls and increased premiums could result in significant expenses to us which could reduce our cash flows. If we were to sustain significant losses in the future, our ability to obtain insurance coverage or coverage at commercially reasonable rates could be materially adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

Our brands may be adversely affected if our reputation is damaged.

We believe that our brands have significantly contributed to the success of our business and that maintaining and enhancing our brands is critical to expanding our customer base. We depend, to a large extent, on our relationships with our customers and our reputation for quality ferry transportation services. Our customers' expectations and perception of the quality of our services are in large part determined by the satisfaction they derive from using our vessels. A well-publicized incident on one or more of our vessels could result in a negative perception of either of our services, damage to our reputation and the loss of existing or potential customers. To the extent that each of us is unable to maintain or enhance consumers' confidence in our brands or to successfully distinguish each of our offerings from other service providers, our business, financial condition and results of operations could be adversely affected.

From time to time we may provide assistance to other vessels in distress, which may result in delays, deviations and disruptions to our service.

Pursuant to the applicable statutory requirements of SOLAS, the master of a vessel at sea, which is in a position to be able to provide assistance, on receiving a signal from any source that persons are in distress at sea, is bound to proceed with all speed to their assistance. In case of an emergency, to the extent possible, we are bound to provide immediate assistance to other vessels in distress at sea. In such a case, we may need to re-route or substantially deviate from our itinerary, which may result in delays, deviations and disruptions to our service. As a result, we would also have to cancel or rebook transportation to or from the ports of call for our customers, which may cause disruption to our service and result in dissatisfaction among our customers and could, in turn, have a material adverse effect on our business, financial condition and results of operations.

Governments could requisition or detain our vessels, resulting in loss of earnings.

The government of Spain, where most of our vessels are registered, or the government of Cape Verde, where the Mar D'Canal is located, could requisition for title or seize our vessels for a period of war or emergency. Requisition for title occurs when a government takes control of a vessel and becomes its owner. Also, a government could requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would expect to be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment, if any, would be uncertain. Government requisition of one or more of our vessels may cause us to breach covenants in certain of our credit facilities, and could have a material adverse effect on our business, financial condition and results of operations.

Additionally, government officials may detain our vessels for a number of other reasons, including routine inspection or investigation into the activities of the vessel or those of its crew members. Such inspections or detainments, particularly if they occur during the course of one of our routes, may cause us delays in providing our services or may force us to redeploy other vessels in our fleets in place of the detained vessel. Any detainments, particularly if such occur during our peak season, could have a material adverse effect on our business, financial condition and results of operations.

Risks related to the Notes and our structure

Our substantial leverage and debt service obligations could have a material adverse effect on our business and preclude us from satisfying our obligations under our debt, including the Notes and the Guarantees.

We have a substantial amount of outstanding indebtedness.

Our significant leverage could continue for the foreseeable future and the degree to which we are leveraged could have important consequences to our business and the holders of the Notes, including, but not limited to:

(i) limiting our ability to obtain additional funding for future capital expenditure, working capital requirements, debt service requirements, acquisitions and other general corporate requirements;

(ii) requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditure, acquisitions and other general corporate requirements;

(iii) limiting our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate;

(iv) increasing our vulnerability to downturns in our business or in economic conditions generally;

(v) placing us at a competitive disadvantage compared with our competitors, to the extent that they are not as highly leveraged or have greater financial resources;

(vi) exposing us to increases in interest rates with respect to our floating rate debt instruments, such as the Notes; and

(vii) making it more difficult for us to satisfy our debt obligations, including those with respect to the Notes.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Despite our current leverage, we may be able to incur substantial additional indebtedness in the future which may make it difficult for us to service our debt, including the Notes.

We are able to incur substantial additional indebtedness in the future. Although the Trust Deed contains restrictions on the incurrence of such additional indebtedness, the Trust Deed permits the incurrence of additional debt if certain conditions are satisfied.

The incremental debt which the Group may be able to incur under the Notes may rank pari passu or, in certain circumstances, senior to and share security with the Notes. In particular, the Trust Deed will permit the Parent to secure debt other than the Notes with certain assets that will not secure the Notes.

The Trust Deed does not prevent us from incurring obligations that do not constitute indebtedness under the Trust Deed.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.

Our ability to make payments on, or repay or refinance, our debt, including the Notes, and to fund future capital expenditure, including with respect to new vessel financing or investments in affiliates in respect thereof, and other cash needs will depend largely upon our future operating performance. Our future performance, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, technical and other factors which are beyond our control. If we do not have sufficient cash flows from operations and other capital resources to pay our obligations, or to fund our other liquidity needs or we are otherwise restricted from doing so due to corporate, tax or contractual limitations, we may be required to refinance our indebtedness or raise financing to pay the deferred compensation. If we are unable to refinance all or a portion of our indebtedness or obtain such financing or refinancing on terms acceptable to us, we may be forced to reduce or delay our business activities or capital expenditures, sell assets, or raise additional debt or equity financing in amounts that could be substantial. The type, timing and terms of any future financing will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we will be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In addition, the terms the Trust Deed and any future debt may limit our ability to pursue any of these measures.

Restrictive covenants in the Trust Deed may restrict our ability to operate our business. Our failure to comply with these covenants, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our financial condition and results of operations.

The Trust Deed contains, among other things, certain provisions which may restrict our ability to:

(i) incur additional debt and issue guarantees and preferred stock;

(ii) create or incur certain liens;

(iii) make certain payments, including dividends and other distributions, with respect to outstanding share capital;

(iv) repay or redeem subordinated debt or share capital;

(v) create restrictions on the payment of dividends or other amounts from the Issuer and its restricted subsidiaries;

(vi) make certain investments, loans or other restricted payments;

(vii) sell, lease or transfer certain assets, including shares of any restricted subsidiary of the Issuer;

(viii) engage in certain transactions with affiliates;

(ix) guarantee certain types of other indebtedness of the Issuer and its restricted subsidiaries without also guaranteeing the Notes;

(x) impair the security interests granted over the Collateral; and

(xi) effect a merger or consolidation of, or sell all or substantially all of, the assets of the Issuer and its restricted subsidiaries.

All of these limitations are subject to significant exceptions and qualifications.

The Notes bear interest at a floating rate that could rise significantly, increasing our interest cost and debt and reducing our cash flow.

The Notes bear interest at a floating rate of interest which could rise significantly in the future. Although we have entered into and may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, our interest expense associated with the Notes and the carrying cost of our indebtedness would correspondingly increase, thus reducing cash flow.

Certain maritime liens will take priority over the claims of the holders of the Notes.

The Spanish Maritime Navigation Law *(Ley 14/2014, de 24 de julio, de Navegacion Maritima)* and the International Convention on Maritime Liens and Mortgages (Geneva, May 6, 1993), to which Spain is a party, provide for the creation of certain maritime liens over the Vessel Collateral that would rank higher in priority than the security interests created by the vessel mortgages that secure the Notes. Circumstances that could lead to the creation of such a maritime lien include:

(i) claims for wages and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel, including costs of repatriation and social insurance contributions payable on their behalf;

(ii) claims in respect of loss of life or personal injury occurring, whether on land or on water, in direct connection with the operation of the vessel;

(iii) claims for reward for the salvage of the vessel;

(iv) claims for port, canal, and other waterway dues and pilotage dues; and

(v) claims based on tort arising out of physical loss or damage caused by the operation of the vessel other than loss of or damage to cargo, containers and passengers' effects carried on the vessel.

Ranking of the Notes

The claims of the holders of the Notes are subordinated to creditors who provide super senior and/or senior debt that ranks in priority to the Notes (subject to the terms and limitations imposed by the Trust Deed in respect of the quantum of such debt that can be incurred in priority to the Notes). In particular, the Trust Deed permits approximately €100 million of super senior debt to be incurred (noting when such amount is refinanced, fees and costs can be aggregated to such baskets), and approximately €208 million of senior debt (noting when such amount is refinanced, fees and costs can be aggregated to such baskets). Upon an insolvency event, the claims of the holders of Notes will be satisfied following the satisfaction in full of claims that rank senior to claims of the holders of Notes.

The claims of the holders of the Notes will be effectively subordinated to the rights of our existing and future secured creditors to the extent of the value of the assets securing such creditors which do not also secure the Notes.

The Group is permitted to incur additional indebtedness in the future and secure such debt with assets that do not also secure the Notes subject to the terms and limitations imposed by the Trust Deed. The claims of any secured creditors which are secured by assets that do not also secure the Notes will have priority with respect to such assets over the claims of holders of the Notes. As such, the claims of the holders of the Notes will be effectively subordinated to the rights of such secured creditors to the extent of the value of the assets securing such indebtedness.

The Notes will be structurally subordinated to present and future liabilities of our non-Guarantor subsidiaries (other than the Issuer) and joint venture companies or to the extent that such liabilities exceed the principal of the Notes that can be guaranteed or secured by such Guarantor.

Generally, claims of creditors of a non-Guarantor subsidiary, including trade creditors and claims of preference shareholders (if any) of the subsidiary, will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims by holders of the Notes under the applicable Guarantee. In the event of any foreclosure, dissolution, winding-up, liquidation, administration, reorganization or other insolvency or bankruptcy proceeding of any of our non-Guarantor subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. Consequently, the Notes and the Guarantees will each be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of our non-Guarantor subsidiaries to the extent that such liabilities exceed the principal of the Notes that can be guaranteed or secured. Moreover, the covenants in the Trust Deed permit us to incur additional indebtedness at subsidiaries that do not guarantee the Notes and in the future the net turnover and EBITDA of such entities could be significant.

Spanish tax legislation may restrict the deductibility, for Spanish tax purposes, of all or a portion of the interest on our indebtedness, thus reducing the cash flow available to service our indebtedness.

Section 16 of the Spanish Corporate Income Tax ("**CIT**") Law 27/2014, of November 27, 2014, on Corporate Income Tax*,* contains a general limitation on the deductibility of certain net financial expenses incurred by a Spanish CIT taxpayer (or by the CIT consolidated group to which such entity belongs) exceeding 30% of its annual operating profit (defined as the EBITDA subject to certain adjustments); being a €1 million deductible in any event. Deductible interest after the application of the aforementioned limitations will be referred hereto as the "**Maximum Deductible Amount**."

The apportionment of non-deducted interest in a given fiscal year, may be deducted in the following fiscal years, subject to the Maximum Deductible Amount in each subsequent fiscal year. If the amount of net financial expenses in a given fiscal year is below the Maximum Deductible Amount, the difference between the net financial expenses deducted in that year and the Maximum Deductible Amount may increase such Maximum Deductible Amount in the immediately subsequent five years.

In addition, Spanish CIT Law provides for an additional limitation on the deductibility of certain net financial expenses incurred for the acquisition of shares or participations in the capital of Spanish entities when, inter alia, such acquired entities will be included in the CIT consolidated group of the acquiring entity during the tax periods beginning within the four years following the acquisition. The deductibility of net interest expenses incurred in connection with the acquisition of Spanish entities, as per the preceding sentence, would be limited up to 30% of the annual operating profit of the Spanish CIT taxpayer (or by the CIT consolidated group to which such entity belongs) excluding the operating profit of the acquired entity and its subsidiaries which would also join the CIT consolidated group. The above limitation will not apply if the acquisition debt does not exceed 70% of the purchase price of the acquired entity and such debt is reduced, proportionally on annual basis, during the eight years following the acquisition so that it does not exceed 30% by the eighth anniversary of the acquisition.

The impact of the above rules on our ability to deduct interest paid on indebtedness could increase our tax burden and therefore negatively impact our financial condition and operating results, making it difficult for us to service our debt, including the Notes.

There are risks related to Spanish withholding tax, including in conjunction with the collection of certain documentation from the paying agent.

Under Spanish tax regulations established by Royal Decree 1065/2007 of July 27, 2007 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 July 29, 2011 ("**Royal Decree 1065/2007**"), income paid by the Issuer in respect of the Notes will not be subject to Spanish withholding tax only if certain requirements are met, including that the Notes are admitted to listing on the Official List of the Euronext Dublin and admitted to trading on the GEM on the relevant interest payment dates, and are originally registered with the entities that manage clearing systems located outside Spain, and are recognized by Spanish law or by the law of another OECD country (such as Euroclear and Clearstream), and that the paying agent provides us, in a timely manner, with a duly executed and completed statement providing certain details relating to the Notes (the "**Payment Statement**"). Accordingly, if we do not receive the Payment Statement from the paying agent in a timely manner, income in respect of the Notes will be subject to a current 19.0% withholding tax. The Issuer will not gross up payments in respect of any such withholding tax.

It is expected that the paying agent will follow certain procedures to facilitate the timely provision by the paying agent to us of a duly executed and completed Payment Statement in connection with each payment of income under the Notes. If such procedures are not followed, however, the Issuer will make the relevant Spanish withholding tax at the then-applicable rate (currently 19.0%) from any income payment in respect of the Notes. Such procedures may be revised from time to time in accordance with changes in the applicable Spanish laws and regulations or administrative interpretations thereof. Accordingly, while the Notes are represented by a Global Note, holders of the Notes must rely on such procedures in order to receive payments under the Notes free of any Spanish withholding tax, to the extent applicable. Prospective investors should note that none of the Issuer, the Paying Agent or the Trustee will be liable for any damage or loss suffered by any holder of the Notes who would otherwise be entitled to an exemption from Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such Spanish withholding tax. Therefore, to the extent a payment of income in respect of the Notes is not exempt from Spanish withholding tax, including due to any failure by the paying agent to deliver a duly executed and completed Payment Statement, holders of the Notes may have to apply directly to the Spanish tax authorities for any refund to which they may be entitled.

The Notes may not be listed or remain listed on the on the regulated market of Euronext Dublin

Although the Issuer will apply to have the Notes listed on the Official List of the Euronext Dublin and admitted to trading on the Global Exchange Market, the Issuer cannot assure you that the Notes will be listed and admitted to trading, or if they do, that an acting trading market will develop. The Issuer expects to have the Notes accepted for listing on the Official List of the Euronext Dublin and admitted to trading on the GEM, although there can be no assurance that the Issuer will be able to do so. Although no assurance is made as to the liquidity of the Notes as a result of listing on the Official List of Euronext Dublin or another recognized listing exchange for comparable issuers, failure to be approved for listing or the delisting of the Notes from the Official List of Euronext Dublin or another listing exchange may have a material adverse effect on the holders' ability to resell Notes in the secondary market.

Furthermore, prospective holders should note that, if the Notes are not listed on a regulated market, on a multilateral trading facility or on any other organized market on any date on which payments in respect of the Notes are made (i.e., either a date on which interest is payable on the Notes or a date on which the Notes are redeemed or purchased for cancellation), Additional Provision One of Law 10/2014 would not apply and such payments to holders of the Notes in respect of the Notes might be subject to Spanish withholding tax at the then applicable rate (19% as of the date of this Listing Particulars).

Enforcing the mortgages over the Vessel Collateral may be difficult, time consuming and may result in creditors failing to successfully enforce such mortgages and/or receiving less than full value for such vessels.

All matters relating to the procedure of enforcement of mortgages over the Vessel Collateral will be regulated by the law of the jurisdiction where the enforcement takes place. In the case of the Issuer, Spanish law would apply to the extent that the relevant vessels lie in Spain during the enforcement, but Moroccan law could apply to any vessels lying in Morocco, or laws of another jurisdiction could apply if the relevant vessels were moored in other jurisdictions. Accordingly, there is inherent uncertainty with respect to the laws that may be applicable to future enforcement proceedings of the Vessel Collateral. Additionally, Spanish law states that the relevant Spanish court for the enforcement of a mortgage over a vessel would be the court of first instance chosen by the parties in the title of formalization of the mortgage, or, failing this, the court of the place where the mortgage over the vessel was formalized, or the court of the port where the vessel is located, or the court of the domicile of the defendant or the court of the place where the Registry in which the mortgage over the vessel was registered, at the discretion of the party seeking the enforcement. Such possibility provides further uncertainty with respect to the place where the mortgage over the vessel could be enforced. Please note that the parties in the title of formalization of the Vessel Collateral have chosen the court of first instance of Las Palmas de Gran Canaria (Spain).

With respect to enforcement proceedings of the Vessel Collateral in Spain, pursuant to the Spanish Maritime Navigation Law *(Ley 14/2014, de 24 de julio, de Navegacion Maritima)* a mortgagee under such a mortgage will be entitled to enforce its security interest over the vessel or vessels in the following cases: (a) upon the expiration of the maturity date for the repayment of the capital or for the repayment of the interests; (b) upon the insolvency of the debtor; (c) when the mortgaged vessel has suffered such a deterioration that prevents the vessel from navigation; (d) unless otherwise agreed, when there are two or more vessels affected to secure the same obligation and either of them has suffered such a loose or deterioration that prevents it from navigation; and (e) on the fulfilment of the conditions agreed to terminate the secured obligation, and all those that take the effect of making the capital or interest callable.

Under Spanish law there are two procedures for the enforcement of a mortgage over a vessel:

(i) a non-judicial proceeding of sale before the notary, according to which the notary, at the request of the mortgagee, will require the debtor or—where appropriate—the mortgagor to pay the secured obligation, and if the debtor or—where appropriate—the mortgagor does not attend the payment, the notary will initiate a public auction *(publica subasta)* to enforce the vessel; and

(ii) a judicial enforcement proceeding executed directly over the vessel. The grounds for such enforcement are only the expiration of the maturity date for the repayment of the principal or for the repayment of interest, or the fulfilling of the conditions agreed as precedent of the secured obligation and all conditions that have the effect of making enforceable the principal or interest. The relevant judge will request the debtor or—where appropriate—the mortgagor to attend the payment unless such request has already been done extra judicially. Following the referred payment request, depending on the circumstances, generally, the judge is either entitled to hold a judicial auction *(subasta judicial),* enforce the assets through a market specialist *(persona o entidad especializada y conocedora del mercado)* or by means of an enforcement agreement *(convenio de realizacion).* According to the Spanish Shipping Act, the forced sale of a vessel will be implemented through a market specialist *(persona o entidad especializada).* Court clerks *(Secretario judicial)* are required to consult the Public Insolvency Registry for the purposes set out in paragraph 4 of Article 5 *bis* of the Spanish Insolvency Act before issuing an order for enforcement, and are also required to notify that Registry of the existence of such order and the completion of proceedings. The grounds of opposition to the enforcement of the mortgage over the vessel are established by law.

Titleholders of maritime liens are entitled to appear within the enforcement proceedings and to invoke its third-party intervention with a paramount right *(terceria de mejor derecho*).

As a consequence of the forced sale of the vessel, all registered mortgages and charges, unless those assumed by the purchaser with the consent of the creditors, as well as all liens and other encumbrances of whatsoever nature that are imposed over the vessel, shall cease to attach to the vessel and its cancellation shall be ordered.

Under certain circumstances, i.e., no enforceable title is available; the mortgagee shall initiate a declarative judicial proceeding (*proceso declamtivo*) to obtain an enforceable title, and afterwards initiate the corresponding enforcement proceeding to implement the judicial decision rendered thereby. Notwithstanding the aforementioned, the private document for the formalization of the mortgage over the vessel shall be regarded as an enforceable title provided that such private document is duly registered within the Movable Assets Registry (*Registro de Bienes Muebles*).

The mortgagor could at any moment appropriately notify the execution of the mortgage to the vessel's insurer, which shall not be entitled to pay any amount to the insured as compensation for the loss of the vessel or for failures not repaired unless prior authorized by the mortgagee.

In principle, mortgages over vessels benefit from a right of preference from the moment they are registered within the Movable Assets Registry *(Registro de Bienes Muebles).* However, maritime liens encumber the vessel, without the requirement of registration publicity, and will follow the vessel in the event of a change of ownership, state of registration or flagging, and shall take priority over registered mortgages and charges, no matter the date of registration of the security interest, and no other claim shall take priority over such maritime liens or over such mortgage or charges which comply with the requirements of article 1 of the International Convention on Maritime Liens and Mortgages (Geneva, May 6, 1993), except as provided in paragraphs 3 and 4 of article 12 thereto.

In light of the foregoing, there can be no assurance that enforcement of the Vessel Collateral can be effected in a timely manner without significant delay or that secured parties would receive the full value of the vessels as a result of such enforcement or that enforcement of the vessel mortgages would be successful.

The Issuer and the Guarantors have control over the Collateral securing the Notes and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents will, subject to the terms of the Trust Deed, allow the Issuer and the Guarantors, as applicable, to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral. So long as no default or event of default under the Trust Deed has occurred or would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral and consequently the amounts payable to you from proceeds of any sale of Collateral in the case of an enforcement of the liens. In addition, the holders of credits linked to the building, repair or reconstruction of vessel have a right of retention over our vessel assets (including the Vessel Collateral).

The holders of the Notes may not control certain decisions regarding the Collateral.

Pursuant to the Intercreditor Agreement, the Security Agent has been appointed to act as a common security agent for, among others, the secured parties under the Notes and certain hedging arrangements with regard to the Collateral (as applicable). The Intercreditor Agreement provides that the Security Agent will, subject to certain limited exceptions, act to enforce the security interests in the Collateral and take instructions from the relevant secured creditors in respect of the Collateral only at the direction of the "Instructing Group" (as defined under the Intercreditor Agreement).

Before any group of creditors sharing in the Collateral may give enforcement instructions to the Security Agent, the representative of the relevant creditors must first consult with each other representative of creditor groups sharing in the Collateral, certain counterparties to the hedging arrangements and the Security Agent for a period of not less than 30 days (or shorter period as agreed by the parties). Upon conclusion of the consultation period, if there are conflicting enforcement instructions given to the Security Agent by the different classes of creditors which are secured by the Collateral and who can constitute an Instructing Group, then provided that the Senior Instructing Group Creditors (as defined in and according to the terms of the Intercreditor Agreement, summarized below) have complied with any other applicable requirements set out in the Intercreditor Agreement and any applicable requirements in the Security Documents, the enforcement instructions from those Senior Instructing Group Creditors will prevail over those of the lenders under the Confirming Facilities and the counterparties under certain hedging arrangements (together, the "**Senior Creditors**") and those Senior Instructing Group Creditors will constitute the Instructing Group.

The "Senior Instructing Group Creditors" are determined as follows:

(i) prior to the "Senior Lender Discharge Date" (being the date on which the liabilities owed to senior lenders under senior facilities financing documents and related finance documents are discharged in full), the holders of the Notes under the Trust Deed and the holders of any permitted senior financing; and

(ii) on and after the date on which the liabilities owed to senior lenders under senior facilities financing documents and related finance documents are discharged in full, the holders of the Notes under the Trust Deed, the holders of any permitted senior financing and the counterparties to any hedging arrangements.

In summary, prior to the date on which the liabilities under the Confirming Facilities or other liabilities owing to senior lenders and related finance documents are discharged in full, the holders of the Notes under the Trust Deed will vote as an independent class to the extent there is no other permitted additional indebtedness. On and after the date on which the liabilities under the senior facilities finance documents and related finance documents are discharged in full, the holders of the Notes under the Trust Deed will vote as a combined creditor class with the counterparties to the hedging arrangements and the holders of any permitted additional indebtedness.

In certain circumstances (for example, if the Senior Creditors have not been fully repaid within six months of the end of the first consultation period referred to above, or if no steps have been taken as to enforcement by the Security Agent within three months of the end of the first consultation period or if an insolvency event has occurred and no steps have been taken as to enforcement by the Security Agent at that time), the instructions of the majority Senior Creditors will then prevail. In addition, there are also customary "override" provisions if necessary to protect or preserve the interests of the Senior Creditors. For example, there is no obligation to consult (and consequently the Instructing Group shall be entitled to instruct the Security Agent) if: (i) there is an insolvency event or (ii) it is determined that entry into consultation would materially adversely affect the enforcement of security or the realization of proceeds of enforcement of the security.

Noteholders under the Trust Deed will not have separate rights to enforce the Collateral. In addition, noteholders under the Trust Deed will not be able to instruct the Security Agent, force a sale of the Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, unless it comprises an Instructing Group which is entitled to give such instructions which, in turn, will depend on conditions and circumstances described above. These arrangements could be disadvantageous to the holders of Notes in a number of respects and may permit the lenders under senior facility financings and counterparties to certain hedging obligations to control enforcement in circumstances in which their interests are different from those of the holders of Notes. Disputes may occur between the holders of the Notes and creditors under other debt instruments, the counterparties to the relevant hedging arrangements or holders of any permitted additional indebtedness as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral securing such obligations. In such an event, the holders of the Notes will be bound by any decisions of the Instructing Group, which may result in enforcement action in respect of the relevant Collateral, whether or not such action is approved by the holders of the Notes or may be adverse to such noteholders.

In addition, if the Security Agent sells Collateral comprising the shares of the Parent or, if applicable, the shares of any of its subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Notes, the Guarantees (together with claims under the Notes) and the liens over any other assets securing the Notes and the Guarantees may be released.

Other creditors not party to the Intercreditor Agreement could commence enforcement action against us or our subsidiaries during the consultation period, we or one or more of our subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced in value. In addition, if we incur substantial additional indebtedness which may be secured by security interests in the Collateral, the holders of the Notes may not comprise the requisite majority of the senior secured creditors for the purposes of instructing the Security Agent.

The security interests in the Collateral will be granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The Trust Deed will provide that, to the extent permitted by applicable law, only the Security Agent has the right to enforce the security documents relating to the Collateral on behalf of the Trustee and the holders of the Notes. As a consequence of such contractual provisions, holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee under the Trust Deed, who will (subject to the provisions of the Trust Deed and the provisions of the Security Documents) provide instructions to the Security Agent in respect of the Collateral and in accordance with any applicable intercreditor agreement.

The ability of the Security Agent to enforce the security interests granted in its favour is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are taken, including the Grand Duchy of Luxembourg and Spain. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in, nor are directly parties to, a security document will be validly secured and/or can be enforced; this area of law is untested in the courts of certain jurisdictions.

The enforcement of the Collateral may be restricted by Spanish law, and the ability of the Security Agent to enforce certain of the Collateral may be restricted by Spanish law.

The Collateral is, and will be, subject to any and all limitations, exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections permitted under the Trust Deed and accepted by other creditors that have the benefit of a *pari passu* security interest in the relevant Collateral from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the ranking of security interests in the Collateral can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements or statutory liens.

The security interests granted to the Security Agent and the relevant secured parties (as applicable) in respect of the Collateral will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Agent may need to obtain the consent of a third party to enforce a security interest. The Security Agent may not be able to obtain any such consent or promptly satisfy such requirements. The consent of any third party may not be given when required to facilitate a foreclosure on such asset. Accordingly, the Security Agent may not have the ability to foreclose upon that asset, and the value of the Collateral may, as a consequence, significantly decrease.

The Collateral is, and will be, subject to practical problems generally associated with the realization of collateral under Spanish law. For example, the enforcement of a share pledge, whether by means of a sale or an appropriation, is subject to certain specific requirements. The Security Agent may need to obtain the consent of a third party to enforce the Collateral. We cannot assure you that the Security Agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate an enforcement action on such assets. Accordingly, the Security Agent may not have the ability to enforce upon those assets, and the value of the Collateral may decline significantly.

Spanish insolvency law imposes a moratorium on the enforcement of secured creditors' rights *(in rem* security) in the event of insolvency. Once the debtor is declared insolvent, the enforcement of security interests over assets owned by the debtor, which are necessary for the continuance of its professional or business activities, are stayed until the first of the following circumstances occurs: (a) approval of a creditors' composition agreement (unless the content has been approved by the favorable vote of such secured creditor, or in case they do not give such express support, if creditors holding security which represent at least 60% (or 75% depending on the conditions of the composition agreement) of the total value of secured claims of the same class vote in favor of such composition agreement, in which case it will be bound by whatever has been agreed in the composition agreement), or (b) one year has elapsed since the declaration of insolvency without liquidation proceedings being initiated. Enforcement will be stayed even if at the time of the declaration of insolvency the notices announcing the public auction have been published. The stay will only be lifted when the court hearing the insolvency proceedings determines that the asset is not necessary for the continuance of the debtor's professional or business activities. When it comes to determining which assets of the debtor are necessary for the continuance of its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor's assets. Moreover, pursuant to the Spanish Maritime Navigation Law *(Ley 14/2014, de 24 de julio, de Navegacion Maritima),* in case of enforcement of the Vessel Collateral, only up to five years of ordinary or default interest due and payable by the Issuer under the Notes will be covered by, and paid from the proceeds of, the Vessel Collateral. Finally, enforcement of the Collateral will be subject to the provisions of Spanish procedural laws and Spanish insolvency laws (where applicable) and this may entail delays in the enforcement.

Applicable law requires that a security interest in certain assets can only be properly perfected (or registered or other foreign equivalent), and its priority retained, through certain actions undertaken by the secured party. The liens on the Collateral securing the Notes from time to time owned by us or the Spanish companies securing the Notes may not be perfected (or registered or other foreign equivalent), which may result in the loss of the priority, or a defect in the perfection (or registration or other foreign equivalent), of the security interest for the benefit of the holders of the Notes to which they would have been otherwise entitled. Neither the Security Agent nor the Trustee will be obligated to create or perfect any of the security interests in the Collateral.

Rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral.

Spanish law may require that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party or the grantor of the Collateral. The liens on the Collateral may not be perfected with respect to the Notes and the Guarantees, as the case may be, if the Issuer, the relevant Guarantor or the Security Agent is not able to or does not take the actions necessary to perfect or maintain the perfection of any such liens. The Security Agent will not have any obligation to take any steps or actions necessary to perfect or maintain the perfection of such liens. Certain of these perfection steps may not be taken until after the Issue Date, or until the occurrence of certain events, as permitted by the Security Documents and the Trust Deed. Failure to properly perfect the security interest in the Collateral with respect to the Notes and the Guarantees may result in the invalidity of the relevant security interest in the Collateral securing the Notes, as applicable, or adversely affect the priority of such security interest in favor of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral.

The granting of the security interests in the Collateral and the undertaking of a reorganization may create hardening periods for such security interests in accordance with Spanish law.

The granting of new security interests in connection with the issuance of the Notes will create hardening periods for such security interests under Spanish insolvency laws. The applicable hardening period will run as from the moment each new security interest has been granted, perfected, extended or recreated.

In addition, the granting of a shared security interest to secure future debt may require the releasing and retaking of security or otherwise restart or reopen hardening periods in Spain, and the Trust Deed will permit the release and retaking of security granted in favor of the Notes in certain circumstances, including in connection with the incurrence of future debt or as part of a reorganization. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. If the security interest granted were to be enforced before the end of the applicable hardening period, the security interest may be declared void or ineffective and it may not be possible to enforce it.

If the grantor of such security interest were to become subject to a bankruptcy or winding-up proceeding after the Issue Date, any security interest in Collateral delivered after the Issue Date would face a greater risk than security interests in place on the Issue Date of being voided by the grantor or by its trustee, receiver, liquidator, administrator or similar authority, or otherwise set aside by a court, as a preference under insolvency law. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the security interest. The same rights and risks also will apply with respect to future security interests granted in connection with the accession of further subsidiaries as additional Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of holders of the Notes.

Spanish insolvency laws may not be as favorable to you as U.S. bankruptcy laws or the insolvency laws of other jurisdictions with which you may be more familiar.

The Issuer and the Guarantors are organized under the laws of Spain. Accordingly, any insolvency proceedings against the Issuer and the Spanish Guarantors would likely be based on Spanish insolvency laws. The insolvency laws of Spain may not be as favorable to holders of the Notes as the laws of the United States or some other jurisdictions, and certain provisions of Spanish insolvency law could affect the ranking of the Notes and the Guarantees or claims relating to the Notes and the Guarantees on an insolvency of the Issuer or the Guarantors, as the case may be.

In particular, under Spanish law, a creditor's rights will be subordinated to the preferential and ordinary debts of a debtor in an insolvency proceeding if such creditor is determined to be a "specially related" party to the debtor. Under Spanish law, one factor considered in determining if a party is "specially related" is (i) whether such party holds, directly and indirectly, more than 10% of the capital of the debtor (for companies that are not listed) at the time the credit right under dispute in the insolvency scenario arises or (ii) in the event of companies belonging to the same group as the insolvent debtor and their common shareholders, provided that such shareholders meet, directly or indirectly, the minimum shareholding requirements set out before.

Additionally, under Spanish law payments made under an equitably subordinated loan preceding the bankruptcy of an obligor may in certain circumstances be clawed back.

In order to seek protection against clawback, refinancing agreements (out-of-court workouts) may be judicially sanctioned *(homologado)* by the commercial court that will be competent to conduct an eventual insolvency proceeding of the debtor, upon request by the debtor or by any creditor having entered into such refinancing agreements, if (i) they entail a significant enlargement of debtor's credit or a change in the financial structure by either granting a longer term or replacing previous claims with new ones; (ii) they have been subscribed by creditors holding financial liabilities representing, at least, 51% of the debtor's financial liabilities whether or not subject to financial supervision (that is to say the Spanish Insolvency Act excludes public creditors, labor creditors and those of commercial transactions in order to calculate whether the required thresholds are met) at the date of the refinancing agreement; (iii) the debtor's auditor issues a certificate acknowledging that the required thresholds have been reached (in the case of a group a companies, the majority refers both individually to each company and to the group as a whole where the intercompany claims are not taken into account); and (iv) the agreement is formalized in a public instrument. Judicially sanctioned refinancing agreements may not be subject to a clawback action.

As to the rules to calculate whether the required thresholds have been reached, all creditors holding an interest in a syndicated loan will be deemed to have adhered to the refinancing agreement (for the purposes of petitioning protection against clawback) if it is favorably voted upon by at least 75% of the liabilities represented by the loan, or a lower majority if so established in the syndicated loan agreement.

The scope of this measure (particularly as to whether this majority of 75% might also serve for the cramdown of discharges and stays of payments over the rest of syndicated claims) is not clear among Spanish scholars or courts and therefore it is not possible yet to ascertain what its practical effects will be.

The following cramdown effects of homologated refinancing agreements may be imposed on (i) dissenting or non-participating unsecured financial creditors or (ii) on secured financial creditors to the extent of that part of their secured claim not covered by their security interest, as such security interest is to be valued in accordance with the rules set out by the latest reform of the Spanish Insolvency Act:

(a) If the judicially sanctioned refinancing agreement is supported by creditors representing at least 60% of the debtor's financial liabilities, stays of payments may be granted for up to five years or the debt converted into profit participation loans (*prestamos participativos*) of duration up to five years.

(b) Further, these effects may be extended to the amount of secured claims of non-participating or dissenting creditors, when the agreement has been entered into by financial creditors holding secured claims which represent at least 65% of the value of all secured claims of the debtor.

(c) If the homologated refinancing agreement is supported by creditors representing at least 75% of the debtor's aggregate financial liabilities:

  (i) a deferral either of principal, interest or any other owed amount for a period of 5 or more years (but not more than ten years);

  (ii) haircuts (note that a cap has not been established);

  (iii) capitalization of debt. Nevertheless, those creditors that have not supported such refinancing agreement (either because they did not sign the agreement or because they oppose it) may choose between (i) the debt for equity swap contemplated by the agreement or (ii) a discharge of their claims equal to the nominal amount (including any share premium) of the shares/quota shares that would have corresponded to that creditor as a consequence of the relevant debt for equity swap;

(iv) conversion of debt into profit participation loans of up to ten years, convertible obligations, subordinated loans, payment in kind facilities or in any other financial instrument with a ranking, maturity and features different from the original debt; and

(v) assignment of assets or rights as assignment in kind for total or partial payment of the debt (*datio pro soluto*).

Further, these effects may be extended to the amount of secured claims of non-participating or dissenting creditors, when the agreement has been entered into by financial creditors holding secured claims which represent at least 80% of the value of all secured claims of the debtor.

In addition, the insolvency laws of Spain may impose certain limitations on the validity and enforceability of the Guarantees.

The insolvency laws of Luxembourg may not be as favorable to holders of Notes as U.S. insolvency laws or those of another jurisdiction with which you may be familiar.

While Issuer, and some of the Guarantors, are organized under the laws of Spain, some of the Guarantors are organized and are likely to have their center of main interests under the laws of Luxembourg. Accordingly, insolvency proceedings with respect to these Guarantors organized under the laws of Luxembourg may proceed under, and be governed by, Luxembourg insolvency law. The insolvency laws of Luxembourg may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar, including in respect of creditors' reorganization, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings, and thus may limit your ability to recover payments due on the Notes and the Guarantee to the extent exceeding the limitations arising under other insolvency laws. In the event that the Issuer or any of its subsidiaries experiences financial difficulty, it is not possible to predict with certainty the outcome of such proceedings. In particular, the insolvency and other laws of Luxembourg may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, the ability to obtain post-petition interest and the duration of the proceeding.

Moreover, pursuant to Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings (recast), as amended (the "Recast Insolvency Regulation") if a company conducts business in more than one Member State of the European Union, the insolvency laws of the Member State (other than Denmark) in which such company's "center of main interests" is found may apply, which could be the laws of a Member State different from the jurisdiction of incorporation.

There are a number of factors that are taken into account to ascertain the "center of main interests", which should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties. The point at which this issue will be determined is at the time when the relevant insolvency proceedings are opened. The determination of where the Issuer or a Guarantor has their center of main interests would be a question of fact on which the courts of the different EU Member States may have differing and even conflicting views. It should also be noted that no final decisions have been taken in cases that have been brought before the European Court of Justice in relation to questions of interpretation or the effects of the EU Insolvency Regulation throughout the European Union. Furthermore, "center of main interests" is not a static concept and may change from time to time.

The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the bankruptcy laws of the United States, or certain other jurisdictions you may be familiar with, and there can be no assurance that you will be able to enforce your rights effectively in such complex, multiple bankruptcy, insolvency or other proceedings.

The application of these laws could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights against the Collateral in Spain or Luxembourg and limit any amounts that you may receive. See "*Limitations on Validity and Enforceability of the Guarantees and the Security Interests, and Certain Insolvency Law Considerations*."

Each Guarantee will be subject to certain limitations on enforcement and may be limited by Spanish law or subject to certain defenses that may limit its validity and enforceability.

Each Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. The Trust Deed, however, will provide that each Guarantee will be limited to the maximum amount that may be guaranteed by the relevant Guarantor without, among other things, rendering the relevant Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective or limited under applicable law or resulting in the Guarantor's bankruptcy or causing the officers of the Guarantor to incur personal civil or criminal liability, and enforcement of each such Guarantee would be subject to certain generally available defenses.

Enforcement of any of the Guarantees against any Guarantor, or of the security interests in respect thereof, will be subject to certain defenses available to Guarantors under Spanish law, including those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, the preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally.

If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its Guarantee depending on the amounts of its other obligations and the applicable Spanish law. Limitations on the enforceability of judgments obtained in English courts imposed by Spanish law could also limit the enforceability of any Guarantee against any Guarantor.

In general, under the bankruptcy or insolvency law and other laws of Spain, a court could (i) void or invalidate all or a portion of a Guarantor's obligations under its Guarantee or the security interests in respect thereof, (ii) direct that the holders of the Notes return any amounts paid under a Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, if the court found that:

(i) the relevant Guarantee was incurred with actual intent to give preference to one creditor over another; hinder, delay or defraud creditors or shareholders of the relevant Guarantor; or, in certain jurisdictions, when the granting of the Guarantee has the effect of giving a creditor a preference or when the recipient was aware that the relevant Guarantor was insolvent when it granted the relevant Guarantee;

(ii) the relevant Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Guarantee and such Guarantor was: (i) insolvent or rendered insolvent because of the relevant Guarantee; (ii) undercapitalized or became undercapitalized because of the relevant Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

(iii) the relevant Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor or was executed in the absence of corporate approvals required under the applicable law; or

(iv) the amount paid or payable under the relevant Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Trust Deed.

We cannot assure you which standard a Spanish court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of the valuation, such court would not determine that a Guarantor was insolvent on that date. We also cannot assure you that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Guarantee was issued, that payments to holders of the Notes constituted preferences, fraudulent transfers or conveyances on other grounds.

Generally, an entity would be considered insolvent under Spanish insolvency laws if, at the time it incurred indebtedness, it cannot pay its debts as they become due.

The liability of each Guarantor under its Guarantee will be limited to the amount that will result in such Guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside under applicable Spanish law. There can be no assurance, however, as to what standard a Spanish court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Guarantee may be set aside, in which case the entire liability may be extinguished.

If a Spanish court decided that a Guarantee was a preference, fraudulent transfer or conveyance and voided such Guarantee or held it unenforceable for any other reason, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the relevant Guarantee that has not been declared void. In the event that any Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes or any Guarantee is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes.

There are circumstances other than the repayment or discharge of the Notes under which the Guarantees of a Guarantor will terminate and release automatically without your consent or the consent of the Trustee.

Under various circumstances, the Guarantees of the Parent will terminate and release, including, without limitation, upon:

(i) the defeasance or discharge of the Notes; or

(ii) upon the full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes.

Additionally, under various circumstances, the Guarantees of the Subsidiary Guarantors will terminate and release, including, without limitation, upon:

(i) a sale or other disposition (including by way of consolidation or merger) of capital stock of the relevant Subsidiary Guarantor or of a Parent thereof (other than to the Parent or a Restricted Subsidiary), such that such Guarantor ceases to be a "**Restricted Subsidiary**" (as defined in the Trust Deed), or the sale or disposition of all or substantially all the assets of the relevant Guarantor, in each case in a transaction otherwise permitted by the Trust Deed;

(ii) the designation in accordance with the Trust Deed of the relevant Guarantor as an "Unrestricted Subsidiary" (as defined in the Trust Deed);

(iii) upon full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes;

(iv) defeasance or discharge of the Notes, as provided in the Trust Deed; or

(v) in connection with certain enforcement actions taken by the creditors under the Intercreditor Agreement.

There are circumstances other than repayment or discharge of the Notes under which the Collateral will be released automatically, without the consent of holders of the Notes or the consent of the Trustee.

Under various circumstances, the Collateral may be released automatically without the consent of the holders of the Notes or the Trustee, including:

(vi) in connection with any disposition of Collateral not prohibited by the Trust Deed or any other debt financing agreement;

(vii) in connection with certain enforcement actions taken by certain of our creditors in accordance with the Intercreditor Agreement;

(viii) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the Trust Deed; and

(ix) upon the full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and debt documents.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

The Issuer, the Guarantors and their respective subsidiaries are organized outside of the United States. All of the directors and executive officers of the Issuer and the Guarantors live outside of the United States and the majority of their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer, the Guarantors or their respective directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. Additionally, there is doubt as to the enforceability in many foreign jurisdictions of civil liabilities based on the civil liability provisions of the federal or state securities laws of the United States against the Issuer, the Guarantors, the directors, controlling persons and management, and any experts named in this Listing Particulars who are not residents of the United States.

The interests of our controlling shareholders may differ from the interests of the holders of the Notes.

Antonio Armas Fernandez (or successors), together with his family, hold 51% of the issued share capital of the Parent. Our shareholders have, and will continue to have, directly or indirectly, the power, among other things, to affect our legal and capital structure and our day-to-day operations, as well as the ability to elect and change management and to approve any other changes to our operations. The interests of our shareholders may differ from yours in material respects and may be in pursuing acquisitions, divestitures, financings or other strategic transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to you as a holder of Notes. Additionally, the Trust Deed will, subject to certain limitations, permit us to pay fees, dividends or make other payments to our shareholders. You should consider that the interests of these holders may differ from yours in material respects and understand that in the event of a conflict of interest between you and the shareholders, their actions could affect our ability to meet our payment obligations to you.

We may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Trust Deed.

Upon the occurrence of a “change of control,” as defined in the Trust Deed, we would be required to offer to repurchase all the relevant outstanding Notes at a purchase price equal to 101% of the aggregate principal amount thereof on the date of purchase plus accrued and unpaid interest and additional amounts, if any, to the date of purchase.

Our ability to fund the purchase price for any offer to purchase the Notes upon a change of control would be limited by our access to funds at the time and the terms of our other debt and contractual agreements and the Intercreditor Agreement. We may not have sufficient funds at the time of any such event to make the required repurchases. The source of funds for any repurchase required will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets or sales of equity or funds provided by the Parent's subsidiaries. We cannot assure you that we would be able to obtain the necessary level of financing. If an event constituting a change of control occurs at a time when the Parent's subsidiaries are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, these subsidiaries may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If a consent to repay such borrowings is not obtained, we may be prohibited from repurchasing any Notes. In addition, a change of control may result in an event of default under, or acceleration of, the Notes and any other indebtedness we may have outstanding. The repurchase of the Notes pursuant to such an offer could cause a default under other indebtedness, even if the change of control itself does not. Any failure by us to offer to purchase the Notes would constitute a default under the Trust Deed and certain other indebtedness.

The change of control provision contained in the Trust Deed may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger, recapitalization or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Trust Deed. Barring some exceptions, the Trust Deed will not contain provisions that would require us to offer to repurchase or redeem the applicable Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "change of control" contained in the Trust Deed will include (with certain exceptions) a disposition of all or substantially all the assets of ourselves and our restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether we are required to make an offer to repurchase the Notes.

If an active trading market does not develop for the Notes, your ability to resell the Notes may be limited.

The Notes are new securities for which there is currently no market. We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of holders of the Notes to sell them or the price at which holders of the Notes may be able to sell them. Although the Notes have been admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin thereof, we cannot assure you that the Notes will remain listed. Although no assurance is made as to the liquidity of the Notes as a result of the admission to trading on the GEM, the delisting of the Notes from the Official List of Euronext Dublin may have a material effect on a holder's ability to resell the Notes in the secondary market. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. Any market for the Notes will likely be subject to similar disruptions and such disruptions may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance.

The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as third-party recommendations. We cannot assure you that an active trading market for the Notes will develop or, if one does develop, that it will be maintained. If no active trading market develops, you may not be able to resell your Notes at fair value, if at all.

The liquidity of, and trading market for, the Notes may also be affected by declines in the market for high yield securities generally. Such a decline may affect any liquidity and trading of the Notes independent of our financial performance and prospects.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global form and held through Euroclear and Clearstream. Interests in the global notes will trade in book-entry form only, and the Notes in definitive registered form ("**Definitive Registered Notes**") will be issued in exchange for Book-Entry Interests only in very limited circumstances. Owners of Book-Entry Interests will not be considered owners of the Notes. The common depositary, or its nominee, for Euroclear and Clearstream will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to The Bank of New York Mellon, London Branch, as paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to participants' accounts that hold Book-Entry Interests in the global notes representing the Notes and credited by such participants to indirect participants. After such payment to Euroclear and Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of Book-Entry Interests. Accordingly, if you own a Book-Entry Interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Trust Deed.

Unlike the holders of the Notes themselves, owners of Book-Entry Interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the relevant Trust Deed, unless and until Definitive Registered Notes are issued in respect of all Book-Entry Interests, if you own a Book-Entry Interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

The transfer of the Notes is restricted, which may affect the value of the Notes.

The Notes are being offered pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws of the United States. The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. Therefore, you may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement, and you may be required to bear the risk of your investment in the Notes for an indefinite period of time. The Notes and the Trust Deed contain provisions that restrict the Notes from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S under the U.S. Securities Act, or other exemptions under the U.S. Securities Act. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €1,000.00. Furthermore, we have not registered the Notes under any other country's securities laws and do not have any intention to do so. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

The lack of a syndicate of holders and a commissioner in relation to the Notes means holders of Notes will not benefit from certain rights of holders of debt securities under Spanish law.

In Spain, issuers of debt securities such as the Notes (but subject to Spanish law) are generally required to have a syndicate of holders (*sindicato de obligacionistas*) that is represented by a commissioner (*comisario*). A recent amendment of the Spanish Capital Companies Act (*Ley de Sociedades de Capital*) clarified that the appointment of such syndicate of holders (*sindicato de obligacionistas*) and commissioner (*comisario*) is not compulsory if the Notes are not subject to Spanish law, as it is the case for the Notes. Therefore, the Trustee to be appointed pursuant to the provisions of the Trust Deed shall not necessarily provide for the same set of rights and obligations that the Spanish Capital Companies Act provides for the holder of the Notes in issuances subject to Spanish law through the syndicate of holders (*sindicato de obligacionistas*) and the commissioner (*comisario*).

The Notes may not become, or remain, listed on the Official List of the Euronext Dublin.

Although an application will be made for the Notes to be listed on the Official List of Euronext Dublin and admitted to trading on the GEM of the Euronext Dublin, the Issuer cannot assure you that the Notes will become, or will remain, listed. If the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the GEM of the Euronext Dublin and the Issuer can no longer maintain such listing, or if it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of Euronext Dublin; *provided, however,* that it will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on another "recognized stock exchange," although there can be no assurance that the Issuer will be able to do so.

In addition, although no assurance is made as to the liquidity of the Notes as a result of listing the Notes on the Official List of Euronext Dublin or another recognized stock exchange in accordance with the Trust Deed, failure to obtain approval for the listing or the delisting of the Notes from the Official List of Euronext Dublin or another recognized stock exchange, as applicable, may have a material adverse effect on your ability to resell Notes in the secondary market.

Furthermore, payments in respect of the Notes may be subject to Spanish withholding tax if we are unable to list the Notes on the Official List of Euronext Dublin or another recognized stock exchange or if we fail to maintain such listing.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time, and different credit rating agencies may assign different ratings.

Credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. Any ratings of the Notes may not reflect the potential impact of all risks related to the structure, market, additional risk 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 subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. Other credit rating agencies that do not publish credit ratings with respect to the Notes may assign a lower rating than any published ratings of the Notes. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

Investors may face foreign currency exchange risks by investing in the Notes which may be increased if the euro no longer exists or if the Notes are otherwise redenominated as a result of member states leaving the eurozone.

The Notes will be denominated and payable in euro. Accordingly, for U.S. holders, an investment in a series of Notes will entail foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the non-U.S. currency relative to the U.S. dollar because of economic, political and other factors over which we have no control. Depreciation of the non-U.S. currency against the U.S. dollar may cause a decrease in the effective yield of the Notes below either series' stated coupon rate and may result in a loss to U.S. holders when the non-U.S. currency from the Notes is translated into U.S. dollars. Investments in Notes by U.S. holders may also have important tax consequences as a result of foreign currency exchange gains or losses, if any.

Despite the measures taken by countries in the eurozone to alleviate credit risk, concerns persist regarding the debt burden of certain eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual eurozone member states. These and other concerns could lead to the reintroduction of individual currencies in one or more eurozone member states, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. The official exchange rate at which the Notes may be redenominated may not accurately reflect their value in euro. These potential developments, or market perceptions concerning these developments and related issues, could adversely affect the value of the Notes.

TERMS AND CONDITIONS OF THE NOTES

The €376,292,750 Floating Rate Senior Secured Notes due 2026 (the "**Notes**", which expression includes any further notes issued pursuant to Trust Deed) of Anarafe, S.L.U. (the "**Issuer**") are governed by a trust deed dated 12 January 2022 (as amended or supplemented from time to time, the "**Trust Deed**") between, *inter alios*, the Issuer and the Trustee. Certain provisions of these terms and conditions are summaries of the Trust Deed and subject to their detailed provisions and definitions. The Holders of the Notes are bound by, and are deemed to have notice of, all the provisions of the Trust Deed applicable to them. Copies of the Trust Deed are available for inspection by Holders during normal business hours at the registered office for the time being of the Trustee, being at the date hereof 6th Floor, No. 1 Building, London Wall Buildings, London Wall, London EC2M 5PG United Kingdom. Capitalized terms not expressly defined in this section will have the meaning assigned to them in the Trust Deed.

Form, Denomination and Title

The Notes are initially represented by a Rule 144A Global Note or a Regulation S Global Note (each a "**Global Note**" and together the "**Global Notes**"). The Notes are issued in denominations of EUR 1,000.00 and integral multiples of EUR 1.00 above EUR 1,000.00. While the Notes may only be traded in denominations of EUR 1,000.00 and in integral multiples of EUR 1.00 in excess thereof, for the purposes of ICSDs (as defined in the Trust Deed), the minimum denomination will be considered to be EUR 1.00. Notes in definitive form will be represented by a definitive registered note (a "**Definitive Registered Note**") and registered in the name of the Holder. The Global Notes were deposited on the Issue Date (i) in the case of the Regulation S Global Note, with, and registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee of the Common Depositary for Euroclear and Clearstream and (ii) in the case of the Rule 144A Global Note, with a custodian for the Common Depositary and registered in the name of The Bank of New York Depository (Nominees) Limited as nominee of the Common Depositary.

Status and Guarantee

Status of the Notes:

The Notes will be senior secured obligations of the Issuer and will rank pari passu in right of payment with any unsubordinated indebtedness incurred in accordance with the Trust Deed. Notwithstanding the above, any realized proceeds of enforcement shall be applied by the Security Agent towards repayment and cancellation of the debt facilities in the following order: first, to the indebtedness incurred on a super senior ranking basis in accordance with the Trust Deed; second, to the Confirming Facilities and any other indebtedness incurred on a pari passu ranking basis (in accordance with the Trust Deed); and third, to the Notes.

Guarantee of the Notes:

a. Each Guarantor, subject to the Agreed Security Principles (as defined in the Trust Deed), jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee and its successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity (as defined in the Trust Deed), by acceleration, by redemption or otherwise, of all obligations of the Issuer under the Trust Deed (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts (as defined in the Notes), if any, on the Notes and all other monetary obligations of the Issuer under the Trust Deed and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under the Trust Deed and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor, and that each such Guarantor shall remain bound under Article XI of the Trust Deed notwithstanding any extension or renewal of any Guaranteed Obligation.

b. Each Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for non-payment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under the Trust Deed, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of the Trust Deed, the Notes or any other agreement; (4) the release of any security held by any Holder, the Security Agent or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Guarantor, except as provided in Sections 11.09(b) and (c) of the Trust Deed.

c. Each Guarantor thereby waives any right to which it may be entitled to have its obligations under the Trust Deed divided among the Guarantors, such that such Guarantor's obligations would be less than the full amount claimed. Each Guarantor waives any right to which it may be entitled to have the assets of the Issuer first be used and depleted as payment of the Issuer's or such Guarantor's obligations prior to any amounts being claimed from or paid by such Guarantor under the Trust Deed. Each Guarantor thereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Guarantor.

d. Each Guarantor further agrees that its Guarantee under the Trust Deed constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

e. Except as expressly set forth in Sections 8.02, 11.02, 11.03 and 11.09 of the Trust Deed, the obligations of each Guarantor shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under the Trust Deed, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity.

f. Except as expressly set forth in Sections 8.02, 11.02, 11.03 and 11.09 of the Trust Deed, each Guarantor agrees that its Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Guarantor further agrees that its Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise. For the purposes of Article 399 of the Spanish Insolvency Act, the obligations of each Spanish Guarantor under the Trust Deed *vis-à-vis* the Holders or the Trustee shall be governed by the terms of the Trust Deed at any time such that each Spanish Guarantor's obligations as provided in Article VI of the Trust Deed shall not be affected in any way by the settlement agreement that may be agreed in the insolvency proceedings of a Guarantor (nor shall they be deemed amended as a consequence of the approval of that settlement agreement) that each of the Holders or the Trustee has approved/acceded to or irrespective of the fact that has not approved/acceded to, that settlement agreement.

g. In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue of the Trust Deed, upon the failure of the Issuer to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor promises to and shall, upon receipt of written demand by the Trustee, pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Issuer to the Holders and the Trustee.

h. Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed may be accelerated as provided in Article VI of the Trust Deed for the purposes of any Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed under the Trust Deed, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article VI of the Trust Deed, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of Section 11.01 of the Trust Deed.

i. Each Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01 of the Trust Deed.

j. Upon request of the Trustee, each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of the Trust Deed.

k. Each Spanish Guarantor expressly declares that Section 11.01 of the Trust Deed constitutes a first demand guarantee (*garantía abstracta independiente a primera demanda*) and hence the principles of exclusion, order and/or division (*beneficio de excusión, orden y/o división*) under Article 1,830 of the Spanish Civil Code are not applicable.

l. Furthermore, the Parties agree that in the event a Spanish Obligor (as defined in the Trust Deed) and its creditors were enter into a voluntary arrangement (*convenio*) within an insolvency proceeding or workout homologation agreement (*homologación de un acuerdo de refinanciación*), the Spanish Guarantors undertake that (A) the scope of its guarantee will not be modified in any way by said arrangement and (B) it shall not benefit from any potential advantages (write offs, stays, or others), agreed to in that voluntary arrangement, in each case to the extent that the relevant creditor has not voted in favour of that voluntary arrangement (*convenio*) or workout homologation agreement (*homologación de un acuerdo de refinanciación*).

Addition of Guarantors:

a.

i. The Parent Guarantor will not cause or permit any of its Restricted Subsidiaries (other than the Issuer) that is not a Guarantor, directly or indirectly, to guarantee any Credit Facility or Public Debt and any refinancing thereof in whole or in part unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental trust deed in the form attached to the Trust Deed or other appropriate agreement pursuant to which such Restricted Subsidiary will provide a Guarantee on the same terms and conditions as those set forth in the Trust Deed, which Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness; *provided* that if the Indebtedness Guaranteed by such other Guarantee is subordinated in right of payment to the Notes or a Notes Guarantee, then such other Guarantee must be subordinated to such Restricted Subsidiary's Guarantee of the Notes to at least the same extent as such other Indebtedness is subordinated to the Notes or the Notes Guarantee, as the case may be. Each additional Guarantee of the Notes provided pursuant to Section 4.15(a) of the Trust Deed is referred to as an "Additional Notes Guarantee".

ii. The Parent Guarantor and the Issuer have warranted and represented that as at the Issue Date neither LHBI Limited nor Maritime Highways Limited (each a "Luxco" and together the "Luxcos") held any vessels or any material assets other than: (i) in the case of LHBI Limited, shares in Maritime Highways Limited; and (ii) in the case of Maritime Highways Limited, shares in Armas Trasmediterránea Factoring, S.L. The Parent Guarantor and the Issuer shall procure that each Luxco becomes a Guarantor and, if applicable, executes and delivers to the Trustee a supplemental trust deed in the form attached to the Trust Deed or other appropriate agreement pursuant to which such Luxco will provide a Guarantee on the same terms and conditions as those set forth in the Trust Deed and grants Liens on the Collateral held by it that are equivalent to the Liens granted by existing Guarantors of the same jurisdiction of incorporation, promptly upon: (x) that Luxco acquiring any material assets other than the shares that are referred to in Section 4.15(a)(2) of the Trust Deed, or (y) the date falling six months after the Issue Date (the "Accession Deadline Date"), if by that date that Luxco has not been wound up, provided that if that Luxco has not been wound up by the Accession Deadline Date in circumstances where the Issuer has used reasonable endeavors to commence the winding up of that Luxco (and delivered reasonable evidence to the Trustee of the same), the Accession Deadline Date shall be automatically extended to the date falling nine months after the Issue Date.

b. A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental trust deed in the form attached to the Trust Deed pursuant to which such Restricted Subsidiary will provide a Guarantee.

c. Any such additional Guarantee created in favor of the Notes pursuant to clauses (b) and (c) of Section 4.15 of the Trust Deed will be automatically and unconditionally released and discharged upon the repayment, retirement, release or discharge of the Indebtedness giving rise to such additional Guarantee under Section 4.15(a) of the Trust Deed. Each additional

Guarantee will be limited as consistent with the Agreed Security Principles as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

d. Notwithstanding clauses (a), (b) and (c) of Section 4.15 of the Trust Deed, the Parent Guarantor shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes to the extent and for so long as the Incurrence of such Guarantee would be inconsistent with the Intercreditor Agreement or the Agreed Security Principles.

Release of Guarantees:

(a) Subject to Section 1.01(a) of the Trust Deed and the terms of the Intercreditor Agreement, each Notes Guarantee (as defined in the Trust Deed), once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations (as defined in the Trust Deed), (ii) be binding upon each Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their respective successors, transferees and assigns.

(b) The Parent Guarantor's Notes Guarantee shall be automatically and unconditionally released and discharged, and the Parent Guarantor's obligations under the Notes Guarantee, the Trust Deed, the Security Documents and the Intercreditor Agreement shall be released and discharged:

(1) by defeasance or discharge of the Notes, as provided in **Error! Reference source not found.** or **Error! Reference source not found.** of the Trust Deed; or

(2) [*Reserved*];

(c) Each Notes Guarantee by a Subsidiary Guarantor shall be automatically and unconditionally released and discharged, and such Guarantor and its obligations under the Notes Guarantee, the Trust Deed, the Security Documents and the Intercreditor Agreement shall be released and discharged:

(1) by a sale or other disposition (including by way of consolidation or merger) of Capital Stock of the relevant Subsidiary Guarantor or of a Parent thereof, such that such Subsidiary Guarantor ceases to be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the relevant Subsidiary Guarantor (other than to the Parent Guarantor or a Restricted Subsidiary), in each case in a transaction otherwise permitted by the Trust Deed;

(2) [*Reserved*];

(3) by defeasance or discharge of the Notes, as provided in **Error! Reference source not found.** or **Error! Reference source not found.** of the Trust Deed;

(4) upon full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes;

(5) as provided by **Error! Reference source not found.** or **Error! Reference source not found.** of the Trust Deed; or

(6) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed).

(d) Each Holder authorizes the Trustee to take all actions, including the granting of releases or waivers under the Intercreditor Agreement, to effectuate any release in accordance with the provisions of **Error! Reference source not found.** of the Trust Deed, subject to customary and reasonably satisfactory protections and indemnifications provided by the Issuer to the Trustee.

Certain Covenants

So long as the Notes remains outstanding:

Limitation on Restricted Payments:

a. The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other distribution on or in respect of the Parent Guarantor's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Parent Guarantor or any of its Restricted Subsidiaries) except:

(A) dividends or distributions payable in Capital Stock of the Parent Guarantor (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Parent Guarantor or in Subordinated Shareholder Funding; and

(B) dividends or distributions payable to the Parent Guarantor or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Parent Guarantor or a Restricted Subsidiary on no more than a pro rata basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Parent Guarantor or any direct or indirect Parent of the Parent Guarantor held by Persons other than the Parent Guarantor or a Restricted Subsidiary (other than in exchange for Capital Stock of the Parent Guarantor (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to **Error! Reference source not found.** of the Trust Deed);

(4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding; or

(5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment").

b. The foregoing provisions of Section 4.07(a) of the Trust Deed will not prohibit any of the following (collectively, "Permitted Payments"):

1. any Restricted Payment made in exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Parent Guarantor (other than Disqualified Stock), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than

through the issuance of Disqualified Stock) of the Parent Guarantor subsequent to the Issue Date;

2. any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made in exchange for, or out of the proceeds of the substantially concurrent Incurrence of Refinancing Indebtedness permitted to be Incurred pursuant to **Error! Reference source not found.** of the Trust Deed;

3. any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Parent Guarantor or a Restricted Subsidiary made in exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Parent Guarantor or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to **Error! Reference source not found.** of the Trust Deed, and that in each case, constitutes Refinancing Indebtedness;

4. any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

    a. (i) from Net Available Cash to the extent permitted under **Error! Reference source not found.** of the Trust Deed, but only if the Parent Guarantor shall have first complied with **Error! Reference source not found.** of the Trust Deed and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

    b. to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Parent Guarantor or the Issuer shall have first complied with **Error! Reference source not found.** of the Trust Deed, if required, and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

    c. consisting of Acquired Indebtedness (other than Indebtedness Incurred (i) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Parent Guarantor or a Restricted Subsidiary or (ii) otherwise in connection with or contemplation of such acquisition) and at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of such Acquired Indebtedness;

5. any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with **Error! Reference source not found.** of the Trust Deed;

6. the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Parent Guarantor, or any Parent or any entity formed for the purpose of investing in Capital Stock of the Parent Guarantor or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions or other payments by the Parent Guarantor to any Parent to permit any Parent or such entity to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Parent Guarantor or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of any Parent (including any options, warrants or other rights in respect thereof or otherwise make any payments in respect thereof), in each case, pursuant to any MEP; *provided* that such payments, loans, advances, dividends or distributions or other payments do not exceed an amount (net of repayments of any such loans or advances or payments) equal to (A) €1.0 million in any calendar year beginning from January 1, 2022 (with unused amounts in any calendar year being carried over to the next two succeeding calendar years), *plus* (B) the Net Cash Proceeds received by the Parent Guarantor or its Restricted Subsidiaries subsequent to the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (B), other than through the issuance of Disqualified Stock) of the Parent Guarantor from, the issuance or sale to Management Investors, or pursuant to any MEP, of Capital Stock (including any options, warrants or other rights in respect thereof);

7. the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with **Error! Reference source not found.** of the Trust Deed;

8. purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

9. dividends, loans, advances or distributions to any Parent or any Affiliates or other payments by the Parent Guarantor or any Restricted Subsidiary in amounts equal to (without duplication):

    a. the amounts required for any Parent to pay any Parent Expenses or any Related Taxes;

    b. amounts constituting or to be used for purposes of making payments (A) of fees, expenses and other payments in relation to the Restructuring Transactions or (B) to the extent specified in clauses **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.** and **Error! Reference source not found.** of **Error! Reference source not found.** of the Trust Deed; or

    c. the amounts required such that the Group is in compliance with the Parent Guarantor's by-laws;

10. [*Reserved*];

11. [*Reserved*];

12. payments by the Parent Guarantor, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Parent Guarantor or any Parent in lieu of the issuance of fractional shares of such Capital Stock; _provided, however_, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of **Error! Reference source not found.** of the Trust Deed or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or an Officer of the Parent Guarantor);

13. [*Reserved*];

14. [*Reserved*]; and

15. payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing.

c. The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Parent Guarantor or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors or an Officer of the Issuer acting in good faith. The Parent Guarantor, in its sole discretion, may classify any Investment or other Restricted Payment only on the date such Investment or Restricted Payment is made as being made in part under one of the provisions of this covenant (or, in the case of any Investment, the paragraphs in the definition of Permitted Investments) and in part under one or more other such provisions (or, as applicable, clauses to the extent such provisions apply to the same Investment or Restricted Payment, as the case may be).

Limitation on Restrictions on Distributions from Restricted Subsidiaries:

a. The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

1. pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Parent Guarantor or any Restricted Subsidiary;

2. make any loans or advances to the Parent Guarantor or any Restricted Subsidiary; or

3. sell, lease or transfer any of its property or assets to the Parent Guarantor or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Parent Guarantor or any Restricted Subsidiary to other Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

b. The provisions of **Error! Reference source not found.** of the Trust Deed shall not prohibit:

1. any encumbrance or restriction pursuant to (a) the Revolving Credit Facility Agreement, (b) the Term Loan Facility Agreement, (c) the Trust Deed, the Notes, the Notes Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or (d) any other agreement or instrument in effect at or entered into on the Issue Date;

2. any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Parent Guarantor or any Restricted Subsidiary, or was designated as a Restricted Subsidiary, or on which such agreement or instrument is assumed by the Parent Guarantor or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Parent Guarantor or was merged, consolidated or otherwise combined with or into the Parent Guarantor or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause 2, if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Parent Guarantor or any Restricted Subsidiary when such Person becomes the Successor Company;

3. any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause 1 or 2 of b of the Trust Deed or this clause 3 (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause 1 or 2 of b of the Trust Deed or this clause 3; *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are not materially more restrictive to the Holders, taken as a whole, with respect to such encumbrances and restrictions than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Parent Guarantor);

4. any encumbrance or restriction:

    a. that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

    b. contained in mortgages, pledges, charges or other security agreements permitted under the Trust Deed or securing Indebtedness of the Parent Guarantor or a Restricted Subsidiary permitted under the Trust Deed to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

    c. pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Parent Guarantor or any Restricted Subsidiary;

5. any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Trust Deed, in each case, that impose encumbrances or restrictions on the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

6. any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

7. customary provisions in leases, licenses, joint venture agreements, and other similar agreements and instruments entered into in the ordinary course of business;

8. encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order (including encumbrances or restrictions on making distributions in cash or Cash Equivalents as a dividend or otherwise that arise or exist by reason of applicable law or any applicable rule, regulation or order) or encumbrances or restrictions required by any regulatory authority;

9. any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

10. any encumbrance or restriction pursuant to Hedging Agreements;

11. any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to **Error! Reference source not found.** of the Trust Deed if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Revolving Credit Facility Agreement, the Term Loan Facility Agreement, the Intercreditor Agreement and the Security Documents or (ii) in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Issuer) and where, in the case of clause (ii), the Parent Guarantor determines at the time such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Parent Guarantor's ability to make principal or interest payments on the Notes;

12. any encumbrance or restriction existing by reason of any Lien permitted under **Error! Reference source not found.** of the Trust Deed; or

13. restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or an Officer of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on Indebtedness:

(a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Parent Guarantor and any Restricted Subsidiary may Incur Indebtedness if on the date of such Incurrence and after giving *pro forma* effect thereto (including *pro forma* application of the proceeds thereof), (1) the Fixed Charge

Coverage Ratio for the Parent Guarantor and its Restricted Subsidiaries for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred would have been at least 2.0 to 1.0 and, (2) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio for the Parent Guarantor and its Restricted Subsidiaries would have been no greater than 3.25 to 1.0.

(b) Section 4.09(a) of the Trust Deed shall not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred by the Issuer and the Guarantors pursuant to any Revolving Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder) and other Credit Facilities (excluding in each case any SEPI Financing), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate amount of Indebtedness then outstanding not exceeding (i) €100.0 million, *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) Indebtedness Incurred by the Issuer and the Guarantors pursuant to any Term Loan Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder) and other Credit Facilities, and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate amount of Indebtedness then outstanding not exceeding (i) €187,467,411.42 *less* the aggregate sum of all principal payments actually made from time to time after the Issue Date with respect to such Indebtedness (other than principal payments made from Refinancing Indebtedness Incurred pursuant to this clause (2)), *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (2) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(3) Indebtedness Incurred by the Issuer and the Guarantors pursuant to any Confirming Facilities (including in respect of letters of credit or bankers' acceptances issued or created thereunder) and other Credit Facilities, and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate amount of Indebtedness then outstanding not exceeding (i) €20.0 million *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (3) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(4)

(A) Guarantees by the Parent Guarantor or any Restricted Subsidiary of Indebtedness of the Parent Guarantor or any Restricted Subsidiary, in each case, so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of the Trust Deed (other than pursuant to this clause (4)); *provided* that, if Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or a Notes Guarantee, then the guarantee must be subordinated to or *pari passu* with the Notes or Notes Guarantees, as applicable, to the same extent as the Indebtedness guaranteed; or

(B) without limiting Section 4.12 of the Trust Deed, Indebtedness arising by reason of any Lien granted by or applicable to such Person securing

Indebtedness of the Parent Guarantor or any Restricted Subsidiary, in each case so long as the Incurrence of such Indebtedness is permitted under the terms of the Trust Deed (other than pursuant to this clause (4));

(5) Indebtedness of the Parent Guarantor owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Parent Guarantor or any Restricted Subsidiary; *provided, however*, that:

(A) other than in respect of intercompany current liabilities Incurred in connection with credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Parent Guarantor and the Restricted Subsidiaries and only to the extent legally permitted (the Parent Guarantor and its Restricted Subsidiaries having completed all procedures required in the reasonable judgment of directors or officers of the obligee or obligor to protect such Persons from any penalty or civil or criminal liability in connection with the subordination of such Indebtedness), if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due (x) in the case of the Issuer with respect to the Notes, or (y) in the case of a Guarantor, with respect to its Notes Guarantee, in each case in the manner and to the extent provided for in the Intercreditor Agreement; and

(B) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Parent Guarantor or a Restricted Subsidiary; and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Parent Guarantor or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (5) by the Parent Guarantor or such Restricted Subsidiary, as the case may be;

(6) Indebtedness represented by (a) the Notes (including the Notes issued in respect of the payment of fees and expenses of the Restructuring) (other than any Additional Notes not issued as PIK Interest) and the Notes Guarantees, (b) *[Reserved]*, (c) any Indebtedness (other than Indebtedness described in clauses (1), (2), (3), (5) and (6)(a) of Section 4.09(b) of the Trust Deed) of the Parent Guarantor or any Restricted Subsidiary entered into or outstanding on the Issue Date after giving effect to the Restructuring Transactions (including, without limitation, the ICO Loans and La Esfinge Loan), (d) *[Reserved]*, (e) Refinancing Indebtedness that is Incurred in respect of any Indebtedness described in clause (6) of Section 4.09(b) of the Trust Deed or Incurred pursuant to Section 4.09(a) of the Trust Deed and (f) Management Advances;

(7) *[Reserved]*;

(8) Indebtedness under Hedging Agreements entered into for bona fide hedging purposes of the Parent Guarantor or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Issuer);

(9) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other Indebtedness, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business, (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful

in a Similar Business and (C) any Refinancing Indebtedness and Guarantees in respect of (A) or (B), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (9) then outstanding, will not exceed €2.5 million;

(10) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Parent Guarantor or a Restricted Subsidiary or relating to liabilities, obligations, indemnities or guarantees Incurred in the ordinary course of business or for governmental or regulatory requirements, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business; *provided, however*, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Parent Guarantor and the Restricted Subsidiaries;

(11) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Parent Guarantor and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Parent Guarantor and its Restricted Subsidiaries in connection with any such disposition;

(12) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 30 Business Days of Incurrence;

(B) Indebtedness owed on a short-term basis of no longer than 45 days to banks and other financial institutions Incurred in the ordinary course of business of the Parent Guarantor and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Parent Guarantor and its Restricted Subsidiaries; and

(C) Indebtedness Incurred by the Parent Guarantor or a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case Incurred or undertaken in the ordinary course of business;

(13) Commencing January 1, 2022, Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness and Guarantees in respect thereof and the aggregate principal amount of all other

Indebtedness Incurred pursuant to this clause (13) then outstanding, will not exceed (x) prior to January 1, 2023, €5.0 million and (y) on or after January 1, 2023, €10.0 million;

(14) *[Reserved]*;

(15) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing;

(16) *[Reserved]*; and

(17) Indebtedness Incurred pursuant to any Factoring Facilities (including in respect of letters of credit or bankers' acceptances issued or created thereunder) and other Credit Facilities, and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate amount of Indebtedness then outstanding not exceeding (i) €50.0 million *plus* (ii) in the case of any refinancing of any Indebtedness permitted under this clause (17) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing.

Notwithstanding anything to the contrary contained herein, the aggregate principal amount of Indebtedness (excluding any interest paid in kind) that is permitted to be incurred by Restricted Subsidiaries of the Parent Guarantor that are not Subsidiary Guarantors or the Issuer pursuant to Section 4.09(a) of the Trust Deed and clauses (1), (2), (3), (6), (8), (9), (13) and (17) of Section 4.09(b) of the Trust Deed and without double counting, including all Refinancing Indebtedness incurred by any such Restricted Subsidiary of the Parent Guarantor to redeem, refund, repay, replace, defease or discharge such Indebtedness, shall not exceed at any one time outstanding an amount equal to €5.0 million.

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, Section 4.09 of the Trust Deed:

(1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in Section 4.09(a) and 4.09(b) of the Trust Deed, the Parent Guarantor, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of Section 4.09(a) or 4.09(b) of the Trust Deed; *provided* that outstanding Indebtedness incurred on the Issue Date under the Revolving Credit Facility Agreement, the Term Loan Facility Agreement, the Confirming Facilities or a Factoring Facility will be deemed to have been incurred pursuant to Section 4.09(b)(1), Section 4.09(b)(2), Section 4.09(b)(3) and Section 4.09(b)(17)), respectively of the Trust Deed, and such Indebtedness incurred on the Issue Date under Section 4.09(b)(1) of the Trust Deed may not be reclassified;

(2) Guarantees of, or obligations in respect of, letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(3) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (2), (3), (9), (13), (17) or (18) of Section 4.09(b) of the Trust Deed or pursuant to Section 4.09(a) of the Trust Deed and the letters of credit, bankers'

acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(4) the principal amount of any Disqualified Stock of the Parent Guarantor or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(5) Indebtedness permitted by Section 4.09 of the Trust Deed need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of Section 4.09 of the Trust Deed permitting such Indebtedness; and

(6) the amount of any Indebtedness outstanding as of any date shall be calculated as described under the definition of "Indebtedness"; *provided* that the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

(d) Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of Section 4.09 of the Trust Deed.

(e) *[Reserved]*.

(f) For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Parent Guarantor, first committed, in the case of Indebtedness Incurred under a revolving credit facility; provided that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced; (b) the Euro Equivalent of the aggregate principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal amounts payable on such Indebtedness, the amount of such Indebtedness, if denominated in euro, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

(g) Notwithstanding any other provision of Section 4.09 of the Trust Deed, the maximum amount of Indebtedness that the Parent Guarantor or a Restricted Subsidiary may Incur pursuant to Section 4.09 of the Trust Deed shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitations on Sale of Assets and Subsidiary Stock:

(a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Parent Guarantor or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors or an Officer of the Parent Guarantor, of the shares and assets subject to such Asset Disposition;

(2) in any such Asset Disposition, or series of related Asset Dispositions, at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Parent Guarantor or such Restricted Subsidiary, as the case may be within 90 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash, (i) (a) to prepay, repay, purchase or redeem any Indebtedness of a non-Guarantor Restricted Subsidiary or Indebtedness that is secured by assets that do not constitute Collateral (in each case, other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Parent Guarantor or any Restricted Subsidiary) or (b) Indebtedness that is secured by a Lien on the Collateral, which Lien ranks pari passu with or senior to the Liens securing the Notes and the Notes Guarantees incurred under Section 4.09(b)(1) or Section 4.09(b)(2) of the Trust Deed; *provided* that the Parent Guarantor or any Restricted Subsidiary shall redeem, repay or repurchase Indebtedness pursuant to clause (i)(a) only with the Net Available Cash from the sale of assets which do not constitute Collateral in respect of vessels or other ships; (ii) unless included in (i)(b), to prepay, repay, purchase or redeem Pari Passu Indebtedness that is secured in whole or in part by a Lien on the Collateral which Lien ranks pari passu with the Liens securing the Notes and the Notes Guarantees at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; *provided* that the Parent Guarantor shall redeem, repay or repurchase Pari Passu Indebtedness pursuant to this clause (ii) only if the Parent Guarantor makes an offer to the Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding *plus* the total aggregate principal amount outstanding of such Pari Passu Indebtedness or (iii) to redeem or repurchase the Notes or Offer to purchase the Notes pursuant to an offer to all Holders of Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repayment or purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), *provided* that, pending the final application of any such Net Available Cash, the Parent

Guarantor and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Trust Deed.

(b) If the Parent Guarantor or Restricted Subsidiary elects to offer to purchase the Notes pursuant to Section 4.10(a)(3)(iii) of the Trust Deed or elects to prepay, repay, purchase or redeem Pari Passu Indebtedness pursuant to Section 4.10(a)(3)(ii) of the Trust Deed and is required to make an offer to Holders to purchase their Notes, the Parent Guarantor or the Issuer will be required to make an offer (or procure an offer is made) ("Asset Disposition Offer") to all Holders of Notes issued under the Trust Deed and, to the extent the Parent Guarantor so elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Net Available Cash, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of such Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any (and in the case of the Notes, Additional Amounts, if any), to, but excluding, the date of purchase, in accordance with the procedures set forth in the Trust Deed or the agreements governing the Pari Passu Indebtedness, as applicable, and in the case of the Notes, in minimum denominations of €1,000 and in integral multiples of €1 in excess thereof.

(c) To the extent that the aggregate principal amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Net Available Cash, the Parent Guarantor shall apply such remaining Net Available Cash for general corporate purposes. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Net Available Cash, the Net Available Cash shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis or by use of a pool factor on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness, or by such other method in compliance with applicable legal, depositary and exchange requirements. For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Euro Equivalent determined as of a date selected by the Parent Guarantor that is within the Asset Disposition Offer Period (as defined herein).

(d) To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than euro, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which the relevant Notes are denominated that is actually received upon converting such portion of Net Available Cash into such currency.

(e) The Asset Disposition Offer, insofar as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Parent Guarantor will purchase (or procure the purchase of) the aggregate principal amount of Notes and, to the extent they so elect, any Pari Passu Indebtedness required to be purchased pursuant to Section 4.10 of the Trust Deed (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

(f) On or before the Asset Disposition Purchase Date, the Parent Guarantor or the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu

Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of the Notes, in minimum denominations of €1,000 and in integral multiples of €1 in excess thereof. The Parent Guarantor will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment in accordance with the terms of Section 4.10 of the Trust Deed. The Parent Guarantor or the Paying Agent (if so instructed by the Issuer), as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver (or procure the mail or delivery) to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted for purchase, and the Issuer will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Parent Guarantor, will (via an authenticating agent) authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; provided that each such new Note will be in an aggregate principal amount with a minimum denomination of €1,000 or in integral multiples of €1 in excess thereof. While such new Note may only be traded in denominations of €1,000 and in integral multiples of €1 in excess thereof, for the purposes of ICSDs, the minimum denomination will be considered to be €1. For the avoidance of doubt, the ICSDs are not required to monitor or enforce the minimum amount. Any Note not so accepted will be promptly mailed or delivered (or transferred by book-entry) by the Issuer to the Holder thereof.

(g) For the purposes of Section 4.09(a)(2) of the Trust Deed the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Parent Guarantor or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Parent Guarantor or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from the transferee that are converted by the Parent Guarantor or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Parent Guarantor and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition; and

(4) consideration consisting of Indebtedness of the Parent Guarantor or any Restricted Subsidiary (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Parent Guarantor or any Restricted Subsidiary.

(h) The Parent Guarantor and the Issuer will comply (or procure compliance), to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Trust Deed. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of Section 4.10 of the Trust Deed, the Parent Guarantor and the Issuer will comply (or procure compliance) with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Trust Deed by virtue of any conflict.

Limitation on Transactions with Affiliates:

(a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with or for the benefit of any Affiliate of the Parent Guarantor (such transaction or series of related transactions being an "Affiliate Transaction") unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Parent Guarantor or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate;

(2) in the event such Affiliate Transaction involves an aggregate value in excess of €5.0 million, the terms of such transaction or series of related transactions have been approved by a majority of the members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; and

(3) in the event such Affiliate Transaction involves an aggregate consideration in excess of €20.0 million, the Parent Guarantor has received a written opinion from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Parent Guarantor and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate.

Any Affiliate Transaction shall also be deemed to have satisfied the requirements set forth in Section 4.11(a)(2) of the Trust Deed if such Affiliate Transaction is approved by a majority of the Disinterested Directors. If there are no Disinterested Directors, any Affiliate Transaction shall also be deemed to have satisfied the requirements set forth in this covenant if the Parent Guarantor or any of its Restricted Subsidiaries, as the case may be, has received a letter from an Independent Financial Advisor that satisfies the requirements set forth in Section 4.11(a)(3) of the Trust Deed.

(b) The provisions of Section 4.11(a) of the Trust Deed will not apply to:

(1) any Permitted Payments (other than pursuant to Section 4.07(b)(9)(B)(ii) of the Trust Deed) or any Permitted Investment, excluding Permitted Investments as defined in clauses (1)(c) and (2);

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Parent Guarantor, any Restricted Subsidiary or any Parent, any MEP, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Parent Guarantor, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Parent Guarantor and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Parent Guarantor, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Restructuring Transactions and the entry into and performance of obligations of the Parent Guarantor or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of Section 4.11 of the Trust Deed or to the extent not more disadvantageous to the Holders in any material respect in the good faith judgment of the Board of Directors or an Officer of the Parent Guarantor and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) payments or other transactions pursuant to any Tax Sharing Agreement; *provided*, *however*, that such payments shall not exceed (or be duplicative of) the Permitted Payments attributable to Related Taxes described pursuant to Section 4.07(b)(9)(A) of the Trust Deed;

(8) transactions (other than sales or purchases of ships) with customers, clients, landlords, lessors and lessees of ships and suppliers or purchasers or sellers of goods or services, which, in each case, are in the ordinary course of business and are either fair to the Parent Guarantor or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Parent Guarantor or the relevant Restricted Subsidiary or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Parent Guarantor or any Restricted Subsidiary and any Affiliate of the Parent Guarantor or an Associate or similar entity that are set forth in Schedule B to the Trust Deed;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock) of the Parent Guarantor or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors or an Officer of the Issuer in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Trust Deed, the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable;

(11) *[Reserved]*;

(12) loans or other payments to Promociones Inmobiliarias Arsan 2030, S.L. in respect of the Real Estate Debt for the purposes of making regularly scheduled cash interest payments on such debt (provided that Promociones Inmobiliarias Arsan 2030, S.L.

applies such amounts in respect of such cash interest payments with the receipt of such amounts) and to make payments of principal in respect thereof; and

(13) any transaction effected as part of a Qualified Receivables Financing.

Limitation on Liens

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "Initial Lien"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Trust Deed (or a Notes Guarantee in the case of Liens of a Guarantor) are secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b) in the case of any property or assets that constitute Collateral, Permitted Collateral Liens. Any such Lien created in favor of the Notes pursuant to Section 4.12(a)(2) of the Trust Deed shall be automatically and unconditionally released and discharged (i) upon the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under Section 12.03 of the Trust Deed.

Interest

(a) Interest will be paid on the Notes at the Applicable Rate (as defined below). The Issuer shall pay interest on the Floating Rate Notes quarterly in arrears on March 31, June 30, September 30 and December 31, commencing March 31, 2022. The Issuer will make each interest payment to Holders of record of the Floating Rate Notes on the Business Day immediately preceding the related Interest Payment Date. Interest on the Floating Rate Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from the Issue Date, until the principal is due. Interest shall be computed on the basis of a 360-day year and the actual number of days elapsed. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at a rate that is 1% higher than the then applicable interest rate on the Floating Rate Notes to the extent lawful; it will pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue instalments of interest, if any (without regard to any applicable grace period), at the same rate to the extent lawful.

For purposes of this condition "*Interest"*.

"Applicable Rate" means (a) with respect to Cash Interest (as defined below), a rate per annum reset quarterly, equal to EURIBOR plus 12.000%, as determined by the Calculation Agent and (b) with respect to PIK Interest (as defined below), a rate per annum reset quarterly, equal to EURIBOR plus 11.750%, as determined by the Calculation Agent; provided, however, that if the Parent Guarantor or any of its Restricted Subsidiaries receives a cash contribution of €100 million or more of Subordinated Capital, then the Issuer shall notify the Calculation Agent that the Applicable Rate shall be reduced by 1.50% per annum for the Interest Period in which such contribution is received and all subsequent Interest Periods.

"Determination Date" with respect to an Interest Period, means the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

"EURIBOR" means, with respect to an Interest Period, the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET

Settlement Days after the Determination Date that appears on Reuters Page EURIBOR01 as of 11:00 a.m. Brussels time, on the Determination Date; provided, however, that EURIBOR shall never be less than 0%. If Reuters Page EURIBOR01 does not include such a rate or is unavailable on a Determination Date, the Issuer will request the principal Euro-zone office of each of four major banks in the Euro-zone inter-bank market, as selected by the Issuer, to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the Euro-zone inter-bank market for deposits in a Representative Amount in euro for a three month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request each of three major banks in London, as selected by the Issuer, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., Brussels time, on such Determination Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

If the Issuer determines that EURIBOR is no longer being calculated or administered or is otherwise no longer generally accepted in the Euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, the alternative basis for determining the rate of interest on the Notes will be any successor rate generally accepted in the Euro-zone for the purposes of determining floating rates of interest in respect of euro-denominated securities, as identified by the Issuer in good faith; provided that, in the event that there is no generally accepted successor rate to EURIBOR in the good faith judgment of the Issuer, the Issuer, in consultation with an Independent Financial Advisor, shall determine a reasonably appropriate alternative basis for determining the rate of interest (and any applicable adjustment spread to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders as a result of the replacement of EURIBOR) on the Notes. Following the adoption of an alternative basis pursuant to this paragraph, all references to ''EURIBOR'' in the Trust Deed shall be deemed to refer to such alternative basis. The Issuer shall promptly thereafter notify the holders of the Floating Rate Notes and (via an Officer's Certificate) the Calculation Agent of the new rate replacing EURIBOR, and the Calculation Agent shall be entitled to rely on such (without liability to any Person) as sufficient evidence thereof.

"Euro-zone" means the region comprised of member states of the European Union that at the relevant time have adopted the euro.

"Interest Period" means the period commencing on and including an Interest Payment Date and ending on and including the day immediately preceding the next succeeding Interest Payment Date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and include March 30, 2022.

"Representative Amount" means the greater of (i) €1.0 million and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

"Reuters Page EURIBOR01" means the display page or screen so designated on Reuters (or such other page or screen as may replace that page on that service, or such other service as may be nominated as the information vendor).

"TARGET Settlement Day" means any day on which the Trans European Automated Real Time Gross Settlement Express Transfer (TARGET2) System is open.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (Brussels time) on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable on the Notes in respect of the following Interest Period (the "Interest Amount"). The Interest Amount shall be calculated by applying the Applicable Rate to the principal amount of the Notes outstanding at the commencement of the Interest Period, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 360. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point being rounded upwards (e.g., 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one half euro cent being rounded upwards).

The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of manifest error, be final and binding on all parties. In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law; provided, however, that the Calculation Agent shall not be responsible for monitoring or verifying that the rate of interest calculated on the Notes is permitted under any applicable law.

(b) Notwithstanding the foregoing paragraph (a), the first two interest payments on the Notes, to be paid on March 31, 2022 and June 30, 2022 shall be paid at the Applicable Rate in PIK Interest (as defined below).

(c) Notwithstanding the foregoing paragraph (a), the Issuer may elect to pay any interest payments subsequent to June 30, 2022 through and including the interest payment date on September 30, 2024 pursuant to this paragraph (c). During any Interest Period during this period, interest on the Notes shall be paid entirely in cash ("**Cash Interest**"), except that when calculating the interest to be paid between June 30, 2022 and July 12, 2024 (the "**PIK Period**"), if the Cash Available for Debt Service (as defined herein) as determined by the Issuer (acting reasonably and in good faith) on the PIK Interest Determination Date for each Interest Period during the PIK Period (or part thereof in respect of the last Interest Period during the PIK Period):

(i) is equal to or exceeds 75%, but is less than 100% of the aggregate amount of Cash Interest that would otherwise be due on the relevant Interest Payment Date, then the Issuer may, at its option, elect to pay interest on up to 25% of the then outstanding principal amount of the Notes in PIK Interest;

(ii) is equal to or exceeds 50%, but is less than 75%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant Interest Payment Date, then the Issuer may, at its option, elect to pay interest on up to 50% of the then outstanding principal amount of the Notes as PIK Interest;

(iii) is equal to or exceeds 25%, but is less than 50%, of the aggregate amount of Cash Interest that would otherwise be due on the relevant Interest Payment Date, then the Issuer may, at its option, elect to pay interest on up to 75% of the then outstanding principal amount of the Notes as PIK Interest; or

(iv) is less than 25% of the aggregate amount of Cash Interest that would otherwise be due on the relevant Interest Payment Date, then the Issuer may, at its option, elect to pay interest on up to 100% of the then outstanding principal amount of the Notes as PIK Interest.

For purposes of this paragraph (c):

"<u>Cash Available for Debt Service</u>" means the aggregate amount of Cash or Cash Equivalent Investments (as defined in the Term Loan Facility Agreement) (excluding any cash that is pledged as

Collateral) of the Parent Guarantor and its Restricted Subsidiaries as determined by the Issuer (acting reasonably and in good faith) as of the PIK Interest Determination Date minus Minimum Business Liquidity plus an amount equal to any undrawn and available (i) Confirming Facilities and (ii) amounts not to exceed €40,000,000 that are permitted to be drawn under the Factoring Facilities with respect to invoices from Cargo Debtors (as defined in the credit agreement for the Factoring Facilities), as of such PIK Interest Determination Date.

"Minimum Business Liquidity" means, with respect to a PIK Interest Determination Date in (i) February 2023 or 2024, €40 million, (ii) May 2023 or 2024, €35 million, (iii) August 2022, 2023 or 2024, €40 million and (iv) November 2022 or 2023, €50 million.

"PIK Interest" means the payment of interest on the Notes by increasing the principal amount of the outstanding Notes or by issuing Additional Notes in a principal amount equal to such interest.

"PIK Interest Determination Date" means the last Business Day of the month preceding an Interest Payment Date.

If PIK Interest is paid on an Interest Payment Date pursuant to this paragraph, the Issuer will also pay on such Interest Payment Date, in addition to the Cash Interest and PIK Interest paid on such Interest Payment Date pursuant to this paragraph, an additional amount of cash interest equal to the then outstanding principal amount of Notes upon which the Issuer paid (pursuant to (b) above) or elected to pay (pursuant to (c) above) in PIK Interest on such Interest Payment Date multiplied by 0.01.

After the Issuer makes the determination on the PIK Interest Determination Date, if any interest will be paid in PIK Interest, the Issuer shall provide, no later than 5 Business Days following the PIK Interest Determination Date, notice to the Holders of the Note, the Calculation Agent, the Paying Agent, and an Officer's Certificate to the Trustee stating the determination (and calculations) of the relevant percentages of Cash Interest and PIK Interest.

Interest, if payable in the form of Additional Notes on the Global Notes, will be payable by the Issuer delivering an order to increase the principal amount of any such Global Note by the relevant amount (rounded up to the nearest whole euro) as provided in writing by the Issuer to the Paying Agent and the Registrar (copying the Trustee), which shall be recorded in the Registrar's books and records and in the schedule to the Global Note in accordance with the Trust Deed or, if necessary, by issuing a new Global Note executed by the Issuer and an order to the Trustee (or its authenticating agent) to authenticate such new Global Note under the Trust Deed. Following an increase in the principal amount of the outstanding Global Notes as a result of a payment of interest as PIK Interest, the Notes will bear interest on such increased principal amount, and any premium payable will be payable on such increased principal amount, from and after the date of such payment. Interest, if payable in the form of Additional Notes on any Definitive Registered Notes, will be payable by the Issuer delivering to the Trustee and Registrar such Additional Notes in the relevant amount (rounded up to the nearest whole euro) as Definitive Registered Notes and an order to authenticate such Definitive Registered Notes. If the Issuer pays a portion of the interest on the Notes as Cash Interest and a portion as PIK Interest, such Cash Interest and PIK Interest shall be paid to Holders pro rata in accordance with their interests. Payment of PIK Interest also shall be made in compliance with Section 2.20 of the Trust Deed.

Unless the context otherwise requires, references to "Notes" for all purposes of this Note include any Additional Notes that are issued as a result of a payment of PIK Interest and references to "principal amount" of any Note shall include any increase in the principal amount of that Note.

Redemption and Purchase

Scheduled redemption:

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on March 31, 2026.

Redemption for tax reasons:

The Issuer may, at its option, redeem the Notes, in whole but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the holders of the Notes (which notice will be irrevocable and published in accordance with the provisions set forth in Section 13.01 of the Trust Deed), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to the redemption date and all Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise (subject to the rights of the Holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts, if any, in respect thereof), if the Issuer or Guarantor (as the case may be) is or, on the next date on which any amount would be payable in respect of the Notes, would be obliged to pay Additional Amounts (but in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor without the obligation to pay Additional Amounts), which the Issuer or Guarantor (as the case may be) cannot avoid by the use of reasonable measures available to it (including making payment through a Paying Agent located in another jurisdiction) as a result of:

(a) any change in, or amendment to, the laws (or any regulations promulgated thereunder) of any Relevant Taxing Jurisdiction affecting taxation which is publicly announced as formally proposed and becomes effective on or after the date of the Trust Deed or, if the Relevant Taxing Jurisdiction has changed since the date of the Trust Deed, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Trust Deed (or, in the case of a successor Person, on or after the date of assumption by the successor Person of the Issuer's obligations hereunder); or

(b) any change in, or amendment to, the existing official position regarding the application, administration, or interpretation of the laws and regulations of any Relevant Taxing Jurisdiction (including a holding, judgment or order by a court of competent jurisdiction) which is publicly announced as formally proposed and becomes effective on or after the date of the Trust Deed or, if the Relevant Taxing Jurisdiction has changed since the date of the Trust Deed, on or after the date on which the then current Relevant Taxing Jurisdiction became the Relevant Taxing Jurisdiction under the Trust Deed (or, in the case of a successor Person, on or after the date of assumption by the successor Person of the Issuer's obligations hereunder) (each of the foregoing clauses (1) and (2), a "Change in Tax Law").

In the case of Additional Amounts required to be paid as a result of the Issuer or any Guarantor (as the case may be) conducting business in a jurisdiction other than its place of organization, the Change in Tax Law must be announced and become effective after the date the Issuer or Guarantor (as the case may be) begins to conduct the business giving rise to the relevant withholding or deduction.

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Issuer or Guarantor (as the case may be) would be obliged to make such payment of Additional Amounts or withholding if a payment in respect of the Notes were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or, where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer or Guarantor (as the case may be) will deliver to the Trustee:

(1) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to redeem have been satisfied and that the obligation to pay such Additional Amounts cannot be avoided by the Issuer or Guarantor (as the case may be) taking reasonable measures available to it; and

(2) a written opinion of independent tax counsel of recognized standing, qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Issuer or Guarantor (as the case may be) is or would be obliged to pay such Additional Amounts as a result of a Change in Tax Law.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the Notes.

The foregoing provisions will apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Trust Deed, with respect to a Change in Tax Law announced and occurring after the time such successor Person becomes a party to the Trust Deed.

Redemption at the option of the Issuer:

(1) Except pursuant to sub-paragraphs (2), (3) and (4) below and paragraph (6) of the Notes, the Notes are not redeemable at the option of the Issuer.

(2) At any time and from time to time on or after 12 January, 2024, the Issuer may redeem the Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest and Additional Amounts to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

Period Commencing	**Percentage**
12 January, 2024	100.0000%

(3) At any time prior to 12 January, 2024, the Issuer may redeem the Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, but excluding, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date).

(4) At any time and from time to time prior to 12 January, 2024, the Issuer may redeem the Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 103% of the principal amount of the Notes plus accrued and unpaid interest and Additional Amounts to, but excluding, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant Interest Payment Date) with (i) all or part of the Net Cash Proceeds from an Asset Disposition pursuant to Section 4.10 of the Trust Deed or (ii) the proceeds from an issuance of Subordinated Capital.

Redemption at the option of Holders following a Change of Control:

a) If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to €1,000 principal amount, and integral multiples of €1 in excess thereof) of such Holder's Notes at a purchase price in cash equal to the greater of (1) the Change of Control Applicable Premium and (2) 101% of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that the Issuer shall not be obliged to repurchase Notes pursuant to **Error! Reference source not found.** of the Trust Deed in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes pursuant to paragraph 5 of the Notes and has not defaulted in the payment of the applicable redemption price or all conditions to such redemption have been satisfied or waived.

b) Unless the Issuer has unconditionally exercised its right to redeem all of the Notes pursuant to paragraph 5 of the Notes and has not defaulted in the payment of the applicable redemption price or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will send a notice (the "Change of Control Offer") to each Holder of any such Notes, by mail or otherwise in accordance with the procedures set forth in the Trust Deed, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) stating the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is sent) (the "Change of Control Payment Date");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuer, consistent with the Trust Deed, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(A) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(B) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(C) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;

(D) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(E) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

c) If any Definitive Registered Notes have been issued, the Registrar will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee or an authentication agent appointed by the Trustee will, at the cost of the Issuer, promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book-entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the aggregate unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount that is at least €1,000 or an integral multiple of €1 in excess thereof.

d) [*Reserved*].

e) Notwithstanding anything to the contrary in **Error! Reference source not found.** of the Trust Deed, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control; *provided* that the purchase date will be no earlier than 30 days from the date a notice of such Change of Control Offer is mailed.

f) [*Reserved*].

g) The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in **Error! Reference source not found.** of the Trust Deed applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

h) The Issuer and the Parent Guarantor will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to **Error! Reference source not found.** of the Trust Deed. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Trust Deed, the Issuer and the Parent Guarantor will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Change of Control provisions of the Trust Deed by virtue of the conflict.

i) If and for so long as the Notes are listed on the Official List of Euronext Dublin and admitted for trading on the Global Exchange Market of Euronext Dublin and the rules of such exchange so require, the Issuer will publish a public announcement with respect to the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date in a daily newspaper with general circulation in Dublin (which is expected to be The Irish Times), or, to the extent and in the manner permitted by such rules, post such notices on the official website of Euronext Dublin.

j) [*Reserved*].

Taxation

(a) All payments made by or on behalf of the Issuer under or with respect to the Notes or any Guarantor (each of the Parent Guarantor, Issuer and Subsidiary Guarantors, a "Payor") under or with respect to the Guarantees shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed or levied by or on behalf of:

(i) any jurisdiction in which the Issuer or any Guarantor (including any successor Persons) is incorporated, organized, engaged in business or resident for tax purposes; or

(ii) any jurisdiction from or through which payment on the Notes or any Guarantee is made by or on behalf of the Issuer or any Guarantor (including, without limitation, the jurisdiction of any Paying Agent)

including, in both cases, any political subdivision or authority thereof or therein having the power to tax (each, a "<u>Relevant Taxing Jurisdiction</u>"), unless such Taxes are required to be withheld or deducted from such payments by law. In the event that any amount for, or on account of, any such Taxes is required to be withheld or deducted from any payment made under or with respect to the Notes or any Guarantee, including, without limitation, payments of principal, redemption price, purchase price, interest or premium, the Issuer or the relevant Guarantor, as the case may be, shall pay such additional amounts ("<u>Additional Amounts</u>") as may be necessary so that the net amount received after such withholding or deduction by any withholding agent (including any such withholding or deduction from such Additional Amounts) will be not less than the amount that would have received if such Taxes had not been required to be withheld or deducted; <u>*provided*</u>, <u>*however*</u>, that no Additional Amounts will be payable with respect to:

(1) any Taxes to the extent such Taxes would not have been imposed, withheld or deducted but for the Holder (or a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over, the relevant Holder, if the relevant Holder is an estate, nominee, trust or partnership) of the Notes having any present or former connection with the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, incorporated in, being present or carrying on a business therein, or having had a permanent establishment therein), other than the mere acquisition, holding, enforcement or receipt of payment in respect of the Notes or with respect to any Guarantee or the Trust Deed;

(2) any Taxes that are imposed, withheld or deducted by reason of the failure of the Holder of any Note, prior to the relevant date on which a payment under and with respect to the Notes or any Guarantee is due and payable (the "<u>Relevant Payment Date</u>") to comply with the Issuer's (or the Guarantor's, as the case may be) written request addressed to the Holder at least 90 calendar days prior to the Relevant Payment Date to provide information with respect to any certification, identification, information or other reporting requirements concerning nationality, residence, identity or connection with the Relevant Taxing Jurisdiction which the Holder is legally required to satisfy by such Relevant Taxing Jurisdiction, as a precondition to relief or exemption from, Taxes imposed by such Relevant Taxing Jurisdiction, but in each case, only to the extent the Holder is able to provide such certification or documentation within the time period elapsing since the request and until the Relevant Payment Date;

(3) any Taxes imposed with respect to any payment of principal of (or premium, if any, on) or interest on the Notes by a Payor to any Holder who is a

fiduciary or partnership or any Person other than the sole beneficial owner of such payment, to the extent that such payment would be required by the laws of the Relevant Taxing Jurisdiction to be included for tax purposes in the income of the beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment and such beneficiary, settlor, member or beneficial owner would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such Notes;

(4) any estate, inheritance, gift, sales, transfer, personal property tax or similar Taxes;

(5) any Tax that is payable other than by deduction or withholding from payments made under or with respect to the Notes or any Guarantee;

(6) any Tax which would not have been so imposed but for the presentation (where presentation is required in order to receive payment) of a Note for payment on a date more than 30 days after the relevant payment is first made available for payment, except to the extent that the Holder would have been entitled to such Additional Amounts had the Note been presented on any day of such 30 day period;

(7) any Tax that is imposed pursuant to sections 1471 through 1474 of the Code as of the Issue Date (or any amended or successor version of such Sections that is substantively comparable and not materially more onerous to comply with), any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection therewith or any agreement entered into pursuant to Section 1471(b)(1) of the Code; or

(8) any Taxes imposed under the laws of Spain (or any administrative subdivision or authority therein or thereof having power to tax) because the Issuer or Guarantor, as the case may be, does not receive in a timely manner, the required information relating to the Notes from the paying agent in accordance with Royal Decree 1065/2007 of July 27, as amended, and any implementing legislation or regulation.

In addition, Additional Amounts will not be payable with respect to any Taxes that are imposed in respect of any combination of the items set forth in (1) through (8) above.

(b) The Issuer or the relevant Guarantor shall make or cause to be made such withholding or deduction of Taxes and remit the full amount of Taxes so deducted or withheld to the relevant taxing authority in accordance with all applicable laws. The Issuer or the relevant Guarantor shall, upon request, make available to the Holders, within 30 days after the date on which the payment of any Taxes so deducted or withheld is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by the Issuer or the relevant Guarantor, or if, notwithstanding the Issuer's reasonable efforts to obtain such receipts, the same are not obtainable, other evidence reasonably satisfactory to the Trustee of such payment by the Issuer or the relevant Guarantor.

(c) At least 30 calendar days prior to each date on which any payment under, or with respect to, the Notes is due and payable, if the Issuer or a relevant Guarantor will be obliged to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 45th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), the Issuer or such Guarantor shall deliver to the Trustee and the Paying Agent an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and setting forth such other information as is necessary to enable the Trustee or the Paying Agent to pay such Additional Amounts on the payment date. The Issuer will promptly publish a notice in accordance with the provisions set forth in Section 13.01 of the Trust Deed stating that such Additional Amounts will be payable and describing the obligation to pay such amounts. The Trustee and the Paying Agent will be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer or the Guarantor will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts.

(d) The Issuer or the relevant Guarantor shall also pay and indemnify the holder of Notes for any present or future stamp, issue, registration, transfer, court or documentary Taxes, or any other excise or property Taxes or Taxes which are levied on the execution, delivery, issuance, registration or enforcement of any of the Notes, the Trust Deed, and Guarantee, or any other document or instrument referred to therein or on the receipt of any payments with respect thereto (other than a transfer of the Notes other than the initial sale by the initial purchasers).

(e) Wherever in the Trust Deed or the Notes Guarantees there is mentioned, in any context the payment of:

(1) principal;

(2) premium;

(3) interest; or

(4) any other amount payable under or with respect to any Note or Notes Guarantees,

such reference shall be deemed to include payment of Additional Amounts pursuant to Section 2.13 of the Trust Deed to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(f) The foregoing obligations of Section 2.13 of the Trust Deed will survive any termination, defeasance or discharge of the Trust Deed and will apply *mutatis mutandis* to any jurisdiction in which any successor Person to the Issuer or any Guarantor is incorporated, organized, engaged in business, or resident for tax purposes, or any jurisdiction from or through which any payment on the Note or Guarantee is made by or on behalf of such person and any political subdivision or taxing authority or agency thereof or therein.

Events of Default

(a) Each of the following is an "Event of Default":

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;

(2) default in any payment of the principal amount of or premium, if any, on any Note issued under the Trust Deed when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure by the Issuer or the relevant Guarantor to comply with its obligations under Article V of the Trust Deed;

(4) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 25% in aggregate principal amount of the outstanding Notes with any of the Parent Guarantor's or the Issuer's obligations under Section 4.14 of the Trust Deed or the obligations of the Parent Guarantor and the Restricted Subsidiaries under Section 4.03, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.14, 4.15, 4.16, 4.17, 4.18, 4.21, 4.23, 4.24, 4.25, 5.01, 5.02, or 5.03 of the Trust Deed (in each case, other than: (i) a failure to purchase Notes which will constitute an Event of Default under Section 6.01(a)(2) of the Trust Deed and (ii) a failure to comply with Article V of the Trust Deed which will constitute an Event of Default under Section 6.01(a)(3) of the Trust Deed);

(5) failure to comply by the Parent Guarantor or any of its Restricted Subsidiaries for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 25% in aggregate principal amount of the outstanding Notes with the Issuer's or the Guarantors' other agreements contained in the Trust Deed or the Notes (in each case, other than a default in performance, or breach of, a covenant or agreement specifically addressed in clauses (1) through (4) of Section 6.01 of the Trust Deed);

(6) default under any mortgage, deed, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any Indebtedness for money borrowed by the Parent Guarantor or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Parent Guarantor or any of its Restricted Subsidiaries) other than Indebtedness owed to the Parent Guarantor or a Restricted

Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(A) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness at the Stated Maturity thereof prior to the expiration of the grace period provided in such Indebtedness; or

(B) results in the acceleration of such Indebtedness prior to its maturity;

and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €15.0 million or more;

(7) any of the following occurs:

(A) a decree or order for relief in respect of the Parent Guarantor or a Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law is sanctioned by a court of competent jurisdiction or becomes unconditional;

(B) a decree or order adjudging the Parent Guarantor or a Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, is bankrupt or insolvent, or other than on a solvent basis seeking reorganization, arrangement, adjustment, proposal or composition of or in respect of the Parent Guarantor or a Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary under any Bankruptcy Law, or other than on a solvent basis appointing a custodian, receiver, (provisional, interim or permanent) or manager, liquidator, assignee, trustee, sequestrator (or other similar official) thereof for any substantial part of their respective properties or other than on a solvent basis ordering the winding up, dissolution or liquidation of their affairs, is sanctioned by a court of competent jurisdiction and becomes unconditional and any such decree, order or appointment pursuant to any Bankruptcy Law for relief shall continue to be in effect, or any such other decree, appointment or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(C) the Parent Guarantor or a Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, (x) consents to the filing of a petition, application, answer, proposal or consent seeking reorganization or relief under any applicable Bankruptcy Law, (y) consents to the entry of a decree or order for relief in respect thereof in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency with respect to the Parent Guarantor or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary shall have occurred; or case or proceeding against it, or (z) (i) other than on a solvent basis consents to the appointment of, or taking possession by, a custodian, receiver (provisional, interim or permanent) or manager, liquidator, administrator, examiner, supervisor, assignee, trustee, sequestrator or similar official thereof, or of any substantial part of their respective properties, (ii) other than on a solvent basis makes an assignment or proposal for the benefit of creditors or (iii) admits it is insolvent or admits in writing its inability to pay its debts generally as they become due or commits an "act of bankruptcy" under any applicable Bankruptcy Law which, in the case of each of clauses (x), (y) or (z) of Section 6.01(a)(7)(C) of the Trust Deed, is sanctioned by a court and becomes unconditional;

(8) failure by the Parent Guarantor, a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Parent Guarantor and its Restricted Subsidiaries), would constitute a Significant Subsidiary, to pay final and non-appealable judgments aggregating in excess of €15.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final and due;

(9) any security interest under the Security Documents on any Collateral having a fair market value in excess of €5.0 million shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Trust Deed) for any reason other than the satisfaction in full of all obligations under the Trust Deed or the release or amendment of any such security interest in accordance with the terms of the Trust Deed, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable in a final non-appealable decision of a court of competent jurisdiction or the Parent Guarantor or any grantor of such Lien shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days; and

(10) any Notes Guarantee ceases to be in full force and effect (other than in accordance with the terms of the Intercreditor Agreement and the Trust Deed), or a Guarantor denies or disaffirms its obligations under its Notes Guarantee in writing, other than in accordance with the terms thereof or upon release of the Notes Guarantee in accordance with the Trust Deed.

(b) A default under clause (4), (5), (6) or (8) of Section 6.01(a) of the Trust Deed will not constitute an Event of Default until the Trustee or the Holders of at least 25% in aggregate principal amount of the outstanding Notes notify the Parent Guarantor or the Issuer of the default and, with respect to clauses (4), (5), (6) or (8) of Section 6.01(a) of the Trust Deed, the Parent Guarantor or the Issuer does not cure such default (or arranges that such Default has been cured) within the time specified in clause (4), (5), (6) or (8) of Section 6.01(a) of the Trust Deed, as applicable, after receipt of such notice.

(c) If a Default occurs and a responsible officer of the Trustee is informed in writing of such occurrence by the Parent Guarantor or the Issuer, the Trustee shall give notice of the Default to the Holders within 60 days after being notified by the Parent Guarantor or the Issuer.

(d) Holders may not enforce the Trust Deed Deed or the Notes except as provided therein and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes or any Notes Guarantee will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed three years after the applicable due date for payment of interest.

Replacement of Notes

If any mutilated Note is surrendered to the Trustee, Registrar or the Issuer or the Trustee or Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuer shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge for its expenses in replacing a Note.

If, after the delivery of such replacement Note, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment or registration such original Note, the Trustee shall be entitled to recover such replacement Note from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense Incurred by the Issuer, the Trustee, any Agent and any authenticating agent in connection therewith.

Subject to the provisions of the preceding paragraph of Section 2.07 of the Trust Deed, every replacement Note is an obligation of the Issuer and shall be entitled to all the benefits of the Trust Deed equally and proportionately with all other Notes duly issued.

Further Issues

(a) The Issuer shall be entitled, subject to its compliance with the Trust Deed, including Section 4.09 of the Trust Deed, to issue Additional Notes under the Trust Deed in an unlimited principal amount which shall have terms substantially identical to the Initial Notes except in respect of any of the terms which shall be set forth in an Officer's Certificate supplied to the Trustee referenced in clause (b) of Section 2.16 of the Trust Deed.

(b) With respect to any Additional Notes, the Issuer shall set forth in an Officer's Certificate, a copy of each which shall be delivered to the Trustee, the following information:

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of Holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than denominations of €1,000 and in integral multiples of €1 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

(c) Such Additional Notes shall be treated, along with all other series of Notes, as a single class for the purposes of the Trust Deed with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. Unless the context otherwise requires, for all purposes of the Trust Deed, references to "Notes" shall be deemed to include references to the Initial Notes as well as any Additional Notes. For all purposes other than U.S. federal income tax purposes, the Initial Notes and any Additional Notes shall be deemed to form one series, and references to the "Notes" shall be deemed to refer to the Initial Notes as well as any Additional Notes. In the event that any Additional Notes are not fungible with any Notes previously issued for U.S. federal income tax purposes, such non-fungible Additional Notes shall be issued with a separate ISIN, Common Code, CUSIP or other securities identification number, as applicable, so that they are distinguishable from such previously issued Notes.

Notices

All notices to Holders will be validly given if mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Official List of Euronext Dublin and admitted for trading on the Global Exchange Market of Euronext Dublin and the rules of the Euronext Dublin so require, notices with respect to the Notes listed on the Official List of Euronext Dublin will be published on the official website of Euronext Dublin or in a leading newspaper having general circulation in Dublin (which is expected to be The Irish Times) or, to the extent and in the manner permitted by such rules, posted on the official website of Euronext Dublin. For so long as any Notes are represented by Global Notes, all notices to Holders will be delivered to Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, each of which will give such notices to the holders of book-entry interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided that*, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed.

Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed.

Failure to mail, cause to be delivered or otherwise transmit a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Governing Law and Jurisdiction

The Trust Deed, the Notes and the Guarantees and any non-contractual obligations arising out of or in connection therewith shall each be governed by and construed in accordance with the laws of England and Wales. Without prejudice to the foregoing, Article IV, Article V and Article VI (and, in each case, the terms defined or referenced therein) of the Trust Deed shall be governed by and construed in accordance with the laws of the State of New York.

The courts of England and Wales shall have the exclusive jurisdiction to hear and determine any suit, action, proceedings or matter arising out of or in connection with the Trust Deed, any Notes Guarantee or the Notes including any proceeding to amend or compromise the terms of the Trust Deed, any Notes Guarantee or the Notes.

SUMMARY TERMS OF THE NOTES

Issuer	Anarafe, S.L.U., a *sociedad de responsabilidad limitada*, organized under the laws of Spain, with registered office at Las Palmas de Gran Canaria, Calle Juan Dominguez Perez N° 2, and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under Volume 1473, Page 175, Sheet number GC-22908. Information relating to the Issuer is contained in the section of these Listing Particulars entitled "*Description of the Issuer*".
Description of the Notes	EUR 376,292,750 Floating Rate Senior Secured Notes due 2026.
Security Identifiers	The Notes have been accepted for clearance through the facilities of Euroclear Bank SA/NV and Clearstream Banking, S.A. The ISIN and Common Codes for the Notes are as follows: Rule 144A Notes - ISIN: XS2425326431 Common Code: 242532643 Regulation S Notes - ISIN: XS2425326274 Common Code: 242532627
Guarantees and Collateral	The Notes are guaranteed on a senior secured basis by the Parent and the Subsidiary Guarantors on the Issue Date (the "**Guarantees**"): • Bahia de las Isletas, S.L.; • Bahia 2 Luxembourg Limited; • Bahia 1 Luxembourg Limited; • Naviera Armas, S.A.; • Agencia Schembri, S.A; • Caflaja, S.L.U.; • Compania Transmediterranea; • Estudios y Consignaciones, S.L.U.; • Hermes Logistica, S.A.; • Maritima de Sotavento, S.L.U.; • Maritima de Barlovento, S.L.U.; • Maritima de las Islas, S.L.U.; • Naviera de Jandia, S.L.U.; • Terminal Ferry De Barcelona, S.L.U.; • Terminales Maritimas Armas, S.L.U.; and • Armas Trasmediterrena Factoring, S.L. The Guarantees may be released in certain circumstances, including upon the sale of a Guarantor. The Guarantees are full and unconditional guarantees of the Issuer's obligations under the Notes but are subject to certain limitations. For example, the obligations of each Guarantor under its Guarantee shall not exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering the Guarantee, as it relates to such Guarantor, voidable under

	applicable law relating to ultra vires, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law. The Guarantee of each Guarantor will be a general unsubordinated obligation of such Guarantor and will: • rank *pari passu* in right of payment with all existing and future debt of such Guarantor that is not subordinated to such Guarantee; • rank senior in right of payment to any existing and future subordinated obligations of such Guarantor; • be secured by security interests in the Collateral in favor of the Security Agent over certain of such Guarantor's assets, including shares in certain subsidiaries, but not all assets and no real property; • be structurally subordinated to all liabilities (including trade payables), disqualified stock and preferred stock of such Guarantor's subsidiaries that do not guarantee the Notes; and • be effectively subordinated to any existing and future debt of such Guarantor that is secured with property and assets that do not secure such Guarantee, to the extent of the value of the assets securing such debt. The Notes will be secured by security interests in certain of the Issuer's or the Guarantors' assets, including the Issue Date Collateral and any other property and assets of the Parent or any other Person over which a Lien (as defined in the Trust Deed) has been granted to secure the obligations of the Issuer or any Guarantor under the Notes, the Guarantees and the Trust Deed pursuant to the Security Documents, as further described in "*Description of the Guarantees and the Collateral*" (the "**Collateral**").
Trustee and Security Agent	Lucid Trustee Services Limited.
Paying Agent, Calculation Agent and Transfer Agent	The Bank of New York Mellon, London Branch.
Registrar	The Bank of New York Mellon, Dublin Branch.
Issue Price of the Notes	As part of the Restructuring, the Notes were issued in exchange for the cancellation of the 2016 Notes and 2017 Notes.
Form of Notes	The Notes are initially represented by a Rule 144A Global Note or a Regulation S Global Note (each a "Global Note" and together the "**Global Notes**"). The Notes are issued in denominations of EUR 1,000.00 and integral multiples of EUR 1.00 above EUR 1,000.00. While the Notes may only be traded in denominations of EUR 1,000.00 and in integral multiples of EUR 1.00 in excess thereof, for the purposes of ICSDs (as defined in the Trust Deed), the minimum denomination will be considered to be EUR 1.00. Notes in definitive form will be represented by a definitive registered note

	(a "**Definitive Registered Note**") and registered in the name of the Holder.
Clearing Systems	Euroclear and Clearstream.
Initial Delivery of the Notes	The Global Notes were deposited on the Issue Date (i) in the case of the Regulation S Global Note, with, and registered in the name of The Bank of New York Depository (Nominees) Limited, as nominee of the Common Depositary for Euroclear and Clearstream and (ii) in the case of the Rule 144A Global Note, with a custodian for the Common Depositary and registered in the name of The Bank of New York Depository (Nominees) Limited as nominee of the Common Depositary.
Maturity Date	March 31, 2026.
Nominal Amount	The nominal amount of the Notes is EUR 376,292,750.
Interest	The interest rate on the Notes will be (a) with respect to cash interest, a rate per annum reset quarterly, equal to EURIBOR plus 12.000%, as determined by the Calculation Agent and (b) with respect to PIK Interest, a rate per annum reset quarterly, equal to EURIBOR plus 11.750%, as determined by the Calculation Agent; provided, however, that if the Parent or any of its Restricted Subsidiaries receives a cash contribution of €100 million or more of Subordinated Capital (as defined in the Trust Deed), then the Issuer shall notify the Calculation Agent that the applicable rate shall be reduced by 1.50% per annum for the Interest Period in which such contribution is received and all subsequent interest periods. Interest will be paid on March 31, June 30, September 30 and December 31, commencing on March 31, 2022.
Optional Redemption	At any time and from time to time on or after January 12, 2024, the Issuer may redeem the Notes, in whole or in part, at its option, upon not less than 10 and not more than 60 days' prior notice at a redemption price equal to 100.0000% plus accrued and unpaid interest and Additional Amounts (as defined in the Trust Deed) to, but excluding, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).
Redemption at Maturity	On March 31, 2026, the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts (as defined in the Trust Deed), if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).
Status of Notes	The Notes will be senior secured obligations of the Issuer and will rank *pari passu* in right of payment with any unsubordinated indebtedness incurred in accordance with the Trust Deed. Notwithstanding the above, any realized proceeds of enforcement shall be applied by the Security Agent towards repayment and cancellation of the debt facilities in the following order: first, to the

indebtedness incurred on a super senior ranking basis in accordance with the Trust Deed; second, to the Confirming Facilities and any other indebtedness incurred on a *pari passu* ranking basis (in accordance with the Trust Deed); and third, to the Notes.

Rating	An application will be made for the rating of the Notes.
Withholding Tax and Tax Redemption	All payments in respect of the Notes or the Guarantees will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law of a relevant jurisdiction, subject to certain exceptions, the Issuer or the relevant Guarantor will pay additional amounts so that the net amount you receive is no less than the amount you would have received in the absence of such withholding or deduction. If certain changes in the law of any relevant taxing jurisdiction become effective that would impose withholding taxes or other deductions on the payments on the Notes or the Guarantees, the Issuer may redeem the Notes in whole, but not in part, at any time at a redemption price equal to their principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption.
Further Issues	The Issuer may issue additional Notes. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the applicable series of original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the additional Notes may be considered to have original issue discount which may adversely affect the market value of the applicable series of original Notes if the additional Notes are not otherwise distinguishable from the applicable series of original Notes.
Governing Law	The Notes are governed by the laws of England and Wales.
Listing	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin
Selling Restrictions	The Notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes were issued only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. As used in this section, the terms “United States,” “U.S. person” and “offshore transaction” have the meanings given to them in Regulation S. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the EEA and the UK, see “*Subscription and Sale*”.

Intercreditor Agreement	Pursuant to an amendment and restatement agreement dated on or about the Issue Date (in respect of an intercreditor deed originally dated 29 July 2016) and entered into by and between, among others, the Parent, the Issuer, the Guarantors, the Trustee and the Security Agent under the Notes, as amended, restated or otherwise modified or varied from time to time, the Trustee has agreed to certain provisions that, among other things, give effect to the priority of the application of proceeds in the event of enforcement. In particular, proceeds from the sale of the Collateral shall be applied first in favor of the lenders under certain super senior facilities and certain hedging counterparties and thereafter to the Trustee on behalf of holders of the Notes and to other pari passu debt that is secured by the Collateral. In addition, the Intercreditor Agreement provides that holders of the Notes will vote in respect of the enforcement of the Collateral as a single class and that only the Security Agent can enforce security.
Change of Control	Upon the occurrence of a Change of Control, the Issuer will be required to offer to repurchase all the Notes at a purchase price in cash equal to the higher of (i) a Make-Whole Premium (if applicable) and (ii) 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase.
Certain Covenants	The Issuer issued the Notes under the Trust Deed which, among other things, limits the Issuer's ability to: • incur or guarantee additional indebtedness; • pay dividends or make other distributions or repurchase or redeem stock; • make investments or other restricted payments; • create liens; • sell assets; • enter into transactions with affiliates; • have its restricted subsidiaries pay dividends; • designate restricted and unrestricted subsidiaries; and • consolidate, merge or sell all or substantially all assets. All of these limitations are subject to a number of important qualifications and exceptions.
Absence of a Public Market for the Notes	The Notes are securities for which there is currently no established trading market. Accordingly, there can be no assurance as to the development or liquidity of any market for them.
Time limit on the validity of claims to interest and repayment of principal	12 years from the date of default.
Representation of the holders of the Notes	The holders of the Notes are represented by Lucid Trustee Services Limited, in its capacity as trustee under the Notes.

DESCRIPTION OF THE ISSUER

General

The Issuer was incorporated on December 22, 1999 and is a Spanish limited liability company (*sociedad de responsabilidad limitada*) organized under the laws of the Kingdom of Spain, registered with the Commercial Registry of Las Palmas de Gran Canaria under Volume (Tomo) 1473, Sheet (Folio) 175 and Page (Hoja) GC 22908 with its registered office at Calle Juan Dominguez Perez N°2, Las Palmas de Gran Canaria, with Spanish tax identification number (Número de Identificación Fiscal) B35671502. The Issuer's telephone number is +34 928 327383.

Share Capital and Shareholders

The share capital of the Issuer is €47,553,544.03 (the "**Shares**") which is fully paid up. The Shares are held by Bahia 2 Luxembourg Limited, a private limited liability company (*société à responsabilité limitée*) incorporated under the law of the Grand Duchy of Luxembourg, having its registered office at 1A, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg and registered with the trade and companies register (Registre de Commerce et des Sociétés, Luxembourg) under number B256837.

Business and Purpose

The Issuer is a wholly owned subsidiary of Bahia de las Isletas, S.L., a s*ociedad de responsabilidad limitada* organized under the laws of Spain and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under Volume 71, Page 167 and sheet number GC-26636 on March 9, 1966.

The Issuer may borrow in any form whether by private or public offer. It may issue notes, bonds and any kind of private or public debt securities. It may issue equity securities by way of private placement only. It may lend funds, including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies. It may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over some or all of its assets to guarantee its own obligations and those of any other company, and, generally, for its own benefit and that of any other company or person. For the avoidance of doubt, the Issuer may not carry out any regulated financial sector activities without having obtained the requisite authorisation.

The Issuer may issue debt securities to the public which debt securities are traded on the GEM in Ireland or any other exchange or trade platform in Ireland or elsewhere.

The Issuer may use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

The Issuer may carry out any commercial, financial or industrial operation and any transaction with respect to real estate or movable property which, directly or indirectly, favours or relates to its corporate object.

The descriptions above are to be understood in their broadest sense and their enumeration is not limiting. The corporate objects of the Issuer shall include any transaction or agreement which is entered into by the Issuer, provided that it is not inconsistent with the foregoing enumerated objects.

Legal Entity Identifier

The Legal Entity Identifier for the Issuer is 959800AW60HWZ3N4R995.

Directors

The Issuer is managed by a sole director. The Issuer shall be managed by one or more directors appointed by a resolution of the shareholders of the Issuer, which sets the term of office, and may be removed at any time, with or without cause, by a resolution of the shareholders of the Issuer.

The sole director of the Issuer, who has been appointed for an unlimited duration, is:

Name	**Principal Occupation**
Antonio Armas Mead	Director

The business address of the sole director is Calle Juan Domínguez Pérez 2, Las Palmas de Gran Canaria, Spain.

There are no conflicts between Antonio Armas Mead and the Issuer.

Accounting Year

The accounting year of both the Issuer and the Parent runs from January 1 to December 31 of each year.

DESCRIPTION OF THE GROUP

The Parent

The Parent is a *sociedad de responsabilidad limitada* organized under the laws of Spain and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under Volume 71, Page 167 and sheet number GC-26636 on March 9, 1966. The Parent's registered office is located at Las Palmas de Gran Canaria, Calle Juan Dominguez Perez N° 2. Its telephone number is +34 928 327383.

As at the date of publication of this Listing Particulars, the Parent's issued and outstanding share capital was held by Antonio Armas Fernandez (or successors) and various members of the Armas family (51%), certain providers of new money pursuant to the restructuring (5.6%) and the previous holders of the 2016 Notes and the 2017 Notes (43.4%).

Directors of the Parent

The Parent is managed by a board of directors. The directors have been appointed by a resolution of the shareholders of the Issuer, who set the term of office, and the directors may be removed at any time, with or without cause, by a resolution of the shareholders of the Parent.

The directors of the Parent, who have been appointed for an unlimited duration, are:

Name	Principal Occupation
Antonio Armas Mead	Executive Chairman
Fernando Val Martinez	Director
Carlos Gila Lorenzo	Director
Jonathan Cumming	Director

The 2016 and 2017 Notes Issuer

The 2016 and 2017 Notes Issuer is a *sociedad anónima* with its corporate seat in Las Palmas de Gran Canaria, Calle Juan Dominguez Perez N° 2, Spain and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under Volume 912, Page 133 and sheet number GC-4322. The 2016 and 2017 Notes Issuer's registered office address is Las Palmas de Gran Canaria, Calle Juan Dominguez Perez N° 2. Its telephone number is +34 928 327383.

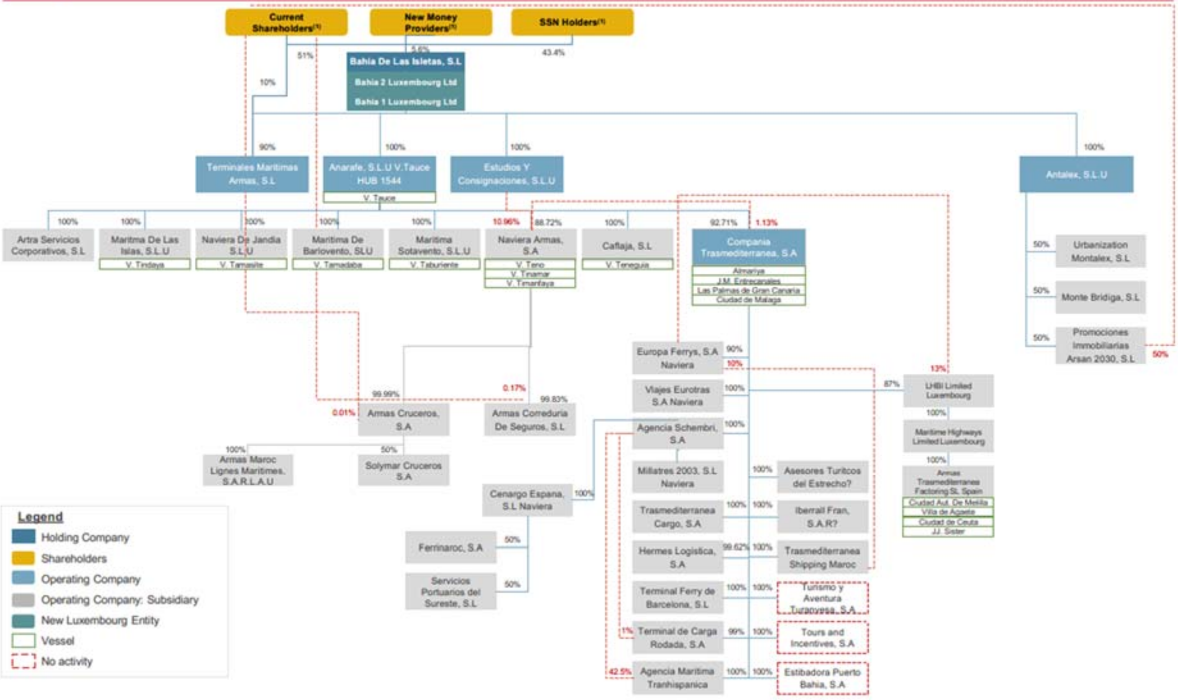
The Group

The Group is a leading ferry operator for passenger and freight transportation services in Spain. The Group operates 24 routes through 24 ports interconnecting the seven Canary Islands as well as connecting the Spanish mainland to the Canary Islands and to northern Morocco and the Spanish city of Melilla.

The Group's business operations are divided into three business units: passenger ferry transportation services (''**Passengers**''); roll-on/roll-off freight ferry transportation services (''**Freight**''); and other operations (''**Other Operations**'').

A simplified Group structure chart showing the relationship between certain key Group Companies and the Parent is set out below.

Corporate Structure



Note:
(1) Equity stake shown is voting share Class A. Pro-forma Class B economic stake is of 35% Current Shareholders, 7.5% New Money Providers and 57.5% SSN Holders. Class B economic stakes to change following the repayment of par + accrued interest until the repayment date for Noteholders

Governmental, Legal and Arbitration Proceedings

Opposition by Acciona to the Homologation

Opposition has been lodged by Acciona, a Spanish multinational conglomerate, in the Commercial Court of Las Palmas against the Homologation.

Acciona are challenging the around 80% haircut on the €29,500,000 deferred payment as part of the acquisition price of Compañía Trasmediterránea S.A. due to them that the Homologation imposed. The matter has not yet been scheduled for hearing but if the matter were to be determined against us, we would be liable to pay Acciona the full €29,500,000.

Claim by Acciona against the Issuer

Acciona have also lodged a separate claim against the Issuer in a court in Madrid for the accelerated payment of the €29,500,000 of the deferred payment of the acquisition price by the Group of Compañía Trasmediterránea S.A.

Acciona are seeking the immediate payment of the full €29,500,000. We have filed for, and been granted, an order adjourning these proceedings pending the determination of Acciona's opposition to the Homologation in the Commercial Court of Las Palmas.

Arbitration brought by Grimaldi

Grimaldi, a multinational logistics group, have initiated an arbitration against Compañia Trasmediterránea, a subsidiary forming part of the Group, concerning a fire which sunk a vessel "Sorrento" in 2015. At the time, Sorrento was chartered by Grimaldi from Compañia Trasmediterránea and Grimaldi allege that a faulty electrical device, installed by Compañia Trasmediterránea was the cause of the fire. Compañia Trasmediterránea however allege that the fire was caused by another faulty electrical device that was installed by Grimaldi. Grimaldi are seeking almost €60,000,000 as compensation. Sorrento was fully insured by the UK P&I Club and we would have no liability if the matter were to be determined against us.

Claim lodged by the Port Authority of Motril

A claim has been filed by the Port Authority of Motril against Terminales Marítimas Armas S.L., a subsidiary forming part of the Group, concerning breach of a concession. The concession was granted by the Port Authority of Motril to Terminales Marítimas Armas S.L. to operate in the Mediterranean coastal town of Motril in Granada, with the requirement that a certain number of passengers had to be carried. Failure to meet this requirement would result in a penalty being imposed on Terminales Marítimas Armas S.L. under the terms of the concession. Due to the COVID-19 pandemic, Terminales Marítimas Armas S.L. was unable to meet this target, and this led to the Port Authority of Motril imposing a penalty of around €2,700,000. The Port Authority of Motril have instituted and action to recover this penalty and Terminales Marítimas Armas S.L. have filed a defence, but the matter has not yet been scheduled for hearing. If the matter were to be determined against us, we estimate that we would be liable to pay the penalty of around €2,700,000 and any applicable interest.

SUMMARY OF THE GROUP'S PRINCIPAL FINANCIAL INDEBTEDNESS

Confirming Facilities

Naviera Armas, S.A., Compañía Trasmediterranea S.A. and Hermes Logística S.A. are the borrowers under the Confirming Facilities. The Confirming Facilities rank senior in right of payment to the Notes.

Factoring Facilities

Naviera Armas, S.A., Compañía Trasmediterranea S.A. and Hermes Logística S.A. are the borrowers under the Factoring Facilities.

ICO Loans

Naviera Armas, S.A. and Compañía Trasmediterranea S.A. are the borrowers under the various ICO Loans.

La Esfinge Loan

Naviera Armas, S.A. is the borrower under a secured loan for the La Esfinge terminal concession

Crystallized Fuel Swap

Naviera Armas, S.A. and Compañía Trasmediterránea S.A. are the borrowers under a crystallized fuel swap with Morgan Stanley

Interest Rate Swap

Naviera Armas S.A. is the borrower under an Interest Rate Swap with Caixabank

Operating Subsidiaries Debt

Loan with Estudios y Consignaciones SL

Estudios y Consignaciones SL is the borrower under a loan from Caixabank

Mortgage Loan with Antalex SL

Antalex SL is the borrower under a mortgage loan from Santander

Loan with Antalex SL

Antalex SL is the borrower under a loan from Caixabank

Loan with Hermes Logística

Hermes Logística is the borrower under a loan from Santander

Loan with Anarafe SL

Anarafe SL is the borrower under a Loan from Acciona

Total Amounts

As of January 12, 2022, the Group's total indebtedness under the debt instruments described above stood at approximately EUR 90,473,897.33, and is summarised in the table below:

	Total principal outstanding	Total accrued interest
Confirming Facilities	EUR 1,761,248.85	EUR 0.00
Factoring Facilities	EUR 0.00	EUR 0.00
ICO Loans	EUR 67,033,165.00	EUR 40,648.43
Crystallized Fuel Swap	EUR 2,753,163.91	EUR 0.00
Interest Rate Swap	EUR 285,402.17(1)	EUR 0.00
La Esfinge Loan	EUR 10,928,083.00	EUR 120,572.00
Operating Subsidiaries Debt	EUR 7,712,834.40	EUR 3,930.16

Note:

(1) Estimation of potential obligation by Naviera Armas S.A.

Ranking

The Notes will be senior secured obligations of the Issuer and will rank *pari passu* in right of payment with any unsubordinated indebtedness incurred in accordance with the Trust Deed.

Notwithstanding the above paragraph, any realised proceeds of enforcement shall be applied by the Security Agent towards repayment and cancellation of the indebtedness described above in the following order: first to any indebtedness incurred on a super senior ranking basis in accordance with the Trust Deed, second to the Confirming Facilities and any other indebtedness incurred on a *pari passu* ranking basis (in accordance with the Trust Deed) and third to the Notes.

FINANCIAL INFORMATION OF THE ISSUER, THE GUARANTORS AND THE SECURITY PROVIDERS

The accounting year of the Issuer runs from January 1 to December 31 of each year.

The Issuer intends to prepare and approve the annual standalone accounts for each accounting year in the annual general meeting of shareholders.

The Issuer has no material liabilities other than other than as described in the "*Summary of the Group's principal financial indebtedness*" and the liabilities arising under the Notes.

Since the date of the issuer's last published audited financial statements, there have been no material adverse changes to the prospects of the Group.

Percentage of Net Assets

The Issuer and the Guarantors represented approximately 85.0% of the Net Assets of the Group as of December 31, 2020.

	Guarantors	**Net Assets (€ in millions)**	**% of total Group Net Assets as of December 31, 2020**
1	Bahia de las Isletas, S.L.	13.2	3.2%
2	Naviera Armas, S.A.	(60.5)	(14.6%)
3	Anarafe, S.L.U.	1.2	0.3%
4	Agencia Schembri, S.A.	7.7	1.9%
5	Caflaja, S.L.U.	(1.0)	(0.2%)
6	Compañía Transmediterránea, S.A.	158.1	38.3%
7	Estudios y Consignaciones, S.L.U.	10.2	2.5%
8	Hermes Logística, S.A.	(2.9)	(0.7%)
9	Marítima de Sotavento, S.L.U.	18.6	4.5%
10	Marítima de Barlovento, S.L.U.	10.2	2.5%
11	Marítima de las Islas, S.L.U.	10.5	2.5%
12	Naviera de Jandía, S.L.U.	18.1	4.4%
13	Terminal Ferry De Barcelona, S.L.U.	20.1	4.9%
14	Terminales Marítimas Armas, S.L.U.	0.1	0.0%
15	Bahia 1 Luxembourg Limited	0.0	0.0%
16	Bahia 2 Luxembourg Limited	0.0	0.0%
17	Armas Trasmediterréna Factoring, S.L.	147.7	35.7%
	Total Guarantors	351.3	85.0%
	Total non-Guarantors	61.9	15.0%
	Total Group Net Assets	413.1	100.0%

Percentage of EBITDA

The Issuer and the Guarantors represented approximately 99.2% of the EBITDA of the Group for the year ending December 31, 2020.

	Guarantors	**EBITDA (€ in millions)**	**% of total Group EBITDA for year ended December 31, 2020**
1	Bahia de las Isletas, S.L.	(0.2)	0.3%
2	Naviera Armas, S.A.	(23.1)	30.0%
3	Anarafe, S.L.U.	0.1	(0.2%)
4	Agencia Schembri, S.A.	2.8	(3.6%)
5	Caflaja, S.L.U.	0.2	(0.3%)
6	Compañía Transmediterránea, S.A.	(62.9)	81.6%
7	Estudios y Consignaciones, S.L.U.	(0.1)	0.1%
8	Hermes Logística, S.A.	(5.1)	6.7%
9	Marítima de Sotavento, S.L.U.	2.1	(2.7%)
10	Marítima de Barlovento, S.L.U.	2.8	(3.7%)
11	Marítima de las Islas, S.L.U.	0.1	(0.2%)
12	Naviera de Jandía, S.L.U.	2.3	(3.0%)
13	Terminal Ferry De Barcelona, S.L.U.	1.0	(1.3%)
14	Terminales Marítimas Armas, S.L.U.	0.0	0.0%
15	Bahia 1 Luxembourg Limited	0.0	0.0%
16	Bahia 2 Luxembourg Limited	0.0	0.0%
17	Armas Trasmediterréna Factoring, S.L.	3.4	(4.4%)
18	Total Guarantors	(76.5)	99.2%
19	Total non-Guarantors	(0.6)	0.8%
20	Total Group EBITDA	(77.1)	100.0%

Guarantors representing over 20% of the Group's Net Assets or EBITDA

Naviera Armas, S.A.

Naviera Armas, S.A. represented (14.6%) of the Group's Net Assets as of December 31, 2020 and 30.0% of the Group's EBITDA for the year ended December 31, 2020. Naviera Armas, S.A. is a *sociedad anónima* and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under Volume 912, Page 133 and sheet number GC-4322. Naviera Armas, S.A.'s registered office address is located at Las Palmas de Gran Canaria, Calle Juan Domínguez Pérez N° 2, 35008, Spain. Naviera Armas, S.A. was incorporated on March 9, 1966. Naviera Armas, S.A. is a provider of ferry transportation services in Spain.

Compañía Transmediterránea, S.A.

Compañía Transmediterránea, S.A. represented 38.3% of the Group's Net Assets as of December 31, 2020 and 81.6% of the Group's EBITDA for the year ended December 31, 2020. Compañía Transmediterránea, S.A. is a *sociedad anónima*, organized under the laws of Spain and registered with the Spanish Commercial Registry of Madrid under Volume 2,609, Page 1, Sheet number M 45,359. Its registered office is located at Madrid, Paseo Castellana, 259, Planta 19, 28046, Spain. Compañía Transmediterránea, S.A. was incorporated on November 26, 1916. Compañía Transmediterránea, S.A. is a provider of ferry transportation services in Spain.

Armas Trasmediterréna Factoring, S.L.

Armas Trasmediterréna Factoring, S.L. represented 35.7% of the Group's Net Assets as of December 31, 2020 and (4.4%) of the Group's EBITDA for the year ended December 31, 2020 . Armas Trasmediterréna Factoring, S.L. is a *sociedad limitada*, organized under the laws of Spain and registered with the Spanish Commercial Registry of Las Palmas de Gran Canaria under volume 2242, Page 97 and sheet number GC-56952. Its registered office is located at Las Palmas de Gran Canaria, Calle Juan Domínguez Pérez N° 2, 35008, Spain. Armas Trasmediterréna Factoring, S.L. was incorporated on June 11, 2022. Armas Trasmediterránea Factoring, S.A. is a provider of Maritime transportation services in Spain.

Consolidated financial statements

All guarantors, except Bahia 1 Luxembourg Limited and Bahia 2 Luxembourg Limited, have been included as subsidiaries in the consolidated financial statement of the Parent for the financial year that ended on December 31, 2020. Bahia 1 Luxembourg Limited and Bahia 2 Luxembourg Limited were incorporated in 2021 and thus have not been have been included as subsidiaries in the consolidated financial statement of the Parent for the financial year that ended on December 31, 2020.

Further detailed financial information of the Issuer and the Guarantors can be found in the 2018, 2019 and 2020 consolidated financial statements of the Parent, incorporated by reference to these Listing Particulars and filed with Euronext Dublin.

DESCRIPTION OF THE GUARANTEES AND THE COLLATERAL

The Guarantees and the Collateral comprise, amongst other things, the following:

Guarantees

Guarantors:

1	Bahia de las Isletas, S.L.
2	Bahia 2 Luxembourg Limited
3	Bahia 1 Luxembourg Limited
4	Naviera Armas, S.A.
5	Agencia Schembri, S.A.
6	Caflaja, S.L.U.
7	Compañía Transmediterránea, S.A.
8	Estudios y Consignaciones, S.L.U.
9	Hermes Logística, S.A.
10	Marítima de Sotavento, S.L.U.
11	Marítima de Barlovento, S.L.U.
12	Marítima de las Islas, S.L.U.
13	Naviera de Jandía, S.L.U.
14	Terminal Ferry De Barcelona, S.L.U.
15	Terminales Marítimas Armas, S.L.U.
16	Armas Trasmediterréna Factoring, S.L.

The above list of Guarantors may change from time to time in accordance with the Trust Deed and the terms and conditions of the Notes. An up-to-date list is available from the Issuer upon request.

Scope

(a) Each Guarantor, subject to the Agreed Security Principles (as defined in the Trust Deed), jointly and severally, irrevocably and unconditionally guarantees to each Holder and to the Trustee and its successors and assigns (1) the full and punctual payment when due, whether at Stated Maturity (as defined in the Trust Deed), by acceleration, by redemption or otherwise, of all obligations of the Issuer under the Trust Deed (including obligations to the Trustee) and the Notes, whether for payment of principal of, interest, premium or Additional Amounts (as defined in the Notes), if any, on the Notes and all other monetary obligations of the Issuer under the Trust Deed and the Notes and (2) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under the Trust Deed and the Notes (all the foregoing being hereinafter collectively called the "**Guaranteed Obligations**"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Guarantor, and that each such Guarantor shall remain bound under Article XI of the Trust Deed notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for non-payment. Each Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Guarantor shall not be affected by (1) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under the Trust Deed, the Notes or any other agreement or otherwise; (2) any extension or renewal of any thereof; (3) any rescission, waiver, amendment or modification of any of the terms or provisions of the Trust Deed, the Notes or any other agreement; (4) the release of any security held by any Holder, the Security Agent or the Trustee for the Guaranteed Obligations or any of them; (5) the failure of any Holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (6) any change in the ownership of such Guarantor, except as provided in Sections 11.09(b) and (c) of the Trust Deed.

(c) Each Guarantor thereby waives any right to which it may be entitled to have its obligations under the Trust Deed divided among the Guarantors, such that such Guarantor's obligations would be less than the full amount claimed. Each Guarantor waives any right to which it may be entitled to have the assets of the Issuer first be used and depleted as payment of the Issuer's or such Guarantor's obligations prior to any amounts being claimed from or paid by such Guarantor under the Trust Deed. Each Guarantor thereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Guarantor.

(d) Each Guarantor further agrees that its Guarantee under the Trust Deed constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) Except as expressly set forth in Sections 8.02, 11.02, 11.03 and 11.09 of the Trust Deed, the obligations of each Guarantor shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under the Trust Deed, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, wilful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Guarantor or would otherwise operate as a discharge of any Guarantor as a matter of law or equity.

(f) Except as expressly set forth in Sections 8.02, 11.02, 11.03 and 11.09 of the Trust Deed, each Guarantor agrees that its Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Guarantor further agrees that its Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise. For the purposes of Article 399 of the Spanish Insolvency Act, the obligations of each Spanish Guarantor under the Trust Deed vis-à-vis the Holders or the Trustee shall be governed by the terms of the Trust Deed at any time such that each Spanish Guarantor's obligations as provided in Article VI of the Trust Deed shall not be affected in any way by the settlement agreement that may be agreed in the insolvency proceedings of a Guarantor (nor shall they be deemed amended as a consequence of the approval of that settlement agreement) that each of the Holders or the Trustee has approved/acceded to or irrespective of the fact that has not approved/acceded to, that settlement agreement.

(g) In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue of the Trust Deed, upon the failure of the Issuer to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Guarantor promises to and shall, upon receipt of written demand by the Trustee, pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (1) the unpaid principal amount of such Guaranteed Obligations, (2) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by law) and (3) all other monetary obligations of the Issuer to the Holders and the Trustee.

(h) Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (1) the maturity of the Guaranteed Obligations guaranteed may be accelerated as provided in Article VI of the Trust Deed for the purposes of any Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed under the Trust Deed, and (2) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article VI of the Trust Deed, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of Section 11.01 of the Trust Deed.

(i) Each Guarantor also agrees to pay any and all costs and expenses (including attorneys' fees and expenses) incurred by the Trustee in enforcing any rights under Section 11.01 of the Trust Deed.

(j) Upon request of the Trustee, each Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of the Trust Deed.

(k) Each Spanish Guarantor expressly declares that Section 11.01 of the Trust Deed constitutes a first demand guarantee (*garantía abstracta independiente a primera demanda*) and hence the principles of exclusion, order and/or division (*beneficio de excusión, orden y/o división*) under Article 1,830 of the Spanish Civil Code are not applicable.

(l) Furthermore, the Parties agree that in the event a Spanish Obligor (as defined in the Trust Deed) and its creditors were enter into a voluntary arrangement (*convenio*) within an insolvency proceeding or workout homologation agreement (*homologación de un acuerdo de refinanciación*), the Spanish Guarantors undertake that (A) the scope of its guarantee will not be modified in any way by said arrangement and (B) it shall not benefit from any potential advantages (write offs, stays, or others), agreed to in that voluntary arrangement, in each case to the extent that the relevant creditor has not voted in favour of that voluntary arrangement (*convenio*) or workout homologation agreement (*homologación de un acuerdo de refinanciación*).

Release

Subject to Section 1.01(a) of the Trust Deed and the terms of the Intercreditor Agreement, each Notes Guarantee, once it becomes due, is a continuing guarantee and shall (i) remain in full force and effect until payment in full of all the Guaranteed Obligations, (ii) be binding upon each Guarantor and its successors and (iii) inure to the benefit of, and be enforceable by, the Trustee, the Holders and their respective successors, transferees and assigns.

(a) The Parent's Notes Guarantee shall be automatically and unconditionally released and discharged, and the Parent's obligations under the Notes Guarantee, the Trust Deed, the Security Documents and the Intercreditor Agreement shall be released and discharged:

(1) by defeasance or discharge of the Notes, as provided in **Error! Reference source not found.** or **Error! Reference source not found.** of the Trust Deed; or

(2) [*Reserved*];

(b) Each Notes Guarantee by a Subsidiary Guarantor shall be automatically and unconditionally released and discharged, and such Guarantor and its obligations under the Notes Guarantee, the Trust Deed, the Security Documents and the Intercreditor Agreement shall be released and discharged:

(1) by a sale or other disposition (including by way of consolidation or merger) of Capital Stock of the relevant Subsidiary Guarantor or of a Parent thereof, such that such Subsidiary Guarantor ceases to be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the relevant Subsidiary Guarantor (other than to the Parent or a Restricted Subsidiary), in each case in a transaction otherwise permitted by the Trust Deed;

(2) [*Reserved*];

(3) by defeasance or discharge of the Notes, as provided in **Error! Reference source not found.** or **Error! Reference source not found.** of the Trust Deed;

(4) upon full payment of all obligations of the Issuer and the Guarantors under the Trust Deed and the Notes;

(5) as provided by **Error! Reference source not found.** or **Error! Reference source not found.** of the Trust Deed; or

(6) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed).

(c) Each Holder thereby authorizes the Trustee to take all actions, including the granting of releases or waivers under the Intercreditor Agreement, to effectuate any release in accordance with the provisions of **Error! Reference source not found.** of the Trust Deed, subject to customary and reasonably satisfactory protections and indemnifications provided by the Issuer to the Trustee.

Limitations

The obligations of each Guarantor will be limited to the maximum aggregate amount that can be thereby guaranteed by such Guarantor without rendering the Guarantee, as it relates to such Guarantor, voidable under applicable law relating to ultra vires, fraudulent conveyance, fraudulent transfer, corporate benefit, financial assistance or similar laws affecting the rights of creditors generally or other considerations under applicable law.

Spain

(a) Any guarantee, indemnity and other obligations and liabilities of any Guarantor incorporated in Spain (a "**Spanish Guarantor**") expressed to be assumed in the Trust Deed shall be deemed not to be assumed by such Spanish Guarantor to the extent that the same would constitute the provision of financial assistance within the meaning of either Article 143 or 150 of the Spanish Companies Act.

Pursuant to Section 401 of the Spanish Companies Act a Spanish company incorporated under the form of a limited liability company (*sociedad de responsabilidad limitada*) (i) can only issue Notes up to an aggregate maximum amount of twice its own equity (*recursos propios*), unless the issue is secured by a mortgage, a pledge over securities, a public guarantee or a joint and several guarantee from a credit institution and (ii) is prohibited to issue or guarantee (or provide security for) Notes convertible into quota shares (*participaciones sociales*).

To the extent that Spanish case law also determines that such restriction may not only apply to the issuance of Notes but also to the guarantee of such Notes by Spanish companies incorporated under the form of a private limited liability company (sociedad de responsabilidad limitada), the guarantee provided under the Trust Deed by a Spanish Guarantor incorporated under the form of a private limited liability company (sociedad de responsabilidad limitada) shall be limited accordingly.

Luxembourg

(a) Any guarantee, indemnity and other obligations and liabilities of any Guarantor incorporated in Luxembourg (a "**Luxembourg Guarantor**") expressed to be assumed in the Trust Deed and/or the obligations and exposure of any Collateral provider incorporated in Luxembourg (together with a Luxembourg Guarantor, the "**Luxembourg Debtors**" and each a "**Luxembourg Debtor**") for the obligations of any obligor which is not a direct or indirect Subsidiary of such Luxembourg Debtor shall, together with any similar guarantee and/or Collateral liabilities and obligations of such Luxembourg Debtor arising under any other Security Document, be limited at any time (with no double counting) to an aggregate amount not exceeding the higher of 90% of:

(1) the sum of (i) such Luxembourg Debtor's *capitaux propres* (as referred to in Annex I to the Grand Ducal Regulation dated 18 December 2015 setting out the form and content of the presentation of the balance sheet and profit and loss account, enforcing the Luxembourg law of 19 December 2002 on the commercial companies' register and the accounting and annual accounts of undertakings, as amended (the "**Grand Ducal Regulation**")) (the "**Own Funds**") and (ii) all debt owed by such Luxembourg Debtor to any of its direct or indirect shareholders and to any member of the Group (recorded in any of the categories of the debt section (*dettes*) of Annex I to the Grand Ducal Regulation) (the "**Intra-Group Debt**"), both as determined on the basis of the then latest available annual accounts of the Luxembourg Debtor duly established in accordance with applicable accounting rules, as at the date the issuance of the Notes; or

(2) the sum of (i) the Own Funds and (ii) the Intra-Group Debt, in each case as determined on the basis of the then latest available annual accounts of the Luxembourg Debtor duly established in accordance with applicable accounting rules, as at the date on which the relevant guarantee or security interest is called or enforced, as applicable.

(3) Where, for the purpose of the above determination, (i) no duly established annual accounts are available for the relevant reference period (which will include a situation where, in respect of the determinations to be made above, no final annual accounts have been established in due time in respect of the then most recently ended financial year) or (ii) the relevant annual accounts do not adequately reflect the status of the Own Funds and/or the Intra-Group Debt as envisaged above or (iii) the Luxembourg Debtor has taken corporate or contractual actions having resulted in the increase of its Own Funds and/or its Intra-Group Debt since the close of its last financial year or (iv) the Intra-Group Debt cannot be determined on the basis of the available annual accounts, nor on the basis of the standard chart of accounts of the Luxembourg Debtor (which the Luxembourg Debtor undertakes to disclose to the Agent for such purpose, when required), the Own Funds and/or the Intra-Group Debt will be valued either (i) at the fair market value or (ii) if no such market value has been determined, in accordance with the generally accepted accounting principles in Luxembourg and the relevant provisions of the Luxembourg law of 19 December 2002 on the commercial companies' register and the accounting and annual accounts of undertakings, as amended.

(b) In any event, the Guarantee and/or Collateral granted by any Luxembourg Debtor under the Trust Deed shall not include any obligations or liabilities if this would constitute:

(1) a breach of the financial assistance prohibitions contained in article 430-19 or, as applicable, article 1500-7 of the Luxembourg law on commercial companies dated 10 August 1915, as amended; or

(2) a misuse of corporate assets (abus de biens sociaux) as defined in article 1500-11 of the Luxembourg law on commercial companies dated 10 August 1915, as amended.

The limitation in Section 11.03 of the Trust Deed in relation to a Luxembourg Debtor shall not apply to any amounts resulting from the issuance of Notes under the Trust Deed and made available, in any form whatsoever, to such Luxembourg Debtor or any of its direct or indirect Restricted Subsidiaries. For the avoidance of doubt, any amounts resulting from the issuance of Notes and made available, in any form whatsoever, to any Luxembourg Debtor or any of its direct or indirect Restricted Subsidiaries shall form part of, and be covered by, the Guarantee and/or Collateral given by such Luxembourg Debtor.

Severability

In case any provision of any of the Guarantees shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Collateral

Scope

(a) The due and punctual payment of the principal of, premium, if any, and interest on the Notes and the Guarantees when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, interest on the overdue principal of and interest (to the extent lawful), if any, on the Notes and the Guarantees thereof and performance of all other obligations under the Trust Deed, the Notes and the Guarantees and the Security Documents shall be secured by Liens (as defined in the Trust Deed) over the Collateral pursuant to the Security Documents.

(b) The Issuer and the Guarantors agree that the Security Agent shall hold and administer the Collateral in trust (to the extent possible under applicable law and in accordance with the terms of the relevant Security Document) for the benefit of all the Holders and the Trustee, in each case pursuant to the terms of the Security Documents and the Intercreditor Agreement and the Security Agent and the Trustee are authorized to execute and deliver the Security Documents and the Intercreditor Agreement (including any other agreements, deeds or other documents in relation thereto) on behalf of all the Holders.

(c) Each Holder, by its acceptance of any Notes and the Guarantees thereof, consents and agrees to and accepts the terms of the Security Documents and the Intercreditor Agreement (including, without limitation, the provisions providing for foreclosure and release of the Collateral) as the same may be in effect or as may be amended from time to time in accordance with their terms, and irrevocably grants full powers of attorney to the Security Agent and the Trustee, so that any of them, acting through a duly appointed representative may (even if it involves acting with multi-representation, self-contracting (*autocontratación*) or a conflict of interest):

 (1) perform the duties and exercise the rights, powers and discretions that are specifically given to each of them under the Security Documents and the Intercreditor Agreement, together with any other incidental rights, powers and discretions; and

 (2) execute each Security Document, waiver, modification, amendment, renewal or replacement or any other document expressed to be executed by the Security Agent and/or the Trustee on its behalf, including any deed of cancellation and release thereof.

(d) The Trustee and each Holder, by accepting the Notes and the Guarantees thereof, acknowledges that, as more fully set forth in the Security Documents and the Intercreditor Agreement, the Collateral as constituted shall be held for the benefit of all the Holders and the Trustee, and that the Lien (as defined in the Trust Deed) of the Deed and the Security Documents in respect of the Trustee and the Holders is subject to and qualified and limited in all respects by the Security Documents and the Intercreditor Agreement and actions that may be taken thereunder.

(e) Subject to the terms of the Trust Deed, the Intercreditor Agreement and the Security Documents, the Issuer, and the Guarantors shall have the right to remain in possession and retain control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

Release of Collateral

To the extent a release is required by a Security Document, at the request of the Parent or the Issuer, the Security Agent shall release, and the Trustee (but only if required) shall release and if so requested direct the Security Agent to release (in accordance with the provisions of the Trust Deed, the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed) and the relevant Security Document), without the need for consent of the Holders, Liens (as defined in the Trust Deed) on the Collateral securing the Notes:

(1) upon payment in full of principal, interest and all other obligations on the Notes issued under the Trust Deed or discharge or defeasance thereof;

(2) upon release of a Guarantee, with respect to the Liens (as defined in the Trust Deed) securing such Guarantee granted by such Guarantor;

(3) in connection with any disposition of Collateral (other than in respect of the Parent share pledge), directly or indirectly, to (a) any Person other than the Parent or any of the Restricted Subsidiaries (but excluding any transaction subject to Section 5.01 of the Trust Deed) that is not prohibited by the Trust Deed or (b) the Parent or any Restricted Subsidiary, provided the relevant Collateral remains subject to, or otherwise becomes subject to, a Lien (as defined in the Trust Deed) in favor of the Notes;

(4) as otherwise provided in the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed);

(5) as permitted by Section 4.21 of the Trust Deed;

(6) automatically without any action by the Trustee, if the Lien (as defined in the Trust Deed) granted in favor of the Indebtedness that gave rise to the obligation to grant the Lien (as defined in the Trust Deed) over such Collateral is released (other than pursuant to the repayment and discharge thereof), provided that such release would otherwise be permitted by Section 12.03 of the Trust Deed; and

(7) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with Article V of the Trust Deed.

Each of these releases shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee unless action is required by it to effect such release.

Security Agent as Joint and Several Creditor

Other than in respect of the Security Documents governed by Luxembourg law, each Security Provider, the Trustee, and each holder of the Notes, by its acceptance thereof, agrees that the Security Agent shall be the joint and several creditor (together with the Trustee and each holder of the Notes) of each and every payment obligation of each Security Provider towards each of the Trustee or each holder of the Notes under the Trust Deed and the Notes and that accordingly the Security Agent will have its own independent right to demand payment by each Security Provider in satisfaction of those obligations (in circumstances where such payment obligation is then otherwise due and payable under the Trust Deed or the Notes, provided that it is expressly acknowledged and agreed that any discharge by any Security Provider of its payment obligations to either of the Security Agent, the Trustee or the holders of the Notes shall to the same extent discharge the corresponding obligations owing to the other).

Resignation and Replacement of Security Agent

Any resignation or replacement of the Security Agent shall be made in accordance with the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed).

Amendments

Without Consent of the Holders

Notwithstanding **Error! Reference source not found.** of the Trust Deed, the Issuer, the Guarantors, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Document (as defined in the Trust Deed) without the consent of any Holder to:

(1) cure any ambiguity, omission, defect, error or inconsistency, or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or the Guarantors under any Note Document (as defined in the Trust Deed);

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code) or change the minimum denominations for the Notes;

(4) add to the covenants or provide for a Notes Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Parent or any Restricted Subsidiary (as defined in the Trust Deed);

(5) make any change that would provide additional rights or benefits to the Trustee or the Holders or does not adversely affect the rights of or benefits to the Trustee or any Holder in any material respect;

(6) make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Issuer) for the issuance of Additional Notes (as defined in the Trust Deed);

(7) provide for any Restricted Subsidiary (as defined in the Trust Deed) to provide a Notes Guarantee in accordance with Sections **Error! Reference source not found.** and **Error! Reference source not found.**, to add Notes Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Notes Guarantee or Lien (as defined in the Trust Deed) (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is permitted under the Trust Deed, the Intercreditor Agreement, any Additional Intercreditor Agreement (as defined in the Trust Deed) and the Security Documents;

(8) [*Reserved*];

(9) evidence and provide for the acceptance and appointment under the Trust Deed of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Note Document; or

(10) in the case of the Security Documents, mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders and the Trustee, in any property which is required by the Trust Deed (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Trust Deed and **Error! Reference source not found.** of the Trust Deed is complied with.

(d) The Trustee shall be entitled to rely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

(e) Upon the request of the Issuer, and upon receipt by the Trustee of the documents described in **Error! Reference source not found.** of the Trust Deed, the Trustee shall join with the Issuer in the execution of any amended or supplemental trust deed authorized or permitted by the terms of the Trust Deed and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental trust deed that affects its own rights, duties or immunities under the Trust Deed or otherwise. Notwithstanding anything to the contrary in Sections **Error! Reference source not found.** and **Error! Reference source not found.** of the Trust Deed, in order to effect the amendments authorized by clauses (2), (4) and (7) of **Error! Reference source not found.** of the Trust Deed in respect of providing a Notes Guarantee for the benefit of the Holders, it shall only be necessary for the supplemental trust deed providing for the accession of such additional Guarantor to be duly authorized and executed by (i) the Issuer, (ii) such additional Guarantor and (iii) the Trustee.

With Consent of the Holders

Except as provided below in **Error! Reference source not found.** of the Trust Deed, the Issuer, the Guarantors, the Trustee and the other parties thereto, may amend or supplement any Note Document (as defined in the Trust Deed) with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes) and, subject to the Trust Deed and the Notes, any existing Default or Event of Default (both as defined in the Trust Deed) (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Trust Deed or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes). However, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes (including consents obtained in connection with a purchase of, or tender offer or exchange offer for the Notes), or if any amendment, waiver or other modification will only amend, waive or modify one series of the Notes, without the consent of Holders holding not less than 90% of the then outstanding aggregate principal amount of Notes of such series amended, waived or modified, an amendment or waiver under **Error! Reference source not found.** of the Trust Deed may not, with respect to any Notes, held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity (as defined in the Trust Deed) of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time (other than notice periods) at which any such Note may be redeemed, in each case, pursuant to paragraphs 5 and 6 of the Notes;

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in **Error! Reference source not found.** of the Trust Deed that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes (as defined in the Trust Deed) described thereunder or an exemption from any obligation to withhold or deduct Taxes (as defined in the Trust Deed) so described thereunder unless the Payor (as defined in the Trust Deed) agrees to pay Additional Amounts (as defined in the Trust Deed), if any, in respect thereof;

(8) release any Subsidiary Guarantor from its obligations under its Notes Guarantee or the Trust Deed, except otherwise in accordance with the terms of the Trust Deed, the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed);

(9) release any security interest granted for the benefit of the Holders in the Collateral, other than pursuant to the terms of the Security Document or the Trust Deed, as applicable, and as permitted by the Intercreditor Agreement or any Additional Intercreditor Agreement (as defined in the Trust Deed);

(10) change the ranking of the Notes;

(11) waive a Default or Event of Default (both as defined in the Trust Deed) with respect to the nonpayment of principal, premium, interest or Additional Amounts (as defined in the Trust Deed), if any, on such Notes (except pursuant to a rescission of acceleration of such Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(12) make any change in the amendment or waiver provisions which require the Holders' consent as described in **Error! Reference source not found.** of the Trust Deed.

(f) **Error! Reference source not found.** of the Trust Deed shall determine which Notes are considered to be "outstanding" for purposes of **Error! Reference source not found.** of the Trust Deed.

(g) Upon the request of the Issuer, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in **Error! Reference source not found.** of the Trust Deed, the Trustee shall join with the Issuer in the execution of such amended or supplemental trust deed, waiver or other modification unless such amended or supplemental trust deed, waiver or other modification directly affects the Trustee's own rights, duties or immunities under the Trust Deed or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental trust deed, waiver or other modification.

(h) The consent of the Holders is not necessary under the Trust Deed to approve the particular form of any proposed amendment of any Note Document (as defined in the Trust Deed). It is sufficient if such consent approves the substance of the proposed amendment.

(i) A consent to any amendment or waiver under the Trust Deed by any Holder given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

(j) For so long as the Notes are listed on the Official List of Euronext Dublin and the rules of such exchange so require, the Issuer will publish notice of any amendment, supplement and waiver on the official website of Euronext Dublin or in a daily newspaper with general circulation in Dublin (which is expected to be *The Irish Times*).

Every amendment or supplement to the Trust Deed or the Notes will be set forth in an amended or supplemental trust deed.

Ranking and Order of Payment of Enforcement Proceeds

The Notes will be senior secured obligations of the Issuer and will rank *pari passu* in right of payment with any unsubordinated indebtedness incurred in accordance with the Trust Deed.

Notwithstanding the above, any realised proceeds of enforcement shall be applied by the Security Agent towards repayment and cancellation of the debt facilities in the following order: first to any indebtedness incurred on a super senior ranking basis in accordance with the Trust Deed, second to the Confirming Facilities and any other indebtedness incurred on a *pari passu* ranking basis (in accordance with the Trust Deed) and third to the Notes.

Issue Date Security Documents

Name of Original Obligor	Security Document
Spanish law pledge over shares (together with the relevant irrevocable powers of attorney) of the following companies:	
Anarafe, S.L.U., Estudios y Consignaciones, S.L.U. and Mr. Antonio Armas Fernández	• 99.857% of the shares of Naviera Armas, S.A.
Anarafe, S.L.U. and Naviera Armas, S.A.	• Compañía Trasmediterránea, S.A.
Compañía Trasmediterránea, S.A.	• 99.62% of the shares of Hermes Logística, S.A.
Compañía Trasmediterránea, S.A.	• Agencia Schembri, S.A.
Spanish law pledge over quotas (together with the relevant irrevocable powers of attorney) of the following companies:	
Mr. Antonio Armas Fernández, Mrs. Sandra Margaret Mead Dugan, Mr. Antonio Armas Mead and Mrs. Alexandra Margaret Mead Dugan	• Bahía de Las Isletas, S.L.
Anarafe, S.L.U.	• Marítima de Barlovento, S.L.U.
Bahia 2 Luxembourg Limited	• Anarafe, S.L.U.
Bahia 2 Luxembourg Limited	• Estudios y Consignaciones, S.L.U.
Anarafe, S.L.U.	• Naviera de Jandía, S.L.U.
Anarafe, S.L.U.	• Marítima de Sotavento, S.L.U.
Anarafe, S.L.U.	• Marítima de las Islas, S.L.U.
Compañía Trasmediterránea, S.A.	• Terminal Ferry Barcelona, S.L.U.
Maritime Highways Limited	• Armas Trasmediterránea Factoring, S.L.
Spanish law concurrent mortgages (together with the relevant irrevocable powers of attorney) over the following vessels:	
Naviera Armas, S.A.	• Volcán de Tinamar • Volcán de Timanfaya
Naviera de Jandía, S.L.U.	• Volcán de Tamasite
Marítima de Sotavento, S.L.U.	• Volcán de Taburiente

Name of Original Obligor	**Security Document**
Compañía Trasmediterránea, S.A.	• Las Palmas de Gran Canaria • Villa de Tazacorte
Caflaja, S.L.U.	• Volcán de Teneguía;
Agencia Schembri, S.A.	• Ciudad de Málaga
Marítima de Barlovento, S.L.U.	• Volcán de Tamadaba
Anarafe, S.L.	• Volcán de Tauce
Marítima de las Islas, S.L.U.	• Volcán de Tindaya
Armas Trasmediterranéa Factoring, S.L.	• Ciudad Autónoma de Melilla • Villa de Agaete • Ciudad Autónoma de Ceuta • Juan J. Sister

Name of Original Obligor	Security Document
Spanish law pledge over credit rights arising from the following agreements (together with the relevant irrevocable powers of attorney):	
Naviera Armas, S,A, and Anarafe, S.L.U.	• Subordinated credit agreement governed by Spanish law for an amount of €11,628,150.16 entered into on 16 October 2018 between Naviera Armas, S.A., as lender, and Afortunadas Shipping Ltd., as borrower • Subordinated loan agreement governed by Spanish law for an amount of €3,000,000 entered into on 6 June 2018 between Naviera Armas, S.A., as lender, and Autopistas Canarias del Mar, S.L., as borrower • Subordinated loan agreement governed by Spanish law for an amount of €14,800,000 entered into on 20 March 2018 between Naviera Armas, S.A., as lender, and Naviera de Bentayga, S.L., as borrower • Subordinated loan agreement governed by Spanish law for an amount of €23,700,000 entered into on 20 March 2018 between Anarafe, S.L., as lender, and Naviera del Roque, S.L., as borrower • Subordinated loan agreement governed by Spanish law for an amount of €1,012,699 entered into on 27 June 2019 entered into between Naviera Armas, S.A., as lender, and Naviera de Melenara, S.A., as borrower • Subordinated loan agreement governed by Spanish law for an amount of €3,208,060 entered into on 1 September 2020 between Naviera Armas, S.A., as lender, and Naviera Cíes, S.A., as borrower • Subordinated loan agreement governed by Spanish law for an amount of €8,705,903.68 entered into on 2 July 2020 between Naviera Armas, S.A., as lender, and Naviera de Taliarte, S.L., as borrower
Cyprus law statutory mortgage:	
Compañía Trasmediterranéa, S.L.	• Cyprus law statutory mortgage and deed of covenants and security assignment in respect of the vessel Almariya
Luxembourg law pledges:	
Bahía de las Isletas, S.L.	• Luxembourg pledge of shares of Bahia 1 Luxembourg Limited
Bahia 1 Luxembourg Limited	• Luxembourg pledge of shares of Bahia 2 Luxembourg Limited
Compañía Trasmediterranéa, S.L. and Europa Ferrys, S.A.	• Luxembourg pledge of shares of LHBI Limited
LHBI Limited	• Luxembourg pledge of shares of Maritime Highways Limited
Maritime Highways Limited	• Luxembourg pledge of receivables owed to Maritime Highways Limited

Name of Original Obligor	Security Document
LHBI Limited	• Luxembourg pledge of receivables owed to LHBI Limited

The above list of Security Providers and Security Documents may change from time to time in accordance with the Trust Deed and the terms and conditions of the Notes. An up-to-date list is available from the Issuer upon request.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND THE SECURITY INTERESTS, AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

Spain

Concept and Petition for Insolvency

Several of the Guarantors of the Notes are incorporated and organized under the laws of Spain (the "**Spanish Guarantors**"). Accordingly, pre-insolvency, insolvency or liquidation proceedings with respect to the Spanish Guarantors may proceed under, and be governed by, the insolvency laws of Spain.

The insolvency laws of Spain may differ from the laws of the United States, the United Kingdom or other jurisdictions to which you may be familiar. The following is a brief description of certain aspects of Royal Legislative Decree 1/2020, of May 5 (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba el texto refundido de la Ley Concursal*) (the "**Spanish Insolvency Act**") and various extraordinary resolutions including, among others, Royal Decree Law 34/2020, of November 17 (*Real Decreto-ley 34/2020, de 17 de noviembre, de medidas urgentes de apoyo a la solvencia empresarial y al sector energético, y en materia tributaria*) ("**Act 34/2020**") or Act 3/2020, of September 18 (*Ley 3/2020, de 18 de septiembre, de medidas procesales y organizativas para hacer frente al COVID-19 en el ámbito de la Administración de Justicia*) ("**Act 3/2020**"), that have been approved as a result of COVID-19 pandemic. These resolutions have introduced several temporary and extraordinary measures that impact pre-insolvency and insolvency proceedings. Future changes, amendments or restatements of the Spanish Insolvency Act cannot be disregarded either.

The Spanish Insolvency Act regulates pre-insolvency institutions and court insolvency proceedings. Prospective investors should note that preceding Law 22/2003 regarding insolvency proceedings suffered various reforms and amendments since it was first published in 2003. The Spanish Government approved in 2020 the latest recasting, in force as from September 1, 2020, in order not only to incorporate all these amendments but also to clarify and harmonize certain questions raised by the courts and the doctrine since its first application by Spanish courts. However, it should be noted that certain matters are still subject to different views and different interpretations by the relevant insolvency courts from time to time.

The entry into force of Directive 2019/1023 of the European Parliament and of the Council, of June 20, 2019, on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, implies that Spain will have two years as of such date to transpose such Directive into the Spanish regulations. This transposition process will probably lead to the approval of certain amendments to the Spanish Insolvency Act. Notwithstanding the foregoing, the transposition process has not been initiated yet and, therefore, it is still uncertain how this Directive will affect the Spanish Insolvency Act.

In Spain, insolvency proceedings are only triggered in the event of a debtor's current or imminent insolvency. A debtor is deemed insolvent when it becomes unable to regularly meet its obligations as they become due and payable (current insolvency or *insolvencia actual*) or when it expects that it will shortly be unable to do so (imminent insolvency or *insolvencia inminente*). The insolvency proceedings may be initiated either by the debtor ("voluntary insolvency" or *concurso voluntario*), by any of its creditors (provided that it has not acquired the credit within the six months prior to the filing of the petition for insolvency, for *inter vivos* acts, on a singular basis and once the credit was mature) or by certain other interested third parties ("compulsory insolvency" or *concurso necesario*). Notwithstanding, only the debtor is entitled to file a petition for insolvency on the basis of its imminent insolvency. Whether insolvency proceedings are voluntary or compulsory will affect the basis for the insolvency, as well as impact upon the debtor's capacity. The Spanish Insolvency Act provides that insolvency proceedings conclude following either the implementation of an agreement between the creditors and the debtor or the liquidation of the debtor. An insolvency proceeding can also conclude: (i) at any moment when it is verified that there are insufficient assets to pay post-insolvency debt; (ii) at any moment when it is verified that all of the credits have been paid, or the situation of the insolvency does no longer exist; or (iii) when it is verified that all of the creditors have waived their credit rights.

Voluntary Insolvency

If the debtor requests the insolvency, it must prove its current or imminent insolvency: a situation in which the debtor cannot meet its financial obligations consistently and on time, including obligations not yet due. The debtor is obligated to file a petition for a declaration of insolvency within two months after it becomes aware, or should have become aware, of its state of insolvency (inability to regularly pay the debts as they come due). It is presumed that the debtor becomes aware of its state of insolvency, unless otherwise proved, if any of the circumstances that qualify as the basis for a petition for compulsory insolvency occur. In the event of the debtor failing to file a petition for insolvency within the time period established by law (two months), (i) the directors may be removed from office and substituted by a bankruptcy authority once the bankruptcy is declared and the bankruptcy process is initiated; (ii) it may be unable to exercise certain courses of action (including, among others, the possibility of submitting a proposed settlement in advance) and (iii) the directors may be held liable for the impaired claims accrued as from the declaration of insolvency, should the debtor be liquidated and bankruptcy be classified as "guilty".

Notwithstanding the foregoing, the general duty to file for insolvency within the referred two months does not apply if the debtor notifies the applicable Court that it has initiated negotiations with its creditors to obtain support to reach a pre-packaged composition agreement (*propuesta de convenio anticipado*) or an out-of-court workout (a refinancing agreement or *acuerdo de refinanciación*) set out in Articles 583 et seq. ("*notice of negotiation with creditors*") and Articles 597 et seq. of the Spanish Insolvency Act. Effectively, by means of the notice of negotiation with creditors of Articles 583 et seq. of the Spanish Insolvency Act, the debtor gains an additional three-month period to achieve an agreement with its creditors or to obtain accessions to an anticipated composition agreement and one further month to file for the declaration of insolvency, if after the above-mentioned period of three months has elapsed without an agreement being reached and the situation of insolvency persists. During such period of time, creditors' petitions for mandatory insolvency will not be accepted. During the fourth month period: (i) the debtor has the duty to file for insolvency, unless a pre-arranged composition agreement, a collective out of court workout or an out of court repayment agreement is achieved (i.e. the company would gain four month grace period to file for insolvency by a notice of negotiation with creditors); and (ii) the mandatory petitions could be filed but would not be accepted if the debtor has filed a voluntary insolvency petition (i.e. voluntary case filings have priority over involuntary ones within the fourth month grace period). Likewise, the notice of negotiation with creditors prevents the commencement of court or out-of-court enforcement actions and/or suspends (as applicable) existing enforcement actions, over assets or rights which are necessary for the company's business operations, other than those arising from public law claims are prohibited, until any of the following circumstances occur: (i) a refinancing agreement set out in Article 598 of the Spanish Insolvency Act is formalized; (ii) a court order is issued (*providencia*) accepting for processing the court's confirmation (*homologación judicial*) of admission of the refinancing agreement; (iii) an out-of-court repayment agreement under Article 631 et seq. of the Spanish Insolvency Act is entered into; (iv) the necessary accessions for the admission of a pre-arranged commencement agreement are obtained; or (v) the declaration of insolvency takes place. In addition, enforcement proceedings that have been brought by creditors holding financial claims (*pasivos financieros*), as defined in Article 606 of the Spanish Insolvency Act, shall be prohibited or suspended (as applicable) provided that it is evidenced that at least 51% of the creditors holding financial liabilities (by value) have supported the initiation of negotiations to enter into a refinancing agreement and have agreed to suspend or not initiate enforcement proceedings against the debtor while creditors holding financial liabilities are still negotiating. Nevertheless, secured creditors shall be entitled to bring enforcement proceedings against the corresponding secured assets. However, if these secured assets are necessary for the continuity of the debtor's business or professional activity, once proceedings have been initiated, they shall be immediately suspended, until three months have elapsed from the date when the notice of negotiation with creditors is filed. Financial securities and security interests over collateral located outside Spain should not be affected by the notice of negotiation with creditors.

Compulsory Insolvency

If a creditor requests the insolvency, it must provide evidence of the debtor's insolvency in the terms and by the means stated under Article 2.4 of the Spanish Insolvency Act such as: (i) a generalized default on payments by the debtor; (ii) the occurrence of generalized attachments on the debtor's assets; (iii) a misplacement, "fire sale", hasty or loss-making liquidation of assets; (iv) a generalized default on certain tax, social security and employment obligations during the applicable statutory period (three (3) months); (v) there is a previous judicial or administrative declaration of insolvency of the debtor, provided that it is firm; (vi) there is a title for which a writ of execution or constraint has been issued without the seizure having resulted in known free assets sufficient for payment; or (vii) a seizure of assets affecting or comprising the generality of the debtor's assets. Upon receipt of an insolvency petition by a creditor, the insolvency court may issue provisional interim measures to protect the assets of a debtor and may request a guarantee from the petitioning creditor asking for the adoption of such measures to cover damages caused by the preliminary protective measures. The debtor will be entitled to file an opposition to such petition, and will have to prove that it is not insolvent. The court will then summon the parties to a hearing, and will finally render a court ruling either dismissing the application filed by the creditor, or declaring the insolvency of the debtor.

Effects of the Insolvency for the Debtor

If the insolvency is voluntary, as a general rule and subject to certain exceptions, the debtor usually retains its powers to manage and dispose of its business, albeit under supervision by the insolvency receivers (*administración concursal*) who is appointed by the court (intervention regime). If the insolvency is compulsory, as a general rule and subject to certain exceptions, then the debtor is removed from its power over its assets, which become subject to management by the insolvency receivers implying that the debtor no longer has power over its assets, and management's powers (including the power to dispose of assets) are conferred solely upon the insolvency receivers (suspension regime). These situations may be modified at any time by the competent court. Actions carried out by the debtor that breach any required supervision of the insolvency receivers may be declared null and void unless ratified by the insolvency receivers.

Effects of the Insolvency on Contracts

Under Article 156 of the Spanish Insolvency Act, all clauses that entitle any party to terminate an agreement based solely on the other party's declaration of insolvency are deemed void. The declaration of insolvency does not affect agreements with reciprocal obligations pending performance by either the insolvent or the other party, which remain in full force and effect, and the obligations of the insolvent debtor will be fulfilled against the insolvent estate. However, the insolvency receivers (together with the bankrupt or by their sole discretion if the bankrupt is not allowed to carry on its business) may request the court to terminate the relevant contract (on the grounds of convenience in the insolvency proceedings (*resolución del contrato en interés del concurso*), or terminate for breach at the request of the non-insolvent party if there has been a breach of such contract). The termination of such contracts may result in the insolvent debtor having to return consideration received or indemnify its counterparty against the insolvency estate (*con cargo a la masa*). On the other hand, the judge may decide to cure any breach of the insolvent debtor at its request or the insolvency administrator's request (assumption) (*mantenimiento del contrato en interés del concurso*), in which case the non-insolvent party shall have claim against the insolvency estate (pre-deductible claim from the estate).

There are cases in which the Spanish laws expressly allow to establish an agreement for termination in the event of insolvency (e.g., agency laws or RDL 5/2005 (as defined below)), applicable to financial collateral, as defined therein).

Additionally, bankruptcy declaration suspends interest accrual, except for claims secured with an in *rem* right, in which case interest accrues up to the value of the security, and except for any wage credits in favor of employees, which will accrue the legal interest set forth in the corresponding Law of the State Budget (*Ley de Presupuestos del Estado*).

In any event, setoff is prohibited unless the requirements for the setoff were satisfied prior to the declaration of insolvency or the claim of the insolvent debtor is governed by a law that permits set-off.

Effects on enforcement proceedings

As a general rule, the enforcement rights of unsecured creditors are suspended upon the court declaration of insolvency (with the exception of certain actions conducted by public authorities that do not concern assets necessary for the continuation of the commercial or professional activity of the debtor). Additionally, once the insolvency proceeding is declared open, singular, judicial or extrajudicial enforcements may not be initiated, nor may administrative or tax demands for payment to be collected coercively against the assets of the debtor be continued.

The enforcement of any security over certain assets or rights that are necessary for the continuation of the commercial or professional activity of the debtor may not be commenced and the procedures already initiated before the declaration of insolvency shall be suspended for one year since such declaration, unless an arrangement of a composition agreement is reached, provided it does not affect such right. Enforcement will be suspended even if at the time of declaration of insolvency the notices announcing the public auction have been published.

(a) After such one-year moratorium without liquidation having started, a separated enforcement could be instituted, so long as the secured creditor is not bound by a composition agreement affecting its claim.

(b) Enforcement proceedings conducted before other courts or notary publics will be stayed within this one-year period unless the insolvency court declares that the collateral is not necessary for the continuation of the commercial or professional activity of the debtor.

When it comes to determining which assets or rights of the debtor are used for its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor's assets and rights. Nevertheless, shares/quota shares held by an insolvent debtor in another company whose only activity is the holding of a material asset and servicing the financing provided in connection with the acquisition of that asset, are not considered to be an asset necessary for the debtor's business activity as long as the foreclosure of the relevant security interest that has been granted over such shares/quota shares does not bring about the termination or amendment of the insolvent debtor's contracts with such subsidiary allowing the insolvent debtor to exploit such asset.

The above regime does not affect financial collateral foreseen under RDL 5/2005 (as defined below), which shall be still enforceable, or where the collateral is located in another EU member state by the time of insolvency declaration. If the collateral is located in a non-EU state by the time of insolvency declaration, the automatic stay (if any) and, in general, the effects of the insolvency will be governed by the insolvency law of the state where the collateral is located.

Pursuant to Articles 44, 52 *et seq.* and 142 *et seq.* of the Spanish Insolvency Act, in order to protect the interests of the debtor and creditors, the jurisdiction of the court dealing with insolvency proceedings is extended to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor or administrative law).

As a general rule, insolvency proceedings are not compatible with other enforcement proceedings which can have an effect on the insolvent estate (excluding enforcement proceedings with regard to financial collateral (as defined in RDL 5/2005 (as defined below)) or collateral located in an EU state other the Spain or, subject to local law, a third state). When compatible, in order to protect the interests of the debtor and creditors, the Spanish Insolvency Law extends the jurisdiction of the court dealing with insolvency proceedings, which is then legally authorized to handle any enforcement proceedings or interim measures affecting the debtor's assets (whether based upon civil, labor, or administrative law).

Finally, prospective investors should also note that enforcement of any security interests will be subject to the provisions of Spanish Procedural Law and Spanish Insolvency Act (where applicable), which may entail delays in the enforcement. Please also refer to "*—Enforcement of Security Interests governed by Spanish law*" section below.

Hardening Periods and Fraudulent Transfer

There is no automatic claw back by operation of law. Therefore, there are no prior transactions that automatically become void as a result of the initiation of insolvency proceedings but instead the insolvency administrator must expressly challenge those transactions that are considered detrimental (perjudiciales) to the insolvency estate, provided that they have taken place within two years prior to bankruptcy declaration, even in the absence of fraudulent intent (transactions taking place four years before the insolvency declaration are subject to the ordinary regime of rescission set forth in the Spanish Civil Code). In addition, creditors who have applied to exercise any claw back action (stating the specific action they aim to contest or revoke and their grounds), shall be entitled to exercise such action if the insolvency administrator does not do so within the two months following their request. The Spanish Insolvency Act does not define the meaning of "patrimonial damage". Damage does not refer to the intention of the parties, but to the consequences of the transaction on the debtor's interest or on the equality of treatment among creditors. The Spanish Insolvency Act provides that the insolvency receivers may undertake claw-back actions against acts that took place before the declaration of insolvency that are considered to be detrimental to the insolvency estate as follows:

(a) actions carried out in the two years preceding the declaration of insolvency may be challenged, even in the absence of fraudulent intention;

(b) such actions must be considered to be detrimental to the insolvency estate, which is presumed in the following cases:

- without admission proof to contrary: (i) actions of disposal for no consideration, exception for ordinary largesse (*liberalidades de uso*); or (ii) regarding payments or other actions cancelling obligations falling due after the declaration of insolvency (unless they were secured); or
- with admission of proof to the contrary: (i) in actions for valuable consideration carried out for any party especially related to the debtor, (ii) granting of in rem security covering pre-existing debts or new debts incurred to cancel pre-existing debts; or (iii) cancellation of secured obligations falling due after the declaration of insolvency.

Otherwise, the damage must be proved by the person seeking rescission;

(a) under no circumstances can (i) actions carried out in the debtor's ordinary course of professional or entrepreneurial business and under market conditions, (ii) actions contemplated in the specific legislation regarding systems of payment, set-off or liquidation of values and derivative instruments, and (iii) guarantees constituted in favor of Public Law credits or credits in favor of the labor authorities, be rescinded;

(b) some kinds of refinancing arrangements (*acuerdos de refinanciación*) meeting certain legal requirements set forth in the Spanish Insolvency Act, as well as the security created in connection therewith, may not be rescinded; and

(c) where the party who benefits from the act detrimental to the insolvency estate proves that such act is subject to the law of another State that does not allow its challenge in any case, the act will not be set aside.

Notwithstanding the foregoing, pursuant to Article 16 of the EU Insolvency Regulation, and Article 730 of the Spanish Insolvency Act, acts and transactions governed by laws other than Spanish law will not be subject to claw back actions if such act or transaction cannot be rescinded or challenged by any means and under any grounds whatsoever (i.e., not only in insolvency scenarios) under the relevant non-Spanish applicable laws. Procedurally, there is no safe harbor against a lawsuit being filed and creditors being served to appear before Spanish courts, but the lawsuit should be dismissed on the merits if creditors prove (i) that the act or transaction at issue is subject to foreign law and (ii) that such act or transaction is unavoidable under the circumstances pursuant to that foreign law.

Request of joint insolvency

The insolvency of a company forming part of a group of companies, including the parent company, does not automatically lead to the insolvency of the remaining companies of the group. As stated above, a company is insolvent when it cannot regularly meet its payment obligations as they fall due.

Notwithstanding the above, creditors may apply for a joint insolvency declaration of two or more of its debtors (*declaración conjunta de concursos*) if either (i) there is a confusion of assets among them, or (ii) they form part of the same group of companies. Therefore, the request for the joint insolvency of two or more legal entities may only be filed by a common creditor of the relevant companies and each of the affected companies must in fact be separately insolvent. Joint insolvency may also be requested by the companies themselves, provided that they form part of the same group.

Any of the insolvent debtors, or the insolvency administrator, as the case may be, may apply for the procedural consolidation of insolvency proceedings already declared (*acumulación de concursos*) under certain circumstances (and, in particular, if the insolvent debtors form part of the same group of companies). In addition, creditors may apply for the procedural consolidation of the insolvency proceedings of two or more of its debtors already declared if either (i) there is a confusion of assets among them, or (ii) they form part of the same group of companies, provided that a petition has not been submitted by any of the insolvent debtors or by the insolvency administrator pursuant to Article 41 of the Spanish Insolvency Act.

Insolvency proceedings declared jointly or accumulated are processed in coordination, without consolidation of the estate of the insolvent debtors. As a result, and as a general rule, a “group insolvency” does not lead to a commingling of the debtors’ assets and creditors of such group. This means that the creditors of one company of the group will not have recourse against other companies of the same group (except where cross guarantees exist, in which case such a claim might be subordinated). The current system is a procedural one, aimed at making the insolvency proceedings as time and cost efficient as possible. However, exceptionally, and for the purpose of the drafting of the insolvency report by the insolvency administrator only, assets and liabilities amongst the companies declared insolvent may be consolidated where there is a confusion of states and assets and liabilities belonging to each of the companies cannot be identified, in order to avert unjustified cost and delay.

In any event, set-off is prohibited unless the requirements for the set-off were satisfied prior to the declaration of insolvency or the claim of the insolvent is governed by a law that permits set-off.

Rules on Priority of Creditors

Under the Spanish Insolvency Act, the ranking of claims determines the order of payment of credits. The judge’s insolvency order contains an express request for creditors to declare debts owed to them within a one-month period following the last official publication in the Official State Gazette (*Boletín Oficial del Estado*) of the court order declaring the insolvency (proof of claims), by providing original documentation that justifies their claims. Based on such documentation provided by the creditors and held by the debtor, the insolvency administrator draws up a list of acknowledged claims and classifies them according to the categories established under law, which are as follows: (i) claims benefiting from special privileges; (ii) claims benefiting from general privileges; (iii) ordinary claims; and (iv) subordinated claims.

As for secured claims (those secured with in rem security interests) the Spanish Insolvency Act gives them the status of creditors with special privilege, because the law includes in such category those in which the collateral is comprised of specific property or rights (mortgage, pledge or antichresis) or equivalent rights (financial lease agreement for the leased property). Certain limited exceptions may, however, exist to this general rule (e.g., restrictions in Article 271 of the Spanish Insolvency Act regarding pledges over future credit rights). An in rem secured creditor is secured (for the purposes of insolvency) for the value of the asset subject of the security (and such value will be calculated taking into account the rules set forth under the Spanish Insolvency Act in order to determine its "reasonable value") and will be deemed to be unsecured (or ordinary) for the rest.

Ordinary claims (non-subordinated and non-privileged claims) are paid pro rata once the estate claims and both generally and specially privileged claims have been paid.

Subordinated claims is a category of claims which includes, among others: credits communicated late (outside the specific one-month period mentioned above); credits which are contractually subordinated vis-à-vis all other credits of the debtor; credits relating to unpaid interest claims (including default interest), except for those credits secured with an in rem right up to the value of the security interest; fines; and claims of creditors which are "specially related parties" to the insolvent debtor. Subordinated creditors are second-level creditors. They do not have voting rights on the composition agreement (as described below) but are subject to its terms, being paid once ordinary claims are satisfied pursuant to the terms of the agreement. Thus, subordinated creditors have limited chances of collecting payment according to the ranking established in the Spanish Insolvency Act.

As an exception to the subordination regime, new financing granted to the debtor pursuant to a refinancing agreement regulated under Articles 598 or 606 of the Spanish Insolvency Act, which also contemplates a capitalization of credit rights before the granting of new financing, shall not be classified as a subordinated claim under Article 281 of the Spanish Insolvency Act, provided that the requirements set out in Article 283 of the Spanish Insolvency Act are met. This is an incentive to promote refinancing and capitalization of credit rights.

Moreover, as a consequence of the of the outbreak of the COVID-19 pandemic, the Act 3/2020, of September 18 (in force as of September 20, 2020) has enhanced the position of certain "specially related parties" in order to solve situations of lack of liquidity. Accordingly, in insolvency proceedings declared on or before March 14, 2022: (i) financing granted by specially related parties; or (ii) financing in which they have been subrogated as creditors because of due payment (e.g., as a result of the enforcement of a personal guarantee, resulting in a claim of the guarantor *vis-à-vis* the debtor) would not be subordinated, but rather considered ordinary or privileged credit claims.

Limitations to Enforcement by an Unsecured and Secured Creditor

As a general rule, the enforcement rights of unsecured creditors are suspended upon the court declaration of insolvency. Unsecured creditors cannot initiate any enforcement proceedings against the debtor company's assets after the declaration of insolvency.

Notwithstanding the rules on priority mentioned in "—*Rules on Priority of Creditors*" above, in the event of the debtor's insolvency and in accordance with the provisions of the Spanish Insolvency Act, the ability of a secured creditor to enforce the collateral is limited if such collateral is considered necessary for the debtor to continue its professional or business activities.

In such a case, the Spanish Insolvency Act imposes a moratorium on, the enforcement of secured creditors' rights in the event of insolvency, the enforcement of security may not be commenced until (i) a composition is approved (the content of which does not affect this right) or (ii) one year elapses from the insolvency declaration without liquidation taking place.

Enforcement will be stayed even if at the time of declaration of insolvency the notices announcing the public auction have been published. The stay will only be lifted when the court hearing the insolvency proceedings determines that the asset is not considered necessary for the debtor to continue its professional or business activities. When it comes to determining which assets or rights of the debtor are used for its professional or business activities, courts have generally embraced a broad interpretation and will likely include most of the debtor’s assets or rights.

Pursuant to the Spanish Insolvency Act, in order to protect the interests of the debtor and the creditors, the jurisdiction of the court dealing with insolvency proceedings is extended to handle any enforcement proceedings or interim measures affecting the debtor’s assets (whether based upon civil, labor or administrative law).

Finally, enforcement of the security will be subject to the provisions of the Spanish Civil Procedure Act (as defined below) and the Spanish Insolvency Act (where applicable) and this may entail delays in the enforcement.

Settlement or composition agreement

Once the debtor’s assets and liabilities have been identified, the Spanish Insolvency Act encourages creditors to reach an agreement regarding payment of the insolvency debts. This agreement may be proposed either by the debtor or by the creditors whose credits exceed a fifth of all claims (*masa pasiva*), and it shall set forth how, when and up to what amount creditors are to be paid. Once executed, this agreement must be honoured by the debtor and respected by the creditors.

The settlement or composition should contain proposals for write-offs and stays for a shorter period than 10 years. Article 317 et seq. of the Spanish Insolvency Act provides that it may also contain alternative or complementary proposals for all creditors or for certain classes of creditors (except for Public Law creditors), including conversion of debt into shares, into profit-sharing credits convertible bonds or subordinated debt, or any financial instrument different from the original debt. It may also include proposals for allocation of all assets or of certain assets related to the debtor’s business activity to a specific person with a commitment from the acquirer to continue the activity and to pay off the debt as determined in the settlement.

The proposals in the settlement shall include a payment schedule in accordance with Article 331 of the Spanish Insolvency Act.

In order for a settlement or composition to be deemed approved by the creditors, the following majorities shall be met at the creditors’ meeting:

(a) In case the composition agreement contains write-offs equal to or less than 50% of the amount of the claims; to stays on the payment of principal, interest or any other outstanding amount, for a period not exceeding five years; or, in the case of creditors other than those related to the public administration or employment matters, the conversion of debt into profit participating loans over the same period, at least 50% of the unsecured liabilities (ordinary credits) have voted in favor of such settlement or composition. Notwithstanding the above, a vote by creditors representing a portion of the unsecured liabilities that is greater than the vote against will suffice when the settlement consists of (i) full payment of ordinary or unsecured claims within a period not exceeding three years or (ii) immediate repayment of outstanding ordinary unsecured claims applying a write off of less than 20%.

(b) In case the composition agreement contains stays of between five and ten years; write-offs of more than 50% of the amount of the claims and, in the case of creditors other than those related to the public administration or employment matters, the conversion of debt into profit participating loans over the same period and any other proposal under Article 317 et seq. of the Spanish Insolvency

Act, 65% of the unsecured liabilities (ordinary credits) should have voted for the settlement or composition.

The holders of subordinated credits and those creditors considered as especially related to the debtor are not entitled to vote.

Although in principle secured creditors are not subject to an approved settlement or composition (unless they have expressly voted in its favor) the effects of an approved composition can be extended to secured and privileged creditors provided that the relevant composition of creditors has been approved by the following majorities of creditors within its category of creditors (Public Law creditors, financial creditors or others):

(a) In case the composition agreement contains the full payment of the claims within a period not exceeding three years or the immediate payment of outstanding ordinary claims applying a write off of less than 20%, a write-off (or debt discharges) equal to or less than 50% of the amount of the claims, stays for a period no longer than five years or conversion of debt into profit participating loans, also for a period no longer than five years, at least 60% of privileged creditors have voted in favor; and

(b) In case the composition agreement contains a write-off of more than 50% of the claim; stays (for a period between five and 10 years), conversion of debt into profit participating loans also for a period between five and 10 years, and any other proposal under Article 317 et seq. of the Insolvency Act, at least 75% of privileged creditors have voted in favor.

Liquidation

Liquidation is conceived as an outcome subsidiary to settlement. It operates where a composition agreement is not reached or when it is decided upon by the insolvency court. The insolvent must file a petition for liquidation if, during the period while the settlement is in force, it becomes aware of no longer being able to meet the payment commitments and obligations undertaken after the approval of such settlement. In such a case, if the debtor does not file a petition for liquidation while the composition agreement is in force, any creditor may file such petition based on Article 407.2 of the Spanish Insolvency Act. Therefore, the company will be aimed at dissolution and the directors and liquidators will be removed. Deferred credits will compulsorily fall due and credits consisting of other benefits are converted into cash credits.

The insolvency administration will be required to prepare a liquidation plan that must be approved by the insolvency court. The insolvency administration is required to report quarterly on the liquidation and has one year to complete it. If the liquidation is not completed within one year, the court may appoint a different insolvency administration.

Termination of the insolvency proceedings

Article 465.6º of the Spanish Insolvency Act also foresees the termination of the insolvency proceeding at any stage when it is proven that all credits have been paid, or that all creditors have been entirely satisfied by other means, or that the situation of insolvency (i.e., the impossibility to face payment obligations regularly) has been overcome.

Finally, it must be noted that Article 473 of the Spanish Insolvency Act foresees the termination of the insolvency proceeding at any time when assets are not enough to pay post-insolvency debt, as long as no future claw back actions are envisaged, nor actions claiming liability to third parties, nor the assessment of the proceeding as guilty.

Special regimes for certain refinancing agreements:

(a) Refinancing agreements that fulfil the following conditions cannot be rescinded except at the request of the insolvency administration and under certain circumstances (namely, that the refinancing agreement lacks the formal requirements set forth below) and save in the case of fraud: (i) the refinancing agreement gives rise to a "significant increase" in the funds available to the borrower, or a modification of the terms of the initial financing by extending the maturity date or by replacing the existing obligations with new ones, provided that they meet a viability plan that allows the continuity of the debtor's business in the short and medium term; (ii) the agreement has been entered into with creditors whose credits represent at least 60% of the debtor's liabilities as of the date of the agreement; (iii) a certification is issued by the auditors of the debtor, on the sufficiency of the liabilities required to adopt the agreement; and (iv) the refinancing agreement and the documents substantiating performance of conditions (ii) to (iii) above are executed by way of a Spanish public deed.

(b) Together with the refinancing agreements described above, no action for rescission will be either available (save in case of fraud or because the formal criteria have not been met) for those refinancing agreements that meet all the following criteria: (i) the ratio of assets to liabilities is greater under the refinancing agreement than before the agreement took effect; (ii) the resulting current assets are equal to or higher than the then current liabilities prior to reaching that private agreement; (iii) the value of the security that would be provided to the relevant creditors does not exceed either 90% of the value of the debt owed to those creditors, or the ratio of security to outstanding debt that the creditors had the benefit of prior to the agreement taking effect; (iv) the rate of interest relating to the debt under the refinancing agreement for the creditors concerned is no more than one third of the rate applicable to the debt before the refinancing; and the agreement has been executed as a Spanish public deed by all parties concerned.

(c) In addition, certain refinancing agreements (those that have been approved by at least 51% of the financial creditors and meet the criteria under (a) above other than (ii)) may be sanctioned by the court (*homologación judicial*) and be imposed to certain dissenting creditors:

- all those creditors that have a financial claim against the debtor, irrespective of whether they are subject to financial supervision or not;
- any other creditors that have voluntarily signed up to the refinancing agreement, with the exception of commercial and public sector creditors; and
- secured creditors in certain circumstances (generally when certain majorities of secured creditors have voted in favor of the refinancing agreement).

The majorities required for the courts to sanction a refinancing agreement vary depending on whether the financial liabilities concerned are secured or non-secured and on the effects to be imposed on non-participating or dissenting creditors with the court's approval.

Fraudulent Conveyance Laws

Under Spanish law, in addition to the insolvency claw-back action, the insolvency administrator and any creditor may bring an action to rescind a contract or agreement within four years (*acción rescisoria pauliana*) against its debtor and the third party which is a party to such contract or agreement, provided the same was performed or entered into fraudulently and the creditor cannot obtain payment of the amounts owed in any other way.

Although case law is not entirely consistent, it is broadly accepted that the following requirements must be met in order for a creditor to bring such action:

- the debtor owes the creditor an amount under a valid contract and the fraudulent action took place after such debt was created;
- the debtor has carried out an act that is detrimental to the creditor and beneficial to a third party;

- such act was fraudulent;
- there is no other legal remedy available to the creditor to obtain compensation for the damages suffered; and
- debtor's insolvency, construed as the situation where there has been a relevant decrease in the debtor's estate making it impossible or more difficult to collect the claim.

The existence of fraud (which must be evidenced by the creditor) is one of the essential requirements under Spanish law for the action to rescind to succeed. Pursuant to Article 1,297 of the Spanish Civil Code: (i) agreements by virtue of which the debtor transfers assets for no consideration and (ii) transfers for consideration carried out by parties who have been held liable by a court (*sentencia condenatoria*) or whose assets have been subject to a writ of attachment (*mandamiento de embargo*) will be considered fraudulent. The presumption referred to in (i) above is a *juris et de jure* presumption (cannot be rebutted by evidence), unlike the presumption indicated in (ii) above, which is a *juris tantum* presumption (a rebuttable presumption).

If the rescission action were to be upheld, the third party would be liable to return the consideration received under the contract in order to satisfy the debt owed to the creditor. Following that, the creditor would need to carry out the actions necessary to obtain the amount owed by the debtor. If the consideration received by the third party under the contract cannot be returned to the debtor, the third party must indemnify the creditor for such damages.

Cramdown Effects of Certain Refinancing Agreements

In order to seek protection against clawback, refinancing agreements can be judicially sanctioned (*homologado*) by the commercial court that will be competent to conduct a potential bankruptcy proceeding, upon request by the debtor or by any creditor having entered into such refinancing agreements, if (i) they entail a significant enlargement of debtor's credit or a change in the debt structure by either granting a longer term or replacing previous claims with new ones with longer maturity dates; (ii) they have been subscribed by creditors holding financial liabilities representing, at least, 51% of the debtor's financial liabilities whether or not subject to financial supervision (that is to say the Spanish Recast Insolvency Act excludes public creditors, labor creditors and those of commercial transactions in order to calculate whether the required thresholds are met) at the date of the refinancing agreement; (iii) the debtor's auditor issues a certificate acknowledging that the required thresholds have been reached (in the case of a group a companies, pursuant to certain precedents, the majority arguably refers both individually to each company and to the group as a whole -where the intercompany claims are not taken into account-), and when the company has no auditor, by the one appointed for this purpose; and (iv) the agreement is formalized in a public instrument and the documents that validate its content must be attached. Judicially sanctioned refinancing agreements will not be subject to the bankruptcy claw-back action, but they may be challenged pursuant to general fraudulent conveyance law.

As to the rules to calculate whether the required thresholds have been reached, all creditors holding an interest in a syndicated loan will be deemed to have adhered to the refinancing agreement if it is favorably voted upon by at least 75% of the liabilities represented by the loan, or a lower majority if so established in the syndicated loan agreement. Whether or not the effects beyond those provided by the law or object to homologation can be applied to dissenting creditors, and whether they have standing to object to homologation, is controversial.

The following cramdown effects of homologated refinancing agreements may be imposed on (i) dissenting or non-participating unsecured financial creditors including secured financial creditors to the extent of that part of their secured claim not covered by their security interest, as such security interest is to be valued in accordance with the rules set out by the latest reform of the Spanish Recast Insolvency Act and

(ii) dissenting secured creditors in respect of their secured claims, provided they achieve the thresholds mentioned below:

(a) If the judicially sanctioned refinancing agreement is supported by creditors representing at least 60% of the debtor's financial liabilities, stays of payments may be granted for up to five years or the debt converted into so-called profit participation loans (*préstamos participativos*) of term up to five years.

(b) Further, these effects may be extended to the amount of secured claims of non-participating or dissenting creditors, when the agreement has been entered into by financial creditors holding secured claims which represent at least 65% of the value of all secured claims of the debtor.

(c) If the homologated refinancing agreement is supported by creditors representing at least 75% of the debtor's aggregate financial liabilities:

  (i) stays of payments for up to ten years;

  (ii) haircuts;

  (iii) capitalization of debt. Nevertheless, those creditors that have not supported such refinancing agreement (either because they did not sign the agreement or because they oppose it) may choose between (i) the debt for equity swap contemplated by the agreement; or, as default option, (ii) a discharge of their claims equal to the nominal amount (including any share premium) of the shares/quota shares that would have corresponded to that creditor as a consequence of the relevant debt for equity swap;

  (iv) conversion of debt into profit participation loans of up to ten years, convertible obligations, subordinated loans, payment in kind facilities, or in any other financial instrument with a ranking, maturity and features different to the original debt; and

  (v) assignment of assets or rights as assignment in kind for total or partial payment of the debt (*datio pro solute* or *datio pro solvendo*).

Further, these effects may be extended to the amount of secured claims of non-participating or dissenting creditors, when the agreement has been entered into by financial creditors holding secured claims which represent at least 80% of the value of all secured claims of the debtor.

Temporary special insolvency provisions enacted due to the COVID-19 pandemic

The effects and impact derived from the COVID-19 pandemic have led the Spanish Government to enact a series of regulations that introduce or establish certain temporary measures in the field of insolvency law aimed at the preservation of the Spanish business tissue and the creation of a stable restructuring scenario. These regulations include, mainly, Royal Decree-Law 8/2020, of March 17 (*Real Decreto-ley 8/2020, de 17 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19*), Royal Decree-Law 16/2020, of April 28 (*Real Decreto-ley 16/2020, de 28 de abril, de medidas procesales y organizativas para hacer frente al COVID-19 en el ámbito de la Administración de Justicia*), which was repealed by and its relevant provisions incorporated in Act 3/2020, and Royal Decree-Law 34/2020 (altogether, the "**COVID-19 Regulations**") and which have stayed the obligation to file for insolvency, currently until June 30, 2022 (please note that despite their obligation having been stayed, the directors still have the right to file for insolvency upon current or imminent insolvency and they could be held responsible for worsening the insolvency situation during that period). Among other measures related to debtors which have already filed for insolvency or subject to opened insolvency proceedings or which have entered into composition agreements or refinancing scheme agreements before the enactment of the COVID-19 Regulations, the main measures related to insolvency law introduced by the COVID-19 Regulations summarily include:

(a) Insolvency moratorium: the COVID-19 Regulations entailed the introduction and subsequent extensions of an exemption for directors in relation to their duty to file for insolvency irrespective of whether they have notified the court of the initiation of negotiations for debt restructuring with creditors.

(b) New money provided by specially related persons: the COVID-19 Regulations set forth that as regards insolvency proceedings declared within two years of the declaration of the first state of alarm (*estado de alarma*) in Spain (i.e., March 14, 2020), new money provided by specially related persons and any claims in which such specially related person is subrogated after such date will have the consideration of ordinary claims, thus not subordinated.

(c) Insolvency proceedings and liquidation plans: the COVID-19 Regulations introduced different measures to accelerate insolvency proceedings. In relation to those insolvency proceedings opened within two years of the declaration of the first state of alarm (*estado de alarma*) in Spain (i.e., March 14, 2020), challenges against the list of creditors or assets (*inventario*) will need to be sustained on documentary or expert evidence (*prueba pericial*). In relation to those insolvency proceedings already opened at the date of declaration of the state of alarm (*estado de alarma*) or those opened in the following year, and subject to certain exceptions, all auctions shall be out of court auctions (*subastas extrajudiciales*). Finally, as a general measure, the approval of liquidation plans has been expedited.

Limitation on validity and enforcement of guarantees granted by any Spanish subsidiary

In general terms, under Spanish law, any guarantee or security interest must guarantee or secure a primary obligation to which it is ancillary. The primary obligation must be clearly identified in the guarantee or security agreement, and the nullity or termination of the primary obligation entails the nullity or termination of the ancillary guarantee or security interest. In the event that the guarantor or security provider is able to prove that there are no existing and valid guaranteed or secured obligations, Spanish courts may consider that the guarantor or security provider's obligations under the relevant guarantee or security agreement are not enforceable. In addition, a guarantee or security interest may not be enforced in Spain without having validly accelerated (totally or partially, as applicable) the underlying agreements governing the guaranteed or secured obligations, and may be affected by any amendment, supplement, waiver, repayment, novation or extinction of the secured obligations.

A Spanish court may not accept acceleration (*vencimiento anticipado*) of an agreement if the default were of minimal importance (provided that the parties to the agreement had not specifically provided that certain breaches -no matter how objectively non-material- could give rise to acceleration). To be recognized by the Spanish courts as giving rise to the remedy of acceleration, a default must be considered material. The decision to accelerate an agreement must be based on objective facts and cannot be left to the sole discretion of one party as this would not be permitted by Article 1,256 of the Spanish Civil Code.

Under Spanish law, claims may become time-barred (5 years being the general term established for obligations *in personam* under Article 1,964 of the Spanish Civil Code) or may be or become subject to the defense of set-off or counterclaim. In addition, Article 1,851 of the Spanish Civil Code establishes that an extension granted to a debtor by a creditor without the consent of the guarantor extinguishes the guarantee (in the sense that it is limited to the original term, although case law has established exceptions where the extension benefits both the debtor and the guarantor).

A guarantee such as the guarantee granted by the Spanish Guarantors will be null if the obligations it secures are declared null. The enforcement of guarantees may be limited since the guarantor may not be required to pay any amount in excess of the amount owed by the principal debtor or under conditions that are less favorable than those applying to the principal debtor.

The terms “enforceable”, “enforceability”, “valid”, “legal”, “binding” and “effective” (or any combination thereof) mean that all the obligations assumed by the relevant party under the relevant documents are of a type enforced by Spanish courts; the terms do not mean that these obligations will necessarily be enforced in all circumstances in accordance with their terms. In particular, enforcement before the courts will in any event be subject to:

- the nature of the remedies available in the courts;
- Spanish public policy (overriding mandatory provisions);
- The availability of defenses such as (without limitation), set-off (unless validly waived), circumvention of law (*fraude de ley*), abuse in the exercise of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, statute of limitations, undue influence, fraud, duress, abatement and counter-claim; and
- The obligations under Guarantees granted by the Spanish Guarantors in the form of a *sociedad anónima* shall (i) not extend to any obligation incurred by any company of the Group for the purposes of (a) acquiring shares representing the share capital of such Spanish Guarantor or shares representing the share capital of the holding company of such Spanish Guarantor (or, in case of private limited liability companies (*sociedades de responsabilidad limitada*), also shares representing the share capital of any entity of its group); or (b) refinancing a previous debt incurred by any company of the Group for the acquisition of shares representing the share capital of such Spanish Guarantor or shares representing the share capital of the holding company of such Spanish Guarantor (or, in case of private limited liability companies (*sociedades de responsabilidad limitada*), also shares representing the share capital of any entity of its group), and shall (ii) be deemed not to be undertaken or incurred by a Spanish Guarantor to the extent that the same would constitute unlawful financial assistance within the meaning of Article 150 (for Spanish public limited companies (*sociedades anónimas*)) or Article 143 (for the Spanish private limited liability companies (*sociedades de responsabilidad limitada*) of the Spanish Companies Act, and, in no case, can any of the Guarantees or security interests given by a Spanish Guarantor secure repayment of the above- mentioned funds.

For the purposes of the paragraph above, a reference to a “holding company” of a Spanish Guarantor shall mean the company which, directly or indirectly, owns the majority of the voting rights of such Spanish Guarantor or that may have a dominant influence on such Spanish Guarantor. It shall be presumed that one company has a dominant influence on another company when any of the scenarios set out in section 1 of Article 42 of the Spanish Commercial Code (*Código de Comercio*) are met or when at least half plus one of the members of the managing body of the Spanish guarantors are also members of the managing body or top managers (*altos directivos*) of the dominant company or of another company controlled by such dominant company.

In addition, a reference to the “group” of each Spanish guarantor shall mean the group of companies that have in common the same parent company (as this term is described above).

In addition, Article 158 the Spanish Companies Act provides that the financial assistance restrictions referred to above in relation to transactions targeting shares of a Spanish parent company shall also be applicable to its non-Spanish subsidiaries carrying out such transactions.

In accordance with the abovementioned, the guarantees and security interests granted by Spanish companies belonging to the same group, shall not guarantee those obligations or liabilities which, if guaranteed, will constitute an infringement of Spanish financial assistance laws in accordance with Articles 143.2 and/or 150 of the Spanish Companies Act.

Additionally, the obligations under Guarantees granted by the Spanish Guarantors in the form of a *sociedad de responsabilidad limitada* shall not include any obligations or liabilities which, if incurred, would constitute a breach of Article 401 of the Spanish Capital Companies Act, as interpreted by Spanish courts.

- Where payments under the Guarantees cause the amount of such Spanish subsidiary's net assets (*patrimonio neto*) to fall below half the amount of its stated share capital, the Spanish subsidiary will need to be wound up (*disolverse*), unless its share capital is increased or decreased in the required amount, and provided it is not required to declare its insolvency.

- Guarantees given or created by a Spanish subsidiary may be deemed null and void under Spanish law in the event that all or part of the Issuers' obligations under the Notes which are guaranteed or secured by virtue of such guarantees are null or void, and may be affected by any amendment, supplement, waiver, repayment, novation or extinction of the Issuers' obligations under the Notes.

- Guarantees or security interests granted by a Spanish company in favor of a third party, to secure other group companies' debt may be subject to clawback, on the basis that such guarantees or security interests may be considered as detrimental to the guarantor's estate, if the guarantor is not able to show that there was a tangible and identifiable corporate interest benefit for the guarantor to grant such guarantee or security (beyond an abstract group interest or general mentions to pertinence to the same group of companies or the so-called "group interest"). Whether or not the granting of any upstream guarantee or security by the guarantor is detriment to the guarantor's estate is a factual matter that will need to be proven on a case by case basis (the beneficiary of the guarantee bearing the burden of such proof). Notwithstanding the foregoing, Spanish case law recognizes the interest of the group and, hence, the validity of upstream guarantees.

- If the beneficiary of a guarantee adhered to or votes in favor of a debtor's refinancing agreement or commencement agreement (which contains haircuts), the guarantor shall be able to reduce its liability to the same extent, unless otherwise expressly agreed.

Set-off

The Spanish Insolvency Act generally prohibits set-off of the credits and debts of the insolvent company once it has been declared insolvent, but such set-off whose operating requirements were met before the declaration of insolvency can still apply. However, setoff may be exercised by a determined creditor vis-`a-vis the insolvent company if the governing law of the reciprocal credit right of the insolvent company permits it under insolvency scenarios.

Enforcement of Security Interests governed by Spanish law

The enforcement in Spain of security interests governed by Spanish law will be subject to Spanish rules of civil in-court and out-of-court procedure (including, but not limited to, the Civil Procedure Act 1/2000 of 7 January (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*) as amended from time to time (the "**Spanish Civil Procedure Act**") and the Royal Decree-Law 5/2005, of 11 March (*Real Decreto-ley 5/2005, de 11 de marzo, de reformas urgentes para el impulso a la productividad y para la mejora de la contratación pública*) which implemented in Spain the EU Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements ("**RDL 5/2005**").

The law regulating the enforcement of pledges through auctions organized by notaries as described in the Notary Public Law of May 28, 1862 (*Ley del Notariado de 28 de mayo de 1862*) (the "**Notarial Law**") was significantly amended by Law 15/2015 of July 2, 2015 on Voluntary Jurisdiction (*Ley 15/2015, de 2 de julio, de la Jurisdicción Voluntaria*) ("**Law 15/2015**"). There is a high degree of uncertainty on this new legal framework given that some provisions of the Notarial Law seem to conflict with laws regarding the enforcement of pledges that were not expressly repealed by Law 15/2015. As a result, certain aspects of these types of auctions are open to interpretation. Amendments to the Notarial Law brought about by Law 15/2015 entered into force on October 15, 2015 and there are no leading precedents as of the date hereof that clarify how Law 15/2015 should be applied in practice. Consequently, the clauses in the pledge agreements governing auctions organized by notaries may not be enforceable in accordance with their own terms.

When enforcing security interests governed by Spanish law, the following particularities shall be taken into account:

- if the principal obligation is to be complied with in a jurisdiction other than Spain, it may not be enforceable in Spain to the extent that compliance therewith would be illegal under the laws of the primary jurisdiction, in which circumstances any collateral securing that principal obligation in Spain may also become unenforceable.
- the term “enforceable” means that the obligations assumed by the parties are of a type that the Spanish courts enforce. It does not mean that those obligations will necessarily be enforced in all circumstances in accordance with their terms.
- although Spanish law does not expressly recognize the existence of two or more pledges over the same asset, the existence of two or more pledges over the same assets has become a market practice in Spain and is accepted by the majority of legal scholars although no case law has supported the enforceability of such pledges and it cannot be disregarded that a court could take a different view and consider such pledges inefficient and not admissible in Spain.
- a Spanish court or a Spanish notary may not accept an enforcement of security interests governed by Spanish law in respect of the secured documents based on the breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment undertakings.
- Spanish law does not protect the abusive exercise of rights (i.e., against such an agreement’s purpose and prejudicing third parties) or arbitrary decisions or determinations by one of the parties. Accordingly, Spanish courts may refuse to uphold the termination of an agreement based on an unreasonable, inequitable or bad faith interpretation of one of its events of default or on the breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment undertakings of the secured documents.
- enforceability of any Spanish security documents’ provisions relating to application of enforcement proceeds will be subject to mandatory Spanish law requirements on the order of distributions.
- if a transaction is performed in formal compliance with a Spanish law requirement, but the actual intention is to cover another transaction, a Spanish court will apply the law governing the transaction that was meant to be covered.
- under Spanish law, claims may become time-barred or may be or become subject to the defense of set-off or counterclaim, abuse of rights (*abuso de derecho*), misrepresentation, force majeure, unforeseen circumstances, undue influence, duress or error.
- as regards ordinary pledges (as opposed to pledges without transfer of possession), the Spanish Civil Code requires that the pledgor is deprived of the possession of the pledged asset. Such transfer of possession is a requirement for the valid creation of the ordinary pledge. When the pledge is a pledge over credit rights, which is not regulated by the Spanish Civil Code but generally admitted by scholars and case law, the question is if the actual transfer of possession is substituted by the notice of the creation of the pledge to the debtor of the pledged credit right. Article 271.2 of the Spanish Insolvency Act admits a special privilege to pledges over credit rights if such pledge is contained in a document with true date (*fecha fehaciente*)—normally notarial document—without making any reference about the need of the notice to the debtor for the valid creation of the pledge over credit rights. Notwithstanding this, the practical effect of not notifying the creation of the pledge to the debtor is that, if such debtor effectively pays the credit to its creditor ignoring the existence of the pledge over the credit right, any such payment will have release effects (*efectos liberatorios*) for the debtor and the pledgee will not have recourse against it.

- Spanish law does not regulate expressly, with respect to claims deriving from proceeds obtained through a bond issuance, that security interests may be created only for the benefit of a secured notes trustee. Further, evidence of any potential replacement of the entity acting as secured notes trustee in its position as such will need to be recorded at the relevant Spanish public registry prior to the commencement of any enforcement proceedings if the security was registered at a Spanish public registry in favor of the secured notes trustee.
- the enforcement by Spanish courts of any final judgement for a sum of money in relation to the secured documents obtained against the Spanish Guarantors in any court outside of Spain may be limited by the provisions of Spanish principles of public policy ("*orden público*"). Moreover, the Spanish courts may refuse to apply a provision of the law of the United States if application of that provision would be manifestly incompatible with Spanish public policy ("*orden público*").
- under Spanish law, acts carried out in accordance with the terms of a legal provisions whenever said acts seek a result which is forbidden by or contrary to law, shall be deemed to have been executed in circumvention of law ("*fraude de ley*") and the provisions whose application was intended to be avoided shall apply.
- in accordance with the general principles of Spanish Civil Procedural laws, the rules of evidence in any judicial proceeding cannot be modified by agreement of the parties. Accordingly, provisions in an agreement in which determinations by a party are to be deemed to be conclusive would not be upheld by a Spanish court. A determination, designation, calculation or certificate from one party as to any matter provided in the secured documents might, in certain circumstances, be held by a Spanish court not to be final, conclusive and binding, if it could be shown to have an unreasonable or arbitrary basis or in the event of manifest error despite any provision in the secured documents to the contrary.
- Spanish law precludes the validity and performance of contractual obligations to be left to the discretion of one of the contracting parties. Therefore, Spanish courts may refuse to uphold and enforce terms and conditions of an agreement giving discretionary authority to one of the contracting parties.
- Spanish law limits the enforcement of fixed penalty provisions contained in agreements, allowing the courts to reduce the amount of the penalty payable.
- it is not beyond doubt that the entity acting as secured notes trustee may validly establish a liquidated sum in respect of a claim in a proceeding for the enforcement of security interests governed by Spanish law in accordance with the procedure established in Article 572.2 of the Spanish Civil Procedure Act because the secured documentation does not qualify as self-executing documents under Spanish law and, to the best of our knowledge, the Spanish courts have not handed down a judgment in relation to the applicability of said article to agreements governed by a law other than the Spanish law. Therefore, it may not be disregarded that the enforcement of the Spanish security could require that a judgment be rendered in England establishing the default in respect of the secured obligations and the liquid amount payable thereunder which would then be recognized and enforced in Spain over the assets subject to such Spanish security.
- under Spanish law, nullity or termination of the principal obligation will entail nullity or termination of collateral obligations securing it.
- it is not entirely clear whether RDL 5/2005, would apply to Spanish law security interest securing the Notes. In such case, the enforcement provisions contained therein referred to RDL 5/2005 would not be effective although such security interests could be enforced through any of the other enforcement proceedings permitted by the Spanish law and contemplated in the relevant provisions included in such security interests.

- a certified translation into Spanish by an official translator of any document not executed in Spanish will be required to make such document admissible in evidence in Spain if a translation made by a private translator is challenged by the party not having filed it.

In addition, it should be noted that when granting security for existing debt within the two year suspicious period set out in the Spanish Insolvency Act for example, on the basis of a promissory security given at the time of obtaining such debt, there is a risk that security interests governed by Spanish law may fall within the legal presumption of a harmful act to the debtor's assets provided in Article 226 et seq. of the Spanish Insolvency Act and said security interests created may be challenged (please also refer to "*—Insolvency and Bankruptcy" and "—Hardening Periods and Fraudulent Transfer*").

With regard to security interests governed by Spanish law that need to be registered within a Spanish public registry, in addition to the above it should be noted that:

- such security interests are only duly created as valid security interests, constituting and effective security interest exercisable vis-à-vis third parties, when the notarial deed by which the security interest is granted has been recorded at the relevant Spanish registry.

- the competent Spanish registrar may refuse to register events of default or early termination events stipulated in the secured documents thereunder (irrespective of their governing law) which may be deemed contrary to the principles of Spanish law applicable to rights in rem over assets located in Spain, such as events of default or early termination events based on the breach of obligations, undertakings or covenants which are merely ancillary or complementary to the main payment undertakings of the secured documents. In such case, a Spanish court or a Spanish notary would not accept an enforcement of such security interest based on an event of default or early termination event which has not been registered in the relevant Spanish public registry.

Spanish security interests: second and concurrent pledges

Spanish law is based, inter alia, on the principle of specialty (*principio de especialidad*), by virtue of which a security interest can secure only one main obligation and its ancillary obligations, such as interest, costs, etc. As a general principle, where two different main obligations are to be secured, two different security interests must be created. No statutory provision of Spanish law regulates the possibility of creating concurrently a diversity of pledges of equal rank over the same asset. However, the Spanish common law (*Derecho Común*) recognizes the possibility of having concurrent and second or subsequent ranking real estate mortgages. As a consequence of the above, there are grounds to sustain the effectiveness of concurrent ranking pledges, even though a different view from the competent courts cannot be disregarded.

Separately, Spanish law does not expressly regulate the possibility of creating a single global pledge to secure several obligations. However, global real estate mortgages are regulated by article 153.bis of Spanish Mortgage Law dated February 8, 1946 (*Decreto de 8 de febrero de 1946, por el que se aprueba la nueva redacción oficial de la Ley Hipotecaria*), and global guarantees are expressly recognized by article 98 of Spanish Royal Decree Law 3/2011, of 14 November, which approves the Consolidated Text of the Public Sector Contracts Act (*Real Decreto Legislativo 3/2011, de 14 de noviembre, por el que se aprueba el texto refundido de la Ley de Contratos del Sector Público*) repealed by Law 9/2017, of 8 November, of the Contracts with the Public Sector (*Ley 9/2017, de 8 de noviembre, de Contratos del Sector Público, por la que se transponen al ordenamiento jurídico español las Directivas del Parlamento Europeo y del Consejo 2014/23/UE y 2014/24/UE, de 26 de febrero de 2014*), entering into force on March 9, 2018. In addition, Royal Decree 5/2005, allows the possibility of creating a single pledge to secure several obligations.

As a consequence of the above, there are also grounds to sustain the validity of global pledges, even though a different view from the competent courts cannot be disregarded.

Given the above any security governed by Spanish common law (*Derecho Común*) may be created to secure various obligations (either one security per obligation or as a global security) but to the extent it is not expressly foreseen neither tested by the Spanish courts, a court ruling may come to the conclusion any such security to be void and null.

Likewise, Spanish law is based, inter alia, on the principle of ancillary nature (*principio de accesoriedad*), by virtue of which a security interest, in general terms, under Spanish law, any pledge must secure another obligation to which it is ancillary, which must be clearly identified in the relevant security agreement. Therefore, the security interest follows the underlying obligation in such a way that nullity of the underlying obligation entails nullity of the security and termination of the underlying obligation entails termination of the security.

In the event that the security providers are able to prove that there are no existing and valid guaranteed obligations, Spanish courts may consider that the security providers' obligations under the relevant guarantees or securities are not enforceable.

Trust, Trustee and Security Agent under Spanish law

Spanish law does not expressly recognize the concepts of "trust", "trustee" or "security agent" and there is some uncertainty as to whether a Spanish court would recognize the authority of a trustee or security agent (including the Security Agent), whether this would cause delays in enforcement and the consequences of not being able to enforce the collateral as provided in the relevant security agreements. Although this by itself does not prohibit appointing the Security Agent and/or the applicable Trustee, the absence of regulation creates uncertainty as to how a Spanish court would recognize the Security Agent and/or the applicable Trustee's actions in an enforcement situation. If Spanish-law security documents are entered into only by the security agent and not also by the creditors on account of whom the security agent or trustee would be acting, it can be argued that the security agent would be the only party entitled to enforce the security interest in respect of those obligations, consequently, the security agent may only be able to enforce against the debt it individually holds, and not for the full amount owed to creditors for whom it is acting as security agent. This limitation may be overcome if such creditors grant due and express powers of attorney in favor of the security agent duly notarized and legalized (and, if applicable, duly apostilled in accordance with the Hague Convention of October 5, 1961) in order to represent them in the enforcement proceedings (nonetheless, this may not be effective in the case of judicial enforcement proceedings, where one party cannot represent another by virtue of a power of attorney).

Parallel Debt

The concept of "trust" and/or "parallel debt" (under, for example, the laws of the State of New York or English law) is not recognized under Spanish law and, therefore, guarantees/security interests require that the beneficiary of the guarantee/security interests and the creditor to be the same person. Such guarantee/security interests cannot be held by a third party which does not hold the guaranteed/secured claim but purports to hold guarantees/security interests for the parties that do. As mentioned above, if Spanish law security documents are entered into only by the Security Agent (and not by the creditors on account of whom it would be acting), the Security Agent will be the only party entitled to enforce the guarantees or the security interest in respect of those obligations and it may only be able to do so in respect of the debt it individually holds, and not for the full amount owed to creditors for whom it is acting as security agent unless such creditors grant the formal powers of attorney in its favor (duly notarized and legalized or, if applicable, duly apostilled in accordance with the Hague Convention of October 5, 1961) in order for the Security Agent to represent them in any enforcement proceedings related to Spanish law security documents.

Given that parallel debt structures have not yet been tested under Spanish law and we cannot assure you that by creating any such structure it will eliminate or mitigate the risk of unenforceability posed by such applicable law. If any challenge to the validity, perfection or enforceability of the security interests created by the securities were successful, the holders of the Notes may be unable to enforce the security.

Also, under Spanish law, in the event that the relevant obligor enters into insolvency proceedings, the securities or the parallel debt obligation could be subject to potential challenges by an insolvency administrator, the obligor itself or by other creditors of such obligor under the rules of avoidance or clawback of Spanish insolvency laws and the relevant law on the non-insolvency avoidance or clawback of transactions by the debtor.

Corporate benefit in cross-collateral security structures

A Spanish Guarantor will be creating the Spanish security as security of the Notes issued by a company of the group receiving the financing under the Notes, so it can be argued whether such Spanish Guarantor has obtained a corporate benefit for granting the relevant guarantee or collateral over its assets.

Unlike other jurisdictions, there is no concept of ''corporate benefit'' expressly regulated under the Spanish Companies Act or any other piece of legislation, however, Spanish lower courts, particularly Spanish commercial courts (*Juzgados de lo Mercantil*) ruling on insolvency matters, are declaring null or rescinding upstream guarantees by applying the rebuttable presumption of actions detrimental to the estate of an affiliate granting guarantees or security interests in favor of the liabilities incurred by a parent company and/or other companies of its group for the purposes of Article 226 of the Spanish Insolvency Act (i.e. rescission or claw-back of these actions during the two year hardening period prior to the date of declaration of insolvency, irrespective of the existence of fraudulent intent), when the obligations guaranteed or secured does not provide for a direct benefit to the Spanish company granting such guarantee or security interest.

Some decisions by the Spanish Supreme Court are ruling in favor of the validity and enforceability of such guarantees and security interests to the extent proof can be given that amounts can be borrowed directly by the company granting the guarantee or security interest or indirectly on-lent or otherwise made available to such company under a intercompany loan agreement, equity contribution or similar arrangement, also taking into account any indirect benefits deriving from the enhancement of the financial position of the group of companies to which such company belongs and the granting of parent guarantees, indemnities and comfort letters for which the relevant company obtains most favorable economic and financial conditions under its contractual relationships with suppliers and other counterparties, in accordance with Spanish case law existing as for the construction of the concept of ''compensatory advantage'' (*ventaja compensatoria*).

However, it cannot be conclusively ensured that further proof of the actual existence of benefits and compensatory advantages would need to be delivered to court, to the insolvency administrator and/or the insolvency court in the event of an insolvency scenario where the claims of the holders of the Notes, particularly as ''special privilege claims'' may be challenged if the insolvency administrator or other creditors may allege that such corporate benefit did not exist.

Financial collateral

There is no consolidated case law on the application and interpretation of RDL 5/2005 with regard to financial collateral and therefore it is not possible to predict the position a Spanish court would take or the potential implications on the security interests of the Spanish Guarantors declaring insolvency. In particular, as regards the scope *ratione materiae* of RDL 5/2005, the EU Court of Justice judgment dated November 10, 2016 (Case 156/15), upholds a broad interpretation of the terms “principal obligation” and “secured obligation” as used in Directive 2002/47, transposed into Spanish law under RDL 5/2005. Thus, the Court considers that these terms must be considered to cover any obligation granting a right to cash settlement. In Spain, to date, there has been no Supreme Court ruling in that regard. However, the Barcelona Court of Appeal ruled in the same terms in its judgment of September 30, 2008.

Applicable Jurisdiction

The applicable jurisdiction to conduct an insolvency proceeding is the one in which the insolvent party has its "centre of main interests" ("COMI"). This COMI is deemed to be where the insolvent party conducts the administration of its interests on a regular basis and which may be recognized as such by third parties. Insolvency proceedings conducted by the court of the COMI are considered "the principal insolvency proceedings" and have universal reach affecting all the assets of the insolvent party worldwide, with certain exceptions, such as security interests over assets located outside of Spain. If the "centre of main interests" is not in Spain, but the insolvent party has a permanent establishment in Spain, Spanish courts will only have jurisdiction over the assets located in Spain (the "territorial insolvency proceedings").

Article 263.2 of the Spanish Insolvency Act provides that creditors holding a third-party guarantee will be recognized in the insolvency proceedings in their full amount without any limitation and without prejudice to the fact that if the guarantor is subrogated in the creditor's place, where the guarantee is enforced the claim of the guarantor will be classified in accordance with the ranking corresponding to the creditor or the guarantor whatever is better for the insolvent's state interest.

In the event Spanish courts have jurisdiction, Article 261 of the current Spanish Insolvency Act may apply, in which case the claims of the beneficiaries of the guarantee provided by the Spanish Guarantors may be classified as "contingent" claims and no amount may be recognized until and when a default occurs and the guarantee is validly enforced. Nor will they have voting rights Special rules can apply if the guarantee is not a first demand guarantee but an ordinary guarantee (*fianza*) and, therefore, the benefits of preference (*excusión*), order (*orden*) and division (*división*) apply.

Luxembourg

Guarantees

The Luxembourg law dated August 10, 1915, as amended, on commercial companies (the "**Companies Law 1915**") does not specifically provide for rules governing the ability of any guarantor or security provider incorporated in Luxembourg (a "**Luxembourg Obligor**") to guarantee or secure the indebtedness of another entity of the same group. Within a group of companies, the corporate interest (*intérêt social*) of each individual corporate entity could, to a certain extent, be tempered by, and subordinated to, the interest of the group.

Reciprocal assistance from one group company to another does not necessarily conflict with the interests of the assisting company. However, this assistance must be in proportion with the real financial means of the assisting company. A Luxembourg Obligor may give guarantees or grant security interests provided that doing so is covered by its corporate object and is in its best interests. The test regarding such Luxembourg Obligor's corporate interest is whether in granting the guarantee or security interest the Luxembourg Obligor receives some (direct or indirect) benefit in return (such as an economic or commercial benefit) and whether the benefit is proportional to the burden of the assistance. A guarantee that substantially exceeds the guarantor or security grantor's ability to meet its obligations to the beneficiary of the guarantee or the security interest and to its other creditors would expose its directors or managers (as applicable) to personal liability. Furthermore, under certain circumstances, the directors or managers (as applicable) of a Luxembourg company might incur criminal penalties based on the concept of misappropriation of corporate assets (article 1500-11 of the Companies Law 1915). Under certain circumstances, the guarantee or security interest granted could be declared null and void.

A guarantee, to the extent it is granted by a Luxembourg Obligor could, if submitted to a Luxembourg court, depending on the terms of such guarantee, possibly be construed by such court as a suretyship (*cautionnement*) and not a demand guarantee or an independent guarantee. Article 2012 of the Luxembourg Civil Code provides that the validity and the enforceability of a suretyship (which constitutes an accessory obligation) are subject to the validity of the underlying obligation. It follows that if the Notes were invalid or challenged, it cannot be excluded that the Luxembourg Obligor would be released from its liabilities under its guarantee.

Insolvency

Under Luxembourg insolvency laws, the following types of proceedings (together, "**Insolvency Proceedings**") may be opened against a Luxembourg Obligor to the extent that it has its principal establishment (*établissement principal*) or its center of main interests (*centre des intérêts principaux*) (for the purposes of the Recast Insolvency Regulation) in Luxembourg:

- bankruptcy proceedings (*faillite*)
- controlled management proceedings (*gestion contrôlée*); and
- composition proceedings (concordat préventif de la faillite).

In addition to these proceedings, the ability of the holders of Notes to receive payment under the Notes may be affected by a decision of the Luxembourg District Court sitting in commercial matters (*Tribunal d'arrondissement siégeant en matière commerciale*) granting suspension of payments (*sursis de paiements*) or putting the Luxembourg Obligor into judicial liquidation (liquidation judiciaire).

Bankruptcy (faillite)

General administration of bankruptcy proceedings

The opening of bankruptcy proceedings may be requested by the Luxembourg Obligor or by any of its creditors. Following such a request, the Commercial District Court having jurisdiction may open bankruptcy proceedings in the event that the Luxembourg Obligor (a) has ceased to make payments (*cessation de paiements*) (meaning that the Luxembourg Obligor does not pay its debts as they fall due) and (b) has lost its commercial creditworthiness (*ébranlement de crédit*) (meaning that the Luxembourg Obligor no longer has the ability to obtain financing at normal commercial terms). If the Commercial District Court considers that these conditions are met, it may open bankruptcy proceedings on its own motion, absent a request made by the Luxembourg Obligor or a creditor.

If the Commercial District Court declares a company bankrupt, it will appoint one or more bankruptcy receivers (*curateur*(s)), depending on the complexity of the proceedings and a supervisory judge (*juge-commissaire*) to supervise the bankruptcy proceedings.

The period within which creditors must file their proof of claims (*déclaration de créance*) is specified in the judgment adjudicating the company bankrupt. Claims filed after such period may nevertheless be taken into account by the bankruptcy receiver subject to certain limitations as to distributable proceeds.

The bankruptcy receiver takes over the management and control of the company in place of the directors or the managers. The bankruptcy receiver will realize the company's assets and distribute the proceeds to the company's creditors in accordance with the statutory order of payment and, if there are any funds left, to the bankrupt company's shareholders. The bankruptcy receiver represents the company as well as the creditors collectively (*masse des créanciers*).

The bankruptcy receiver will need to obtain the Commercial District Court's permission for certain acts, such as agreeing to a settlement of claims or deciding to pursue the business of the company during the bankruptcy proceedings.

Bankruptcy is a matter of public policy, which generally delays the process and limits restructuring options of the group to which the bankrupt company belongs. On the closing of the bankruptcy proceedings, the bankrupt company will normally be dissolved.

Effects of bankruptcy proceedings

The main effect of bankruptcy proceedings is the suspension of all measures of enforcement against the Luxembourg Obligor, except, subject to certain limited exceptions, for secured creditors, and the payment of creditors in accordance with their rank upon the realization of the assets of the Luxembourg Obligor.

As from the judgment declaring the Luxembourg Obligor bankrupt, outstanding debts of the Luxembourg Obligor (which are not yet due) will be accelerated and the creditors of the Luxembourg Obligor can file their proof of claims with the Luxembourg District Court sitting in commercial matters.

In principle, contracts of the bankrupt company are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company was crucial (*intuitu personae* agreements) for the other party. However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy or the initiation of bankruptcy proceedings are generally held as being valid. The receiver may choose to terminate contracts of the company subject to the obligations that the Luxembourg Obligor may have to perform first its obligations (rule of *exceptio non adimpleti contractus*) and the creditors' interest.

Unsecured claims will, in the event of a liquidation of the Luxembourg Obligor, only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant entity that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- salaries, wages, and indemnities owed to employees resulting from the execution or the termination of an employment contract.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors of the Luxembourg Obligor (except after enforcement and to the extent a surplus is realized and subject to application of the relevant priority rules, liens and privileges arising mandatorily by law). During insolvency proceedings, all enforcement measures by unsecured creditors of the Luxembourg Obligor are suspended.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the Luxembourg Obligor during the pre-bankruptcy hardening period (*période suspecte*) which is a period of a maximum of six months preceding the judgment declaring bankruptcy, except that in certain specific situations the Commercial District Court may set the start of the suspect period at an earlier date. In particular:

- pursuant to article 445 of the Luxembourg code of commerce, some transactions (in particular, the granting of a security interest for antecedent debts, save in respect of financial collateral arrangements within the meaning of the Luxembourg law of August 5, 2005 on collateral arrangements, as amended (the "**Collateral Law 2005**"); the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange (unless, arguably, that method of payment was agreed from inception); transactions without consideration or with substantially inadequate consideration entered into during the suspect period (or the ten days preceding it)) are null and void by operation of law;

- pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to setting aside by the Commercial District Court upon proceedings initiated by the bankruptcy receiver, if they were concluded with the knowledge of the bankrupt's cessation of payments save in respect of financial collateral arrangements within the meaning of the Collateral Law 2005; and

- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg civil code (*action paulienne*), the bankruptcy receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud (but only on the basis of article 1167 of the Luxembourg civil code), made prior to the bankruptcy, without any time limit.

The Collateral Law 2005 provides that with the exception of the provisions of the Luxembourg law of January 8, 2013 on over-indebtedness (*surendettement*) (which only apply to natural persons), the provisions of Book III, Title XVII of the Luxembourg Civil Code, the provisions of Book 1, Title VIII of the Luxembourg Commercial Code, the provisions of Book III of the Luxembourg Commercial Code and the national or foreign provisions governing reorganization measures, winding-up proceedings or other similar proceedings and attachments are not applicable to financial collateral arrangements (such as Luxembourg pledges over shares of Luxembourg private or public limited companies or receivables) and shall not constitute an obstacle to the enforcement and to the performance by the parties of their obligations. Certain preferred creditors of the Luxembourg Obligor (including the Luxembourg tax, social security and other authorities) may have a privilege that ranks senior to the rights of the secured or unsecured creditors.

Controlled management proceedings (gestion contrôlée)

General administration of controlled management proceedings

A company, which has lost its commercial creditworthiness (*ébranlement de crédit*) or which is not in a position to completely fulfil its obligations, can apply for the regime of controlled management in order either (i) to restructure its business or (ii) to realize its assets in good condition. An application for controlled management can only be made by the company.

The loss of commercial creditworthiness (*ébranlement de crédit*) is identical to the credit test applied in bankruptcy proceedings. As to the second criterion (that is, the case where a company is not in a position to completely fulfil its obligations), a broad view of the total situation of the company is taken. Controlled management proceedings are only available for good-faith debtor. Controlled management proceedings are rarely used as they are not often successful and generally lead to bankruptcy proceedings. They are occasionally applied to companies, in particular holding or finance companies, which are part of an international group and whose inability to meet obligations results from a default of group companies.

The proceedings are divided into three steps:

- The company must file an application with the Commercial District Court. The Commercial District Court can reject the application because (i) the company has already been declared bankrupt or (ii) the evidence brought forward by the company does not ensure the stabilization and the normal exercise of the company's business or improve the realization of the company's assets in better conditions. If the application is upheld at this stage, the Commercial District Court will appoint an investigating judge (*juge délégué*) to make a report on the overall situation of the company.

- Once the investigating judge has delivered a report, the Commercial District Court may (i) turn down the application on the ground that the proposals made by the applicant are unlikely to lead to the reorganization of the business or the realization of the assets in better conditions or (ii) appoint one or more administrators (*commissaires*) who will supervise the management of the assets of the company. If the Commercial District Court ascertains that the company is unable to pay its creditors (i.e., the company has ceased its payments (*cessation de paiements*)), it may set the date as from which the company will be deemed to have been in such situation. Such date may be set up to six months prior to the filing of application for controlled management proceedings. However, bankruptcy may only be declared if the two conditions for bankruptcy are met (cessation of payment (*cessation de paiements*) and loss of commercial creditworthiness (*ébranlement de crédit*)), and if the application has been dismissed either before or after consideration of the report by the investigating judge or after the reorganization plan proposed by the administrators (*commissaires*) at the third step described below. The administrators will draw up the inventory of the assets as well as the financial situation of the company. They are also in charge of the annual accounts of the company. The administrators may also prescribe any act they consider to be in the interests of the applicant or its creditors. The administrators have to be convened at any meeting of the board of directors or of the board of managers (as applicable). They may attend all board meetings but have no voting rights. They have the right to convene such board meetings.

- The administrators will draft a reorganization plan in respect of the applicant's business or a plan for realization of the assets, within the deadlines set forth by the Commercial District Court. The plan shall equitably take into account all interests involved and will comply with the ranking of mortgages (*hypothèques*) and privileges (*privilèges*) as required by law, without taking into account any contractual clause regarding termination, penalties or acceleration. The administrators will notify the draft plan to the creditors, joint debtors and guarantors. Within 15 days of such notification or publication, the creditors will inform the Commercial District Court whether they agree or object to the draft plan. Any creditor who abstains will be considered as having adhered to the plan. The creditors, the company, the joint debtors and the guarantors may submit written observations to the Commercial District Court. The Commercial District Court may (i) approve the plan if a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the company's liabilities have agreed thereto or (ii) disagree with the plan proposed by the administrators even though a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the company's liabilities have agreed to such plan, in which case the application for controlled management will be dismissed or (iii) ask the administrators to propose an amended plan (such amended plan will have to be submitted again to the creditors). The judgment approving the plan will be binding upon the company and its creditors, joint debtors and guarantors. The fees of the administrators will be fixed by the Commercial District Court and will be borne by the company. The administrators who at the same time are creditors of the applicant are not entitled to any fees.

Effects of controlled management proceedings

As from the day of the appointment of the investigating judge and up to the final decision on the application for controlled management, any subsequent enforcement proceedings or acts, even if initiated by privileged creditors (including creditors who have the benefit of pledges (*gages*) and mortgages (*hypothèques*)) are stayed, save as provided for by the Collateral Law 2005. The company may not enter into any act of disposition, mortgage or contract or accept any movable asset without the authorization of the investigating judge.

Once the administrators have been appointed, the company may not carry out any act (including receiving funds, lending money, granting any security or making any payment) without the prior authorization of the administrators. The administrators may bring any action before the Commercial District Court in order to have any act made in violation of the legislation governing the controlled management or in fraud of the creditors' rights be set aside. Subject to the prior authorization of the Commercial District Court, they may bring an action (i) to have the directors, managers or the statutory auditor held liable or (ii) if the Commercial District Court has declared the company to be in cessation of payments, to have certain payments, set-offs (*compensations*) or security interests set aside (under certain conditions set forth in Articles 445 *et seq.* of the Luxembourg code of commerce).

Preventive composition proceedings (concordat préventif de la faillite)

General administration of preventive composition proceedings

A company may enter into preventive composition proceedings (*concordat préventif de la faillite*) in order to resolve its financial difficulties by entering into an agreement with its creditors, the purpose of which is to avoid bankruptcy.

Preventive composition proceedings may only be applied for by a company which is in financial difficulty. Similar to controlled management proceedings, the preventive composition proceedings are not available if the company has already been declared bankrupt by the Commercial District Court or if the company is acting in bad faith. The application for the composition proceedings can only be made by the company and must be supported by proposals of composition.

The Commercial District Court will delegate to a delegated judge (*juge délégué*) the duty to verify, and to prepare a report on, the situation of the company. Based on such report, the Commercial District Court will decide whether or not to pursue the preventive composition proceedings. If the Commercial District Court considers that the procedure should not be pursued, it will in the same judgment declare the bankruptcy of the company (which bankruptcy may also be declared during the composition proceedings if the conditions for the composition proceedings are not met). If the Commercial District Court considers that the procedure may be pursued, it will set the place, date and hour of a meeting (*assemblée concordataire*) at which the creditors will be convened. The delegated judge will make its report at the *assemblée concordataire*.

The composition may only be adopted if a majority of the creditors representing, by their unchallenged claims, three-quarters of the company's debt, has adhered to the proposal and if the composition has been approved by the Commercial District Court. Creditors benefiting from mortgages (*hypothèques*), privileges (*privilèges*) or pledges (*gages*) only have a deliberating voice in the operations of the concordat, if they renounce the benefit of their mortgages, privileges or pledges. The vote in favor of the *concordat* entails renunciation. The renunciation may be limited by the secured creditors to only a portion (but representing at least 50% in value) of their claims with corresponding voting rights.

The composition has no effect on the claims secured by a mortgage, privilege or pledge and on claims by the tax authorities. If the application results in a composition arrangement sanctioned by the Commercial District Court, the composition could still either be annulled (if it has not been executed) or terminated (in the case of fraud or the bad faith of the company). In such scenarios, the Commercial District Court may adjudicate the company bankrupt. The bankruptcy judgment can decide to set the date of cessation of payment to the date of the application for the preventive composition proceedings. If that date is less than six months prior to the bankruptcy judgment, the court can of course set the cessation of payment date at six months prior to its judgment.

Preventive composition proceedings are rarely used in practice since they are not binding upon secured creditors.

Effects of composition proceedings

The company's business activities continue during the preventive composition proceedings. While the composition is being negotiated, the company may not dispose of, or grant any security over, any assets without the approval of the delegated judge. Once the composition has been agreed by the Commercial District Court, this restriction is lifted. However, the company's business activities will still be supervised by the delegated judge.

Unsecured creditors may not take action against the company to recover their claims while the composition is being negotiated. Secured creditors who do not participate in the composition proceedings may take action against the company to recover their claims and to enforce their security. Security interests governed by the Collateral Law 2005 are not affected by composition proceedings. Fraudulent transactions which took place before the date on which the Commercial District Court commenced preventive composition proceedings may be set aside (please see the bankruptcy proceedings section above).

Suspension of payments proceedings (sursis de paiements)

General administration of a suspension of payments proceedings

A suspension of payments (*sursis de paiements*) for commercial companies is different from the *sursis de paiement* proceedings available to banks and insurance companies. It can only be applied to a company which, as a result of extraordinary and unforeseeable events, has to temporarily cease its payments but which has on the basis of its statement of financial position sufficient assets to pay all amounts due to its creditors. The suspension of payments may also be granted if the situation of the applicant, even though showing a loss, presents serious elements of reestablishment of the balance between its assets and its debts.

The purpose of the suspension of payments proceedings is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time after a complex proceeding involving both the Commercial District Court and the *Cour supérieure de justice* and the approval by a majority of the creditors representing, by their claims, three-quarters of the company's debts (excluding claims secured by privilege (*privilège*), mortgage (*hypothèque*) or pledge (*gage*)).

The suspension of payments is, however, not for general application, which is one of the main reasons it has lost its attractiveness. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the suspension of payment and has no effect as far as taxes and other public charges or secured claims (by right of privilege, mortgage or pledge) are concerned.

Effects of suspension of payments proceedings

During the suspension of payments, ordinary creditors cannot open enforcement proceedings against the debtor or the debtor's assets. This stay on enforcement does not extend to preferred creditors, or to creditors which are secured by mortgages (*hypothèques*), pledges (*gages*) or financial collateral arrangements governed by the Collateral Law 2005. The debtor continues to manage its own business under the supervision of a court-appointed administrator, who must approve most of the transactions carried out by the debtor.

When a suspension of payments ends, the stay on enforcement is terminated and the debtor's directors can run the business again. The above disclosure in relation with Luxembourg insolvency proceedings is subject to possible changes due to the introduction of a bill 6539 filed with the Luxembourg Chamber of Députés on February 1, 2013 (the "**Bill**"). The measures discussed in the Bill aim at replacing current proceedings such as *concordat préventif de la faillite*, *sursis* and *gestion contrôlée* and will also introduce new provisions aiming at assisting companies facing financial difficulties in continuing their operations.

The Bill is currently discussed at the Luxembourg Chamber of Députés and there is not possibility of knowing when it will be adopted. If it were to be adopted, the above-mentioned procedures will be substantially amended.

Judicial liquidation (liquidation judiciaire)

Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious violation of the Luxembourg commercial code or of the laws applicable to commercial companies, including the Companies Law 1915.

Luxembourg courts may decide to apply the rules applicable to bankruptcy proceedings.

Effects of opening of Luxembourg insolvency proceedings on security interests governed by the Collateral Law 2005

The Collateral Law 2005 expressly provides that financial collateral arrangements (including pledges) including enforcement measures are valid and enforceable even if entered into during the pre-bankruptcy period, against third parties including supervisors, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting anyone of the parties.

Limitation on enforcement of security interests

According to Luxembourg conflict of laws rules, the courts in Luxembourg will generally apply the *lex rei sitae* or *lex situs* (the law of the place where the assets or subject matter of the security interests (such as a pledge) are situated) in relation to the creation, perfection and enforcement of security interests over such assets. As a consequence, Luxembourg law will apply in relation to the creation, perfection and enforcement of pledges over assets located or deemed to be located in Luxembourg, such as registered shares in Luxembourg companies, bank accounts held with a Luxembourg financial institution, receivables or claims governed by Luxembourg law and/or having debtors located in Luxembourg, tangible assets located in Luxembourg, securities which are held through an account located in Luxembourg, bearer securities physically located in Luxembourg, etc.

The Collateral Law 2005 governs the creation, validity, perfection and enforcement of pledges over shares (such as registered shares in Luxembourg companies or bearer shares physically located in Luxembourg), bank accounts and receivables located or deemed to be located in Luxembourg. Under the Collateral Law 2005, the perfection of pledges depends on certain registration, notification and acceptance requirements. A share pledge over registered shares in a Luxembourg company must be (i) acknowledged and accepted by the company which has issued the shares (subject to the pledge) and/or (ii) registered in the shareholders' register of such company. If future shares are pledged, the perfection of such pledge will require additional notification to such company and/or registration in the shareholders' register of such company. A pledge under a receivables pledge agreement will be validly created and perfected provided that the pledge under such receivables pledge agreement is executed by the parties thereto. However, if the debtor has not been notified of such receivables pledge or if it did not otherwise acquire knowledge of the pledge, it will be validly discharged of its obligations if it pays the pledgor. A bank account pledge agreement must be notified to and accepted by the account bank so as to ensure that the account bank has waived any pre-existing security interests and other rights in respect of the relevant account. If (future) bank accounts are pledged, such additional notification to, acceptance and waiver by the account bank will be required.

Article 11 of the Collateral Law 2005 sets out enforcement remedies available upon the occurrence of an enforcement event, including, but not limited to:

- appropriation by the pledgee or appropriation by a third party of the pledged assets at a value determined in accordance with a valuation method agreed upon by the parties;
- sell or cause the sale of the pledged assets (i) in a private transaction at normal commercial terms (*conditions commerciales normales*), (ii) by a public sale at the stock exchange (if listed shares) or (iii) by way of a public auction;
- court allocation of the pledged assets to the pledgee in discharge of the secured obligations *following* a valuation made by a court-appointed expert; or
- set-off between the secured obligations and the pledged assets.

As the Collateral Law 2005 does not provide any specific time periods and depending on (i) the method chosen, (ii) the valuation of the pledged assets, (iii) any possible recourses and (iv) the possible need to involve third parties, such as, e.g., courts, stock exchanges and appraisers, the enforcement of the pledges might be substantially delayed.

The Collateral Law 2005 expressly provides that financial collateral arrangements (including pledges and transfer of title by way of security), including enforcement measures, are valid and enforceable, even if entered into during the hardening period, against third parties including supervisory, receivers, liquidators and any other similar persons or bodies irrespective of any bankruptcy, liquidation or other situation, national or foreign, of composition with creditors or reorganization affecting any one of the parties.

Foreign law governed security interests and the powers of any receivers/administrators may not be enforceable or recognized in respect of assets located or deemed to be located in Luxembourg. Security interests or arrangements, which are not expressly recognized under Luxembourg law and the powers of any receivers or administrators might not be recognized or enforced by the Luxembourg courts, even over assets located outside of Luxembourg, in particular where the relevant Luxembourg security provider or Luxembourg guarantor becomes subject to Luxembourg insolvency proceedings or where the Luxembourg courts otherwise have jurisdiction because of the actual or deemed location of the relevant rights or assets, except if "main insolvency proceedings"(as defined in the Recast Insolvency Regulation) are opened under Luxembourg law and such security interests or arrangements constitute rights in rem over assets located in another Member State in which the Recast Insolvency Regulation applies in accordance with article 5 of the EU Insolvency Regulation.

While the Collateral Law 2005 recognizes the validity and enforceability of outright transfers of title to "assets" (which are defined as financial instruments and claims, together, the "**Collateral Law Assets**") against third parties, administrators, insolvency receivers, liquidators and other similar persons notwithstanding the existence of a reorganization measure, liquidation proceedings or the occurrence of any competing claims between creditors, whether located in Luxembourg or not, it is untested and legally questionable whether assets transferred by way of security (as contemplated by the first-ranking assignment) (other than the Collateral Law Assets) would benefit from the provisions of the Collateral Law 2005.

The perfection of the security interests created pursuant to pledge agreements does not prevent any third party creditor from seeking attachment or execution against the assets, which are subject to the security interests created under the pledge agreements, to satisfy their unpaid claims against the pledgor. Such creditor may seek the forced sale of the assets of the pledgors through court proceedings, although the beneficiaries of the pledges will in principle remain entitled to priority over the proceeds of such sale (subject to preferred rights by operation of law).

Finally, the appointment of a foreign security agent will be recognized under Luxembourg law (i) to the extent that the designation is valid under the law governing such appointment and (ii) subject to possible restrictions. Generally, according to paragraph 2(4) of the Luxembourg Collateral Law 2005, a security (financial collateral) may be provided in favour of a person acting on behalf of the collateral taker, a fiduciary or a trustee in order to secure the claims of third party beneficiaries, whether present or future, provided that these third-party beneficiaries are determined or may be determined. Without prejudice to their obligations vis-a-vis third-party beneficiaries of the security, persons acting on behalf of beneficiaries of the security, the fiduciary or the trustee benefit from the same rights as those of the direct beneficiaries of the security aimed at by such law.

TAXATION

Taxation in Spain

The following is a general description of certain Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Holders of the Notes should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Spain of acquiring, holding and disposing of the Notes and receiving any payments under the Notes. The information contained within this section is based upon the law as in effect on the date of this document and is subject to any change in law that may take effect after such date.

In the event of an issue of unlisted Notes, the applicable tax regime will be set out in the applicable final terms.

Introduction

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

(i) of general application, First Additional Provision of Law 10/2014 and Royal Decree 1065/2007, of 27 July;

(ii) for individuals resident for tax purposes in Spain which are subject to the Personal Income Tax ("PIT"): (i) 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; (ii) Royal Decree 439/2007, of 30 March, promulgating the PIT Regulations; along with (iii) Law 19/1991, of 6 June, on Net Wealth Tax and (iv) Law 29/1987, of 18 December on the Inheritance and Gift Tax; all as amended from time to time;

(iii) for legal entities resident for tax purposes in Spain which are subject to the Corporate Income Tax ("CIT"): (i) Law 27/2014, of 27 November, on CIT and (ii) Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations; all as amended from time to time; and

(iv) for individuals and entities who are not resident for tax purposes in Spain which are subject to the Non-Resident Income Tax ("NRIT") (i) Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law; (ii) Royal Decree 1776/2004 of 30 July promulgating the NRIT Regulations; along with (iii) Law 19/1991, of 6 June, on Net Wealth Tax and (iv) Law 29/1987, of 18 December, on the Inheritance and Gift Tax; all as amended from time to time.

This analysis is a general description of the tax treatment under the currently in force Spanish legislation, without prejudice of regional tax regimes in the Historical Territories of the Basque Country and the Community of Navarre, or provisions passed by Autonomous Communities which may apply to investors for certain taxes.

Indirect taxation

Whatever the nature and residence of the beneficial owner, the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, *i.e.*, exempt from Transfer Tax, Stamp Duty and Value Added Tax, in accordance with article 314 of the Consolidated Text of the Spanish Securities Market Law, approved by the Royal Legislative Decree 4/2015, of 23 October; as amended from time to time.

Individuals with Tax Residency in Spain

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

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 individuals 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 being considered tax-resident in Spain.

Both interest payments periodically received and income derived from the transfer, redemption or repayments of the Notes obtained by individuals who are resident in Spain constitute a return on investment obtained from the transfer of a person's own capital to third parties in accordance with the provisions of Section 25 of the PIT Law, and therefore must be included in the investor's PIT savings taxable base pursuant to the provisions of the aforementioned law and generally taxed at a flat rate of (i) 19% on the first €6,000; (ii) 21% from €6,001 up to €50,000; (iii) 23% for taxable income between €50,000.01 and €200,000; and (iv) 26% for any amount in excess of €200,000.

As a general rule, both types of income are subject to a withholding tax on account at the rate of 19 per cent.

However, according to Section 44.5 of Royal Decree 1065/2007, and in the opinion of the Issuer, the Issuer will pay interest without withholding to individual holders who are resident for tax purposes in Spain provided that the information about the Notes required by Annex I is submitted, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation. In addition, income obtained upon transfer, redemption or exchange of the Notes may also be paid without withholding.

Notwithstanding the above, withholding tax at the applicable tax rate of 19% may have to be deducted by other entities (such as depositaries, custodians or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spain. Amounts withheld may be credited against the final PIT liability.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Net Wealth Tax may be levied in Spain on resident individuals, on a worldwide basis. Law 4/2008, of 23 December introduced a 100 per cent. relief (*bonificación del 100 por cien*) on the Net Wealth Tax. Although, for the years 2011 to 2020 the Spanish Central Government repealed the 100 per cent. relief (*bonificación del 100 por cien*) of this tax and the Law 11/2020, dated 30 December, has restored it on an indefinite basis, the actual collection of this tax depends on the regulations of each Autonomous Community. Thus, investors should consult their tax advisers according to the particulars of their situation.

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 relevant legislation in an autonomous region (*Comunidad Autónoma*). Therefore, they should take into account the value of the Notes which they hold as of December 31 in each year, the applicable rates ranging between 0.2% and 3.5% although the final tax rates may vary depending on any applicable regional tax laws, and some reductions may apply.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over the Notes by inheritance, gift or legacy will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and State rules. The applicable tax rates currently range between 0% (full exemption) and 81.6% depending on relevant factors.

Legal Entities with Tax Residency in Spain

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 are subject to CIT at the current general tax rate of 25% in accordance with the rules for this tax. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Pursuant to Section 61.s of the CIT Regulations, there is no obligation to make a withholding on income obtained by taxpayers subject to Spanish CIT (which for the avoidance of doubt, include Spanish tax resident investment funds and Spanish tax resident pension funds) 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 Spanish Tax Authorities ("**Dirección General de Tributos**") 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 their final CIT liability.

Notwithstanding the above, in accordance with Section 44.5 of Royal Decree 1065/2007, and in the opinion of the Issuer, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold tax on income payments to Spanish CIT taxpayers provided that the information about the Notes required by Annex I is submitted, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Legal entities resident in Spain for tax purposes are not subject to Net Wealth Tax.

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 must include the market value of the Notes in their taxable income for Spanish CIT purposes.

Individuals and Legal Entities with no tax residency in Spain

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

(a) *With 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 "*Taxation in Spain-Legal Entities with Tax Residency in Spain—Corporate Income Tax (Impuesto sobre Sociedades)*". Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

(b) *With no permanent establishment in Spain*

Both interest payments received periodically, and income derived from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes and who do not act, with respect to the Notes, through a permanent establishment in Spain, are exempt from NRIT.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner detailed under "—*Simplified Information Procedures*" as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied within the manner indicated, the Issuer will withhold at the general rate of 19% and the Issuer will not pay additional amounts.

Holders not resident in Spain for tax purposes and entitled to exemption from NRIT but where the Issuer does not timely receive the information about the Notes in accordance with the procedure described in detail as set forth in Annex I hereto would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

Net Wealth Tax (Impuesto sobre el Patrimonio)

Individuals who are 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 located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject during the tax year 2019 to Net Wealth Tax, the applicable rates ranging between 0.2% and 3.5%.

Holders who are not tax resident in Spain may be entitled to apply the specific regulation of the Autonomous Community where their most valuable assets are located and which trigger this Spanish Net Wealth Tax due to the fact that they are located or are to be exercised or must be fulfilled within the Spanish territory.

Individuals that are not resident in Spain for tax purposes but who are resident in an EU or EEA Member State may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Non-Spanish resident legal entities are not subject to Net Wealth Tax.

Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)

Individuals not resident in Spain for tax purposes who acquire ownership or other rights over Notes by inheritance, gift or legacy, will be subject to the Spanish Inheritance and Gift Tax in accordance with the applicable Spanish regional and state rules, unless they reside in a country for tax purposes with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax. In such case, the provisions of the relevant double tax treaty will apply.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with Spanish legislation.

Generally, non-Spanish tax resident individuals are subject to Spanish Inheritance and Gift Tax according to the rules set forth in the state legislation. However, if the deceased or the donee are not resident in Spain, the applicable rules will be those corresponding to the relevant Autonomous Communities according to the law.

The tax rate, after applying all relevant factors, ranges between 0 per cent. (full exemption) and 81.6 per cent.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Spanish Inheritance and Gift Tax. Such acquisitions will be subject to NRIT (as described above), except as provided in any applicable double tax treaty entered into by Spain.

In general, double tax treaties provide for the taxation of this type of income in the country of tax residence of the holder.

Tax Rules for unlisted Notes

Withholding on Account of PIT, CIT and NRIT

If the Notes are not listed on a multilateral trading facility, Regulated Market or any other organized market in an OECD country on any Payment Date, interest or income from redemption or repayment obtained by holders in respect of the Notes will be subject to withholding tax at the general rate of 19%, except in the case of holders which are: (a) resident in a Member State of the EU or the European Economic Area other than Spain and obtain the interest income either directly or through a permanent establishment located in another Member State of the EU or the European Economic Area, provided that such holders (i) do not obtain the interest income on the Notes through a permanent establishment in Spain and (ii) are not resident of, or are not located in, nor obtain income through, a non-cooperative jurisdiction for Spanish tax purposes or (b) resident for tax purposes of a country which has entered into a double tax treaty with Spain which provides for an exemption from Spanish tax or a reduced withholding tax rate with respect to interest payable to any holder.

Net Wealth Tax (Impuesto sobre el Patrimonio)

See "Taxation in Spain Individuals with Tax Residency in Spain–Net Wealth Tax (Impuesto sobre el Patrimonio)" and "Taxation in Spain–Individuals and legal entities with no tax residency in Spain – Net Wealth Tax (Impuesto sobre el Patrimonio)".

Simplified Information Procedures

As described above, interest and other income paid with respect to the Notes will not be subject to Spanish withholding tax unless the procedures for delivering to the Issuer the information described in Annex I of this Listing Particulars are not complied with.

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

In accordance with Section 44, the following information with respect to the Notes must be submitted to the Issuer before the close of business on the Business Day immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each, a "Payment Date") is due.

Such information comprises:

(a) the identification of the Notes with respect to which the relevant payment is made;

(b) the date on which the relevant payment is made;

(c) the total amount of the relevant payment;

(d) the amount of the relevant payment paid to each entity that manages a clearing and settlement system for securities situated outside of Spain.

In particular, the paying agent must certify the information above about the Notes by means of a certificate in the Spanish language, an English language form of which is attached as Annex I of this Listing Particulars.

In light of the above, the Issuer and the paying agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, such Issuer will withhold tax at the then-applicable rate, generally 19% from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding.

If, before the tenth day of the month following the month in which interest is paid, the paying agent provides such information, the Issuer, will reimburse the amounts withheld.

Holders of the Notes should note that the Issuer does not accept any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, the Issuer will not be liable for any damage or loss suffered by any holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See "*Risk Factors - Risks related to the Notes - Risks relating to the Spanish withholding tax regime*".

Set out below is Annex I. The information set out in Annex I has been translated from the original Spanish and has been presented in this document in English only as the language of this Listing Particulars is English. However, only the Spanish language text of Annex I is recognized under Spanish law. In the event of any discrepancy between the English language translation of the information in Annex I appearing herein, and the Spanish language information appearing in the corresponding certificate provided by the paying agent to the Issuer, the Spanish language information shall prevail.

The Spanish financial transactions tax (FTT)

Law 5/2020, dated 15 October 2020, on the Tax on Financial Transactions (the "Spanish FTT Law") has implemented the tax in Spain (the "Spanish FTT").

According to the Spanish FTT Law, the Spanish FTT is aligned with the French and Italian financial transactions taxes. Specifically, the Spanish FTT is levied at a rate of 0.2 per cent. on certain acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. The Spanish FTT does not apply in relation to an issue of Notes. However, the Spanish FTT Law could be modified and therefore there can be no assurance that the Spanish FTT would not apply to an issue of Notes in the future.

Holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

Payments made by a Spanish Guarantor

In the opinion of each Spanish Guarantor, any payments of principal and interest made by a Spanish Guarantor under the Guarantee may be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Kingdom of Spain or any political subdivision or authority thereof or therein having power to tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, in the event that the Spanish Tax Authorities take the view that a Spanish Guarantor has validly, legally and effectively assumed all the obligations of the Issuer under the Notes subject to and in accordance with the Guarantee, they may attempt to impose withholding tax in the Kingdom of Spain on any payments made by a Spanish Guarantor in respect of interest. In this case, provided that Law 10/2014 is applicable, a Spanish Guarantor, in accordance with Law 10/2014 and Royal Decree 1065/2007, would not be obliged to withhold taxes in Spain on any interest paid under the Guarantee to the holders, that (i) can be regarded as listed debt securities issued under Law 10/2014; and (ii) are initially registered at a foreign clearing and settlement entity that is recognised under Spanish regulations or under those of another OCDE member state, provided that the Fiscal Agent fulfils with the information procedures described in "Taxation in the Kingdom of Spain—Disclosure of Information in Connection with the Notes" below.

On the contrary, if Law 10/2014 is not applicable to the Notes, payments of interest made under the Guarantee to the holders may be subject to Spanish withholding tax at the applicable rate (currently 19 per cent.), unless the recipient is the beneficial owner of that interest and either (a) resident for tax purposes in a Member State of the European Union, other than the Kingdom of Spain, or the European Economic Area (so long as there is an effective exchange of tax information arrangement between such European Economic Area Member State and the Kingdom of Spain which is in force) and provided that such recipient is not acting (i) through a territory considered as a tax haven pursuant to Spanish law (currently set out in Royal Decree 1080/1991, of 5 of July); nor (ii) through a permanent establishment in the Kingdom of Spain or in a country which is not a Member State of the European Union or the European Economic Area (in the latter case, where an effective exchange of tax information arrangement signed between such European Economic Area Member State and the Kingdom of Spain, is in force), provided that such person submits to a Spanish Guarantor the relevant tax residence certificate, issued by the competent Tax Authorities, each certificate being valid for a period of one year beginning on the date of the issuance, or (b) resident in a country which has entered into a Tax Treaty with the Kingdom of Spain which provides for the exemption from withholding of interest paid under the Notes, provided that such person submits to a Spanish Guarantor the relevant tax resident certificate, issued by the competent Tax Authorities, each certificate being valid for a period of one year beginning on the date of the issuance. Tax treaties could eliminate or reduce this hypothetical withholding taxation.

Disclosure of Information in Connection with 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 and Clearstream Luxembourg, the paying agent designated by the Issuer would be obliged to provide the Issuer (or a Spanish Guarantor in relation to the payments made under the Guarantee) with a declaration (the form of which is attached as Annex I), which should include the following information:

(i) description of the Notes (and date of payment of the interest income derived from such Notes);

(ii) total amount of interest derived from the Notes; and

(iii) total amount of interest 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 (or a Spanish Guarantor, as the case may be) on the business day immediately preceding each Interest Payment Date.

In the event that the paying agent designated by the Issuer were to fail to provide the information detailed above, according to section 7 of Article 44 of Royal Decree 1065/2007, the Issuer (or a Spanish Guarantor, as the case may be) or the paying agent acting on its behalf would be required to withhold tax from the relevant interest payments at the general withholding tax rate (currently, 19%).

If, before the 10th day of the month following the month in which the interest is payable, the Paying Agent designated by the Issuer submits such information, the Issuer (or a Spanish Guarantor) or the paying agent acting on its behalf would refund the amounts withheld.

Notwithstanding the foregoing, the Issuer has agreed that in the event that withholding tax were required by law, the Issuer (or a Spanish Guarantor) would pay such additional amounts as may be necessary such that a holder would receive the same amount that he would have received in the absence of any such withholding or deduction, except as provided herein.

In the event that the current applicable procedures were to be modified, amended or supplemented by, amongst others, a Spanish law, regulation, interpretation or ruling of the Spanish Tax Authorities, the Issuer would inform the holders of such information procedures and of their implications, as the Issuer (or a Spanish Guarantor, as the case may be) may be required to apply withholding tax on interest payments under the Notes if the holders were not to comply with such information procedures.

A Spanish Guarantor is subject to the same reporting requirements in relation to Notes issued by the Issuer.

Set out below is Annex I.

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

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal ( )(1), en nombre y representación de (entidad declarante), con número de identificación fiscal ( )(1) y domicilio en ( ) en calidad de (marcar la letra que proceda):

Mr (name), with tax identification number ( )(1), in the name and on behalf of (entity), with tax identification number ( )(1) and address in ( ) as (function – mark as applicable):

(a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.

(a) Management Entity of the Public Debt Market in book entry form.

(b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.

(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.

(c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.

(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.

(d) Agente de pagos designado por el emisor.

(d) Issuing and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1 En relación con los apartados 3 y 4 del artículo 44:

1 In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores………………………………………………

1.1 Identification of the securities ………………………………………………

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados) ……………………………………

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora …………………

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved ……………

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

2 En relación con el apartado 5 del artículo 44.

2 In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores ……………………………………………………

2.1 Identification of the securities…………………………………………………..

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) ………………………………………………………………

2.2 Income payment date (or refund if the securities are issued at discount or are segregated) ………………………………………………………

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados …………………………………………………

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en……………….a … de……………….de …

I declare the above in …………… on the … of …………… of …

(1) En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

(1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

Selling Restrictions

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes were sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to non-U.S. persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. As used in this section, the terms "United States," "U.S. person" and "offshore transaction" have the meanings given to them in Regulation S.

Each 144A Global Note and each Definitive Registered Note issued in reliance on Rule 144A bears the following legend (the "**Private Placement Legend**"):

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS ONE YEAR AFTER THE LATER OF THE ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT (E) AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3), (7) OR (9) UNDER THE SECURITIES ACT OR (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) OR CLAUSE (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE"

By its acceptance of any Note bearing the Private Placement Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in the Trust Deed and in the Private Placement Legend and agrees that it will transfer such Note only as provided in the Trust Deed.

Each Global Note bears the following legend (the "**Global Note Legend**"):

"THIS GLOBAL NOTE IS HELD BY THE COMMON DEPOSITARY (AS DEFINED IN THE DEED GOVERNING THIS GLOBAL NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE DEED, (2) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.06(a) OF THE DEED, (3) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE DEED AND (4) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUER.

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS GLOBAL NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE COMMON DEPOSITARY TO A NOMINEE OF THE COMMON DEPOSITARY OR BY A NOMINEE OF THE COMMON DEPOSITARY TO THE COMMON DEPOSITARY OR ANOTHER NOMINEE OF THE COMMON DEPOSITARY OR BY THE COMMON DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR COMMON DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR COMMON DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (WHICH SHALL INITIALLY BE THE BANK OF NEW YORK DEPOSITORY (NOMINEES) LIMITED) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF THE COMMON DEPOSITARY OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY (AND ANY PAYMENT IS MADE TO THE COMMON DEPOSITARY OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE COMMON DEPOSITARY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, THE COMMON DEPOSITARY, HAS AN INTEREST HEREIN."

By its acceptance of any Note bearing the Global Note Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in the Trust Deed and in the Global Note Legend and agrees that it will transfer such Note only as provided in the Trust Deed.

Prohibition of sales to EEA and 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 EEA or 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 (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iII) not a qualified investor as defined in the Prospectus Regulation.

GENERAL INFORMATION

(i) Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin.

(ii) The Issuer has obtained all necessary consents, approvals and authorisations in Ireland in connection with the issue of the Notes.

(iii) Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market of Euronext Dublin.

(iv) The creation and issuance of the Notes and the guarantees were authorized by the sole director of the Issuer on 20 December 2021 and by the board of directors (or equivalent body) of the Guarantors, where applicable, on 20 December 2021.

(v) There has been no significant change in the financial or trading position of the Group and no material adverse change in the financial position or prospects of the Group since the date of the consolidated accounts for the year ending 31 December 2020.

(vi) Other than as disclosed in these Listing Particulars, the Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of these Listing Particulars which may have or has had in the recent past significant effects on its financial position or profitability.

(vii) The Notes have been accepted for clearance through the Euroclear and Clearstream clearing systems (which are the entities in charge of keeping the records).

(viii) The Common Codes of the Notes are 242532643 (Rule 144A) and 242532627 (Reg S) and the International Securities Identification Numbers (ISINs) of the Notes are XS2425326431 (Rule 144A) and XS2425326274 (Reg S).

(ix) The Issuer's LEI is 959800AW60HWZ3N4R995.

(x) The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

(xi) The Issuer does not intend to provide any post-issuance information in relation to the Notes.

(xii) The consolidated financial statements of the Parent have been audited without qualification for the years ended December 31, 2018, 2019 and 2020 by Ernst & Young, S.L., a member firm of Ernst & Young Global Limited.

(xiii) For as long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will be available in printed form free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:

(a) the Articles of Association of the Issuer, the Guarantors and the Security Providers;

(b) the Trust Deed;

(c) the Guarantees;

(d) the Security Documents;

(e) the consolidated financial statements of the group;

(f) all reports, letters, and other documents, valuations and statements, any part of which is included or referred to in these Listing Particulars; and

(g) a copy of these Listing Particulars.

In addition, copies of these Listing Particulars and each document incorporated by reference have been filed with Euronext Dublin. For the avoidance of doubt, the content of any websites referred to in these Listing Particulars are for information purposes only and do not form part of these Listing Particulars.

The Issuer will publish notices concerning the Issuer and intended for holders of Notes (including with respect to optional redemptions, repurchases at the option of the holders of Notes or a change by the Issuer of any Paying Agent, Registrar or Transfer Agent for the Notes) on Euronext Dublin's website at https://live.euronext.com/ and will provide a copy of all notices to Euronext Dublin. If the Notes are listed on any other stock exchange and the rules of such exchange so require, the Issuer will provide a copy of such notice to such exchange.

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(for the years ended December 31, 2018, 2019 and 2020)

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