

### ULISSES FINANCE NO. 3

(Article 62 Asset Identification Code 202206TGSCRTS00N0147)

	Amount (in EUR)	In % of the Receivables Portfolio on the Closing Date	Spread over one- month EURIBOR	Rating Moody's/DBRS
<b>Class A Notes</b>	EUR 168,000,000	84.00%	0.90%	Aa2 / AA (sf)
<b>Class B Notes</b>	EUR 8,000,000	4.00%	2.00%	A1 / A (high) (sf)
<b>Class C Notes</b>	EUR 12,000,000	6.00%	3.70%	Baa1 / BBB (sf)
<b>Class D Notes</b>	EUR 6,000,000	3.00%	5.25%	Ba1 / BB (sf)
<b>Class E Notes</b>	EUR 5,000,000	2.50%	6.50%	Ba3 / B (sf)
<b>Class F Notes</b>	EUR 1,000,000	0.50%	8.50%	B1 / B (low) (sf)
<b>Class G Notes</b>	EUR 1,500,000	0.75%	7.85%	Not Rated
<b>Class Z Notes</b>	EUR 1,800,000	0.90%	7.50% (in addition to Class Z Distribution Amount)	Not Rated

Issue Price: 100% in respect of the Class A Notes, 97.47% in respect of the Class B Notes, 97.40% in respect of the Class C Notes, 93.15% in respect of the Class D Notes, 94.03% in respect of the Class E Notes, 95.66% in respect of the Class F Notes, 99.16% in respect of the Class G Notes and 100% in respect of the Class Z Notes

Issued by

**Tagus – Sociedade de Titularização de Créditos, S.A.**

(Incorporated in Portugal with limited liability under registered number 507 130 820, with a share capital of €888,585.00 and head office at Rua Castilho, no. 20, 1250-069 Lisbon, Portugal)

This document constitutes a prospectus dated 30 May 2022 and relates to the admission to trading on a regulated market of the Listed Notes (as defined below) described herein for the purposes of the Prospectus Regulation (as defined below).

The €168,000,000 Class A Asset-Backed Floating Rate Notes due 2039 (the "**Class A Notes**"), the €8,000,000 Class B Asset-Backed Floating Rate Notes due 2039 (the "**Class B Notes**"), the €12,000,000 Class C Asset-Backed Floating Rate Notes due 2039 (the "**Class C Notes**"), the €6,000,000 Class D Asset-Backed Floating Rate Notes due 2039 (the "**Class D Notes**"), the €5,000,000 Class E Asset-Backed Floating Rate Notes due 2039 (the "**Class E Notes**"), the €1,000,000 Class F Asset-Backed Floating Rate Notes due 2039 (the "**Class F Notes**" and, together with the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes, the "**Rated Notes**" and the "**Asset-Backed Notes**"), the €1,500,000 Class G Floating Rate Notes due 2039 (the "**Class G Notes**" and, together with the Asset-Backed Notes, the "**Listed Notes**") and the €1,800,000 Class Z Notes due 2039 (the "**Class Z Notes**") issued by Tagus – Sociedade de Titularização de Créditos, S.A. (the "**Issuer**") are together referred to hereafter as the "**Notes**". The Notes will be issued on 1 June 2022 (the "**Closing Date**").

Interest on the Notes and the Class Z Distribution Amount will be payable on 23 July 2022 and thereafter monthly in arrears on the 23<sup>rd</sup> Business Day of each calendar month in each year (or, if such day is not a Business Day, the next succeeding Business Day). For each Interest Period up to the Final Legal Maturity Date, the Notes will bear interest at a variable rate equal to the sum of the Euro Interbank Offered Rate ("**EURIBOR**") for one-month euro deposits, except for the first Interest Period, in respect of which the applicable EURIBOR will be the interpolated rate for one-month and three-month euro deposits, plus in relation to the Class A Notes a margin of 0.90% per annum, in relation to the Class B Notes a margin of 2.00% per annum, in relation to the Class C Notes a margin of 3.70% per annum, in relation to the Class D Notes a margin of 5.25% per annum, in relation to the Class E Notes a margin of 6.50% per annum, in

relation to the Class F Notes a margin of 8.50% per annum, in relation to the Class G Notes a margin of 7.85% per annum and in relation to the Class Z Notes a margin of 7.50% per annum. The Class Z Notes will also grant entitlement to the Class Z Distribution Amount to the extent of available funds and subject to the relevant priority of payments described herein.

Payments on the Notes will be made in Euro after any Tax Deduction. The Notes will not provide for additional payments by way of gross-up in the case that interest payable under the Notes and/or the Class Z Distribution Amount payable under the Class Z Note is or becomes subject to income taxes (including withholding taxes) or other taxes. See the section headed "**Principal Features of the Notes – Taxes**" herein.

The Notes will be redeemed at their Principal Amount Outstanding on the Final Legal Maturity Date, to the extent that they have not been previously redeemed. The Notes of each class will be subject to: (a) pro-rata and *pari passu* mandatory redemption in part on each Interest Payment Date after the end of the Revolving Period, but prior to the occurrence of a Sequential Redemption Event; or (b) after the occurrence of a Sequential Redemption Event, sequential mandatory redemption in part on each Interest Payment Date, in all cases, in accordance with the Pre-Enforcement Principal Withholding Amount Payment Priorities (see "**Principal Features of the Notes**").

During the Revolving Period, no principal will be payable under the Asset-Backed Notes in accordance with the Pre-Enforcement Principal Withholding Amount Payment Priorities.

The Notes will be subject to optional redemption (in whole but not in part) at their Principal Amount Outstanding (together with accrued interest) in accordance with Article 61 of the Securitisation Law, at the option of the Originator on any Interest Payment Date: (A) (i) following the occurrence of a change in any law or regulation which becomes effective on or after the Closing Date and which has a Material Adverse Effect on the benefits of the Transaction for the Originator ("**Regulatory Change Event**") (as detailed in Condition 8.9 (*Optional Redemption in whole*)); or (ii) if on any Calculation Date the Aggregate Principal Outstanding Balance of the Purchased Receivables, other than Defaulted Receivables, is equal to or less than 10% of the Aggregate Principal Outstanding Balance of the Initial Receivables Portfolio on the Initial Collateral Determination Date (as detailed in Condition 8.9 (*Optional Redemption in whole*)); or (B) after the date on which a Tax Event has occurred (as detailed in Condition 8.10 (*Optional Redemption in whole for taxation reasons*)), provided that, on the succeeding Interest Payment Date, the funds available to the Issuer are sufficient to pay in full items (A) to (R) of the Post-Enforcement Payment Priorities, subject and in accordance to the Post-Enforcement Payment Priorities (as detailed in Condition 8.9 (*Optional Redemption in whole*)) ("**Clean-Up Call Option**").

The source of funds for payment of principal and interest on the Notes and, with regards to the Class Z Notes, the Class Z Distribution Amount, will be the right of the Issuer to receive payments in respect of receivables arising under auto loans, passenger vehicle loans, commercial vehicle loans, and other vehicle loans originated by 321Crédito – Instituição Financeira de Crédito, S.A. ("**321Crédito**" or the "**Originator**") and assigned to the Issuer.

The Notes are limited recourse obligations and are obligations solely of the Issuer and are not the obligations of, or guaranteed by, and will not be the responsibility of, any other entity, subject to statutory segregation as provided for in the Securitisation Law (as defined in the section headed "**Risk Factors**"). In particular, the Notes will not be obligations of and will not be guaranteed by Deutsche Bank AG (the "**Sole Arranger, Lead Placement Entity and Lead Manager**") or by 321Crédito or any of their respective affiliates.

The Notes will be issued in book-entry (*formal escritural*) and registered (*nominativa*) form and will be governed by Portuguese law. The Notes will be issued in the denomination of €100,000 each.

The securitisation transaction envisaged under this Prospectus (the "**Transaction**") is intended to qualify as a simple, transparent and standard securitisation ("**STS**") under Regulation (EU) no. 2017/2402 of the European Parliament and of the Council of 12 December 2017, as amended by Regulation (EU) 2021/557 of the European Parliament and of the Council of 31 March 2021, laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended and currently in force (the "**EU Securitisation Regulation**"), and its relevant technical standards. Consequently, the securitisation described in this Prospectus is intended to meet, as at the date of this Prospectus, the requirements of Articles 19 to 22 of the EU Securitisation Regulation and the Originator intends to submit, on or about the Closing Date, a notification to the European Securities and Markets Authority ("**ESMA**") requesting that the securitisation transaction described in this Prospectus be included in the list published by ESMA, as referred to in Article 27(5) of the EU Securitisation Regulation (the "**STS Notification**"). Pursuant to Article 27(1) of the EU Securitisation Regulation, the STS Notification will include an explanation by the Originator and/or the sponsor of how each of the STS criteria set out in Articles 19 to 22 is

intended to be complied with (see section headed “**Regulatory Disclosures**” for further information). The STS Notification is available for download on ESMA’s website at <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation> (the “**ESMA STS Register**”).

The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided that the Notes remain on the ESMA STS Register and continue to meet the STS Criteria.

The Originator has used the services of STS Verification International GmbH (“**SVI**”) as the Third Party Verification Agent, a third party authorised pursuant to article 28 of the EU Securitisation Regulation, to verify whether the securitisation transaction described in this Prospectus complies with articles 19 to 22 of the EU Securitisation Regulation and the compliance with such requirements is expected to be verified by SVI on the Closing Date. No assurance can be provided that the securitisation transaction described in this Prospectus does or continues to qualify as an STS securitisation under the EU Securitisation Regulation at any point in time in the future. The qualification of the securitisation transaction described in this Prospectus as ‘simple, transparent and standardised’ or ‘STS’ may change and investors should verify the current status of the securitisation transaction described in this Prospectus in the list published by ESMA referred to in article 27(5) of the EU Securitisation Regulation (or, if applicable, article 27(5) of the UK Securitisation Regulation). None of the Issuer, the Originator, the Sole Arranger, the Class Z Notes Purchaser, the Servicer or any of the other transaction parties makes any representation or accepts any liability as to whether the securitisation transaction described in this Prospectus will qualify or continue to qualify as an STS securitisation under the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) at any point in time in the future.

This Prospectus (the “**Prospectus**”) has been approved by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários* or the “**CMVM**”) as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended by Regulation (EU) 2019/2115 of the European Parliament and of the Council of 27 November 2019 and Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”), the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended by Commission Delegated Regulation (EU) 2020/1273 of 4 June 2020, and Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as amended by Commission Delegated Regulation (EU) 2020/1272 of 4 June 2020 (the “**Prospectus Delegated Regulations**”) as a prospectus for admission to trading on a regulated market of the Listed Notes described herein. The Prospectus is in the English language, although certain legislative references and/or technical terms have been cited in their original language so that the correct technical meaning thereof may be ascribed to them under the applicable law. The Issuer is authorised by the CMVM as a securitisation company (*sociedade de titularização de créditos*).

Application has been made to Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. (“**Euronext**”) for the Listed Notes to be admitted to trading on the regulated market managed by Euronext (“**Euronext Lisbon**”). No application will be made to admit the Listed Notes to trading on any other stock exchange. The Class Z Notes will not be admitted to trading.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes shall, upon issue, be integrated in a centralised system (*sistema centralizado*) and registered in the Portuguese securities depository and settlement system operated by INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (“**Interbolsa**”), in its capacity as operator and manager of the Portuguese securities depository and settlement system, and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Recognition of the Class A Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem will depend, upon issue or at any and all times during the life of the Class A Notes, on satisfaction of the Eurosystem eligibility criteria.

The Rated Notes are expected to be rated by, Moody's Investors Service España, S.A. (“**Moody's**”) and DBRS Ratings GmbH (“**DBRS**”), and together with Moody's, the “**Rating Agencies**”), while the Class F, Class G and Class Z Notes will

not be rated. Additionally, the Issuer has not been, and will not be, rated by the Rating Agencies or any other third-party rating agencies, and currently does not have any credit rating or similar rating assigned to it which may be relevant in the context of the Transaction envisaged under this Prospectus. It is a condition to the issuance of the Notes that the Rated Notes receive the ratings set out above. A credit rating is not a recommendation to buy, sell or hold securities and may be **subject to revision, suspension or withdrawal at any time by the Rating Agencies**. See **"Ratings"** in the section headed **"Principal Features of the Notes"**.

In general, European regulated investors are restricted, under Regulation (EU) No 462/2013 ("**CRA III**") of the European Parliament and of the Council of 21 May 2013 amending Regulation (EC) No. 1060/2009, as amended ("**CRA Regulation**"), on credit rating agencies, from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by Moody's and DBRS, each of which is a credit rating agency established in the European Union and registered under the CRA Regulation at the date of this Prospectus. The list of registered and certified rating agencies is published by ESMA on its website (<http://www.esma.europa.eu/>) in accordance with the CRA Regulation.

Investors regulated in the UK are subject to similar restrictions under Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (b) transitional provisions that apply in certain circumstances.

Each of Moody's and DBRS is a credit rating agency established and operating in the European Union and registered under the CRA Regulation. The rating which Moody's has given, or may give, to the Rated Notes will be endorsed by Moody's Investors Service Limited, which is established in the UK and registered under the UK CRA. The rating which DBRS has given, or may give, to the Rated Notes will be endorsed by DBRS Ratings Limited, which is established in the UK and registered under the UK CRA. The list of registered and certified rating agencies is published by the Financial Conduct Authority on its website (<https://www.fca.org.uk/>) in accordance with the UK CRA.

The CRA Regulation has introduced a requirement that where an issuer or related third parties (which term includes, among others, sponsors, servicers and originators) intends to solicit a credit rating of a structured finance instrument, it will appoint at least two credit rating agencies to provide ratings independently of each other, and should consider appointing at least one credit rating agency having not more than a 10% total market share (as measured in accordance with Article 8d(3) of the CRA Regulation), provided that a small credit rating agency is capable of rating the relevant issuance or entity. In order to give effect to these provisions, ESMA is required to annually publish a list of registered credit rating agencies, their total market share, and the types of credit rating they issue.

**An investment in the Notes involves certain risks. For a discussion of these risks, see "Risk Factors".** Investors should make their own assessment as to the suitability of investing in the Notes and shall refer, in particular, to the "Terms and Conditions of the Notes" and "Taxation" sections of this Prospectus for the procedures to be followed in order to receive payments under the Notes. Noteholders are required to comply with the procedures and certification requirements described herein in order to receive payments on the Notes free from Tax Deduction. Noteholders must rely on the procedures of Interbolsa to receive payments under the Notes.

For a discussion of certain significant factors affecting investments in the Notes, see the section headed **"Risk Factors"**.

**The date of this Prospectus is 30 May 2022.**

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## IMPORTANT NOTICE

This Prospectus has been approved as a Prospectus by the CMVM, as competent authority under the Prospectus Regulation and the Prospectus Delegated Regulations. The CMVM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CMVM should not be considered as an endorsement of the Issuer or of the quality of the Notes that are subject to this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes. By approving a prospectus, the CMVM gives no undertaking as to the economic and financial soundness of the Transaction or the quality or solvency of the Issuer.

This Prospectus has been approved by the CMVM on 30 May 2022 and is valid for 12 months after its approval for admission to trading of the Listed Notes on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply with the admission to trading of the Notes on the regulated market of Euronext Lisbon and, at the latest, upon expiry of the validity period of this Prospectus.

### Selling Restrictions Summary

The Notes are subject to certain restrictions on transfer, as described in the section headed “**Subscription and Sale**”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, any of the Transaction Parties to subscribe for or purchase any of the Notes and this document may not be used for or in connection with an offer to, or a solicitation of an offer by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Sole Arranger to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus, see “**Subscription and Sale**”.

### IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND THE SALE OR OFFER OF NOTES GENERALLY

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer, the Sole Arranger, Lead Placement Entity and Lead Manager, the Originator and the Common Representative do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary, no action has been taken by the Issuer, the Sole Arranger, Lead Placement Entity and Lead Manager, the Originator or the Common Representative which would permit a public offer of any Notes in any country or jurisdiction where action for that purpose is required or distribution of this Prospectus in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about and observe any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of the Notes in the United States of America, the United Kingdom (“UK”) and the European Economic Area (“EEA”). For more information, see the section headed “Subscription and Sale”.*

### PROHIBITION OF SALES OF NOTES TO EEA RETAIL INVESTORS

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point 11 of Article 4(1) of Directive 2014/65/EU of the*

European Parliament and of the Council, of 15 May 2014, (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council, of 20 January 2016, as amended (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point 10 of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) no. 1286/2014 of the European Parliament and of the Council, of 26 November 2014, (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been or will be prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. The Listed Notes are intended to be admitted to trading on a regulated market, although 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.

#### **PROHIBITION OF SALES TO UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "UK Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (as amended, the "UK PRIIPs Regulation") for offering or selling the securities or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

#### **MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET**

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the Issuer is not the manufacturer of the Notes.

#### **UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET**

Solely for the purposes of each manufacturer's product approval process, the target market assessment pursuant to the FCA Handbook Conduct of Business Sourcebook ("COBS") in respect of the Notes has led to the conclusion that: (a) the target market for the Notes is only: (i) eligible counterparties, as defined in COBS; and (ii) professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("UK MiFIR"); and (b) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate, noting the responsibility of each manufacturer under COBS only. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") or, as the case may be, MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the Issuer is not the manufacturer of the Notes.

## **BENCHMARKS REGULATION**

Interest and/or other amounts payable under the Notes will be calculated by reference to EURIBOR which is provided by the European Money Markets Institute ("**EMMI**") or by another index that may come to replace EURIBOR. EMMI is in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**"). EURIBOR constitutes a benchmark for the purposes of the Benchmarks Regulation.

## **UNITED STATES DISTRIBUTION RESTRICTIONS**

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED, SOLD OR DELIVERED 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) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAW AND EXCEPTIONS TO UNITED STATES TAX REQUIREMENTS THE NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS, PURSUANT TO THE REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT. THERE IS NO UNDERTAKING TO REGISTER THE NOTES UNDER STATE OR FEDERAL LAW.

THIS PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT "U.S. PERSONS" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). HOWEVER, NOTWITHSTANDING THE FOREGOING, WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 1.20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE U.S. EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), THE ISSUER MAY SELL THE RATED NOTES TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RISK RETENTION U.S. PERSONS UP TO THE 10 PER CENT. PROVIDED FOR IN SECTION 10 OF THE U.S. RISK RETENTION RULES WITH THE PRIOR WRITTEN CONSENT OF THE ORIGINATOR IN RESPECT OF ANY SUCH PERSON. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. THE NOTES MAY NOT BE TRANSFERRED TO ANY PERSON EXCEPT FOR PERSONS THAT ARE NOT RISK RETENTION U.S. PERSONS. PURCHASERS OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY THEIR ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED WRITTEN CONSENT FROM THE ORIGINATOR TO THEIR PURCHASE OF NOTES, (2) IS ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 1.20 OF THE U.S. RISK RETENTION RULES). SEE "RISK FACTORS - U.S. RISK RETENTION REQUIREMENTS".

The Transaction will not involve the retention by the Originator of at least 5% of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules. The Originator intends to rely on the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. No other steps have been taken by the Issuer, the Originator or the Sole Arranger, or any of their affiliates or any other party to otherwise comply with the U.S. Risk Retention Rules.

The determination of the proper characterisation of potential investors as non-Risk Retention U.S. Persons for such restriction or for determining the availability of the exemption provided for in Section 1.20 of the U.S. Risk Retention Rules is solely the responsibility of the Originator; none of the Sole Arranger or the Issuer or any person who controls



*them or any of their directors, officers, employees, agents or affiliates will have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 2.20 of the U.S. Risk Retention Rules, and the Sole Arranger, the Issuer or any person who controls them or any of their directors, officers, employees, agents or affiliates do not accept any liability or responsibility whatsoever for any such determination or characterisation.*

*THIS PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THIS PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED. BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS (INCLUDING AS A CONDITION TO ACCESSING OR OTHERWISE OBTAINING A COPY OF THIS PROSPECTUS), TO THE ISSUER, THE ORIGINATOR AND THE ARRANGER AND ON WHICH EACH OF SUCH PERSONS WILL RELY WITHOUT ANY INVESTIGATION THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS YOU HAVE PROVIDED TO US AND TO WHICH THIS EMAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES OR ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A PERSON FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. SEE RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFER OR SALE OF THE NOTES IN THE SECTION HEADED "SUBSCRIPTION AND SALE".*

*NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE ARRANGER AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR OFFERING. FURTHERMORE, UNLESS OTHERWISE AND WHERE STATED IN THIS PROSPECTUS, NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE ISSUE AND SALE OF THE NOTES, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY ANY OF THE TRANSACTION PARTIES. EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT (EXCEPT IF OTHERWISE STATED IN THIS PROSPECTUS) IT HAS NEITHER RELIED ON THE ARRANGER, THE COMMON REPRESENTATIVE, THE ACCOUNTS BANK, THE PAYING AGENT OR ANY OTHER PARTY, NOR ON ANY PERSON AFFILIATED WITH ANY OF THEM, IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION.*

#### **No Fiduciary Role**

*None of the Issuer, the Transaction Manager, the Sole Arranger, Lead Placement Entity and Lead Manager or any other Transaction Party or any of their respective affiliates is acting as an investment advisor and none of them (other than the Common Representative under the Transaction Documents) assumes any fiduciary obligation to any purchaser of the Notes.*

*None of the Issuer, the Transaction Manager, the Sole Arranger, Lead Placement Entity and Lead Manager or any other Transaction Party or any of their respective affiliates assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, credit-worthiness, status and/or affairs of any other Transaction Party nor makes any representation or warranty, express or implied, as to any of these matters.*

#### **Financial Condition of the Issuer**

*Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall, under any circumstances, create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.*

### **Provision of Information by the Issuer**

*The Issuer will not be under any obligation to disclose to the Noteholders any financial or other information received by it in relation to the Receivables Portfolio or to notify them of the contents of any notice received by it in respect of the Receivables Portfolio. Any information required under Article 7 of the EU Securitisation Regulation or Article 7 of the UK Securitisation Regulation (as in effect on the Closing Date) will be the exclusive responsibility of the Originator as the Designated Reporting Entity, including the monthly Investor Report, which will be made available to the Noteholders on or about each Interest Payment Date.*

### **Representations about the Notes**

*No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by any of the Transaction Parties. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.*

*No action has been taken by the Issuer, the Transaction Manager or the Sole Arranger, Lead Placement Entity and Lead Manager that would permit a public offer of the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (or any part hereof) nor any prospectus, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in circumstances that will result in compliance with applicable laws, orders, rules and regulations, and the Issuer has represented that all offers and sales by them have been made on such terms.*

*Each person receiving this Prospectus shall be deemed to acknowledge that (i) it has been afforded an opportunity to request from the Issuer, and to review, and has received, all additional information which it considers to be necessary to verify the accuracy and completeness of the information provided herein, (ii) it has not relied on the Transaction Manager, the Sole Arranger, Lead Placement Entity and Lead Manager or any person affiliated with the Transaction Manager or the Sole Arranger, Lead Placement Entity and Lead Manager in connection with its investigation of the accuracy of such information or its investment decision, and (iii) except as provided pursuant to clause (i) above, no person has been authorised to give any information or to make any representation concerning the Notes except as contained in this Prospectus, and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Transaction Manager or the Sole Arranger.*

*If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. You should remember that the price of securities and the income deriving therefrom can go down, as well as up.*

*None of the Transaction Parties, nor any of their respective affiliates, accepts any responsibility: (i) makes any representation, warranty or guarantee that the information described in this Prospectus is sufficient for the purpose of allowing an investor to verify compliance with the EU Retained Interest and the UK Retained Interest, or any other applicable legal, regulatory or other requirements; (ii) shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the Transaction contemplated herein to comply with or otherwise satisfy the EU Retained Interest and the UK Retained Interest, or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation, other than the obligations undertaken by the Originator, to enable compliance with the EU Retained Interest and the UK Retained Interest, or any other applicable legal, regulatory or other requirements.*

*Each prospective investor in the Notes which is subject to the EU Retained Interest and the UK Retained Interest or any other applicable legal, regulatory or other requirements should consult with its own legal, accounting and other advisors and/or its national regulator in determining the extent to which the information set out under the section headed “**Overview of Certain Transaction Documents**” and in this Prospectus is generally sufficient for the purpose of complying with the EU Retained Interest and the UK Retained Interest, or any other applicable legal, regulatory or other requirements. Any prospective investor is required to independently assess and determine the sufficiency of such information for its own purpose.*

*To the extent that the Notes do not satisfy the EU Retained Interest and the UK Retained Interest, the Notes are not a suitable investment for the types of EEA-regulated investors subject to the EU Retained Interest and the UK Retained*

Interest. In such case: (i) any such investor holding the Notes may be required by its regulator to set aside additional capital against its investment in the Notes or to take other remedial measures in respect of such investment, or may even be subject to penalties in respect thereof; and (ii) the price and liquidity of the Notes in the secondary market may be adversely affected.

#### **Adequacy of the Investment**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of this investment in light of its own circumstances. In particular, each potential investor should:

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

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

Forward-looking statements, including any estimates, projections and forecasts contained in this document, are necessarily speculative in nature and some or all of the assumptions underlying forward-looking statements may not materialise or may vary significantly from actual results.

#### **Noteholders have to rely on the procedures of Interbolsa or other clearing systems through which the Notes may be held on a secondary level by Noteholders**

The Notes will be issued in book-entry form and held through Interbolsa (or on a secondary level through other clearing systems such as Euroclear Bank or Clearstream Banking, as applicable). Accordingly, each person owning a Note must rely on the relevant procedures of Interbolsa (or of other clearing systems through which the Notes may be held on a secondary level by Noteholders, such as Euroclear Bank or Clearstream Banking, as applicable) and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder. There can be no assurance that the procedures to be implemented by Interbolsa (or any other clearing system) will ensure the timely exercise of remedies under the Transaction Documents.

Although Interbolsa (or other clearing systems through which the Notes may be held on a secondary level by Noteholders, such as Euroclear Bank or Clearstream Banking, as applicable) have agreed to certain procedures in respect of the Notes, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Common Representative or the Paying Agent or any of their agents will have any responsibility for the performance by Interbolsa (or by other clearing systems through which the Notes may be held on a secondary level by Noteholders, such as Euroclear Bank or Clearstream Banking, as applicable) or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

## **STS Securitisation**

The Transaction is intended to qualify as STS within the meaning of Article 18 of the EU Securitisation Regulation. Consequently, the Transaction is intended to meet, as at the date of this Prospectus, the requirements of Articles 19 to 22 of the EU Securitisation Regulation and the Originator shall be responsible for sending notification to ESMA on or about the Closing Date to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation. The Originator shall also be responsible for sending immediately notification to ESMA and the competent authority (when appointed) when the Transaction no longer meets the requirements of Articles 19 to 22 of the EU Securitisation Regulation. The Originator has used the services of SVI, as a verification agent authorised under Article 28 of the EU Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements under Articles 19 to 22 of the EU Securitisation Regulation (the “**STS Verification**”). The Originator has used the services of SVI to prepare verification of compliance of the Notes with the relevant provisions of Article 243 and Article 270 of Regulation (EU) No. 575/2013, also known as the “**Capital Requirements Regulation**” or “**CRR**”. It is important to note that the involvement of SVI as an authorised verification agent is not mandatory and that responsibility for compliance with the EU Securitisation Regulation remains with the relevant institutional investors, originators and issuers, as applicable in each case. The STS Verification will not absolve such entities from making their own assessments with respect to the EU Securitisation Regulation, and the relevant provisions of Article 243 and Article 270 of the CRR and the STS Verification cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, the STS Verification is not an opinion on the creditworthiness of the Notes or on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Verification, the STS Notification or other disclosed information. It is expected that the STS Verification prepared by SVI will be available on the following website ([www.sts-verification-international.com](http://www.sts-verification-international.com)) together with a detailed explanation of its scope at: [www.sts-verification-international.com/sts-verification](http://www.sts-verification-international.com/sts-verification) (the “**SVI Website**”). For the avoidance of doubt, the SVI website and the contents thereof do not form part of this Prospectus. The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Designated Reporting Entity, the Sole Arranger, Lead Placement Entity and Lead Manager, or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes. Various parties to the Transaction are subject to the requirements of the EU Securitisation Regulation. However, there is at present some uncertainty in relation to some of these requirements, including with regard to the risk retention requirements under Article 6 of the EU Securitisation Regulation. The regulatory technical standards relating to such requirements are not in final form or have not been adopted yet. Therefore, the final scope of application of such regulatory technical standards and the compliance of the Transaction with the same is not assured. Non-compliance with final regulatory technical standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard. **No assurance can be provided that the Transaction does or continues to qualify as an STS-securitisation under the EU Securitisation Regulation on the Closing Date or at any point in time in the future.** None of the Issuer and the Sole Arranger or any other party to the Transaction Documents (other than the Originator) makes any representation or accepts any liability for the Transaction to qualify as an STS-securitisation under the EU Securitisation Regulation on the Closing Date or at any point in time in the future.

The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided that the Notes remain on the ESMA STS Register and continue to meet the STS Criteria.

Please refer to the section entitled “**Regulatory Disclosures**” for further information.

### **Noteholders to verify matters required by Article 5(1) of the EU Securitisation Regulation**

The EU Securitisation Regulation requires that, prior to holding a securitisation position, EU institutional investors are required to verify the matters required by Article 5(1) of the EU Securitisation Regulation and to conduct a due diligence assessment in accordance with Article 5(3) of the EU Securitisation Regulation. Similarly, the UK Securitisation Regulation requires that, prior to holding a securitisation position, UK institutional investors are required to verify the matters required by Article 5(1) of the UK Securitisation Regulation and to conduct a due diligence assessment in

accordance with Article 5(3) of the UK Securitisation Regulation. The matters required by Article 5(1) of each of the EU Securitisation Regulation and the UK Securitisation Regulation include, among others, compliance with the EU Retained Interest and the UK Retained Interest under Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as applicable) (as in effect on the Closing Date), respectively, and disclosure of the information required by Article 7 of each of the EU Securitisation Regulation and the UK Securitisation Regulation.

None of the Transaction Parties provide any assurance that the information provided in this Prospectus, or any other information that will be provided to investors in relation to the Notes (including without limitation the Investor Report or the Loan-Level Report that is published in relation to the Notes) is sufficient for the satisfaction by any investor of the requirements in Article 5 of the EU Securitisation Regulation or the UK Securitisation Regulation as they apply to that investor. However, the Originator has confirmed that it will act as the entity responsible for compliance with the requirements of Article 7 of the EU Securitisation Regulation (as to which, see the section of this Prospectus headed **"Regulatory Disclosures"**) together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards (the **"Designated Reporting Entity"**), without prejudice to the delegation of certain obligations to the Transaction Manager, but retaining ultimate responsibility. Investors should note that the requirements of Article 5 of the EU Securitisation Regulation and the UK Securitisation Regulation apply in addition to any other regulatory requirements applicable to such investors in relation to an investment in the Notes.

With regards to the EU Retained Interest and the UK Retained Interest, Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as in effect on the Closing Date), respectively, amends the manner in which the retention requirements apply by imposing a direct obligation of compliance with the risk retention requirements on originators, sponsors or original lenders. The Originator will retain on an ongoing basis during the life of the Transaction a material net economic interest of not less than 5% in the securitisation as required by Article 6(1) of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation (as in effect at the Closing Date).

There can be no assurance that the manner in which the EU Retained Interest and the UK Retained Interest is complied with under this Transaction and that the information to be provided by the Designated Reporting Entity will be adequate for any potential investors to comply with their obligations pursuant to Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation. Prospective investors should independently investigate the consequences of non-compliance with their due diligence requirements under Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation.

Noteholders should make themselves aware of the due diligence obligations which apply to them under Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation and make their own investigation and analysis as to the impact thereof on any holding of Notes. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise.

#### **Investor compliance with due diligence requirements under the UK Securitisation Regulation**

Pursuant to the EUWA, from 11pm (GMT) on 31 December 2020, EU regulations (including the EU Securitisation Regulation) which previously had direct effect in the UK by virtue of the European Communities Act 1972 were transposed into domestic law in the UK.

In order to smooth the transition from the EU Securitisation Regulation regime to that under Regulation (EU) No. 2017/2402 of 12 December 2017, as it forms part of domestic law of the United Kingdom by virtue of the EUWA and any implementing laws or regulations in force in the United Kingdom in relation to the EU Securitisation Regulation or amending the EU Securitisation Regulation as it applies in the United Kingdom (together with applicable directions, secondary legislation, guidance, binding technical standards and related documents published by the FCA and the PRA of the United Kingdom) (the **"UK Securitisation Regulation"**), the UK regulators put various transitional provisions in place until 31 March 2022 (the **"Standstill Period"**). As the Standstill Period has now expired, UK regulated entities can no longer continue to comply with the previous requirements under the EU Securitisation Regulation instead of the UK Securitisation Regulation.

The UK Securitisation Regulation includes in Article 5 due diligence requirements which are applicable to UK institutional investors in a securitisation.

If the due diligence requirements under Article 5 of the UK Securitisation Regulation are not satisfied then, depending on the regulatory requirements applicable to such UK institutional investors, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or imposed on the UK institutional investor.

In respect of the due diligence requirements under Article 5 of the UK Securitisation Regulation, potential UK institutional investors (as defined in the UK Securitisation Regulation) should note in particular that:

- in respect of the risk retention requirements set out in Article 6 of the UK Securitisation Regulation, the Originator commits to retain a material net economic interest with respect to this Transaction in compliance with Article 6(3)(c) of the EU Securitisation Regulation and Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation only and in compliance with Article 6 of the UK Securitisation Regulation (as in effect at the Closing Date only), and
- in respect of the transparency requirements set out in Article 7 of the UK Securitisation Regulation, the Originator in its capacity as designated reporting entity under Article 7 of the EU Securitisation Regulation will make use of the standardised templates developed by ESMA in respect of the EU Securitisation Regulation Disclosure Requirements for the purposes of this Transaction and will not make use of the standardised templates adopted by the FCA.

UK institutional investors (as defined in the UK Securitisation Regulation) should be aware that whilst, at the date of this Prospectus, the EU Securitisation Regulation Disclosure Requirements and the transparency requirements of Article 7 of the UK Securitisation Regulation are very similar, the EU Securitisation Regulation and UK Securitisation Regulation (including but not limited to the EU Securitisation Regulation Disclosure Requirements and the transparency requirements of Article 7 of the UK Securitisation Regulation) may diverge. No assurance can be given that the information included in this Prospectus or provided in accordance with the EU Securitisation Regulation Disclosure Requirements will be sufficient for the purposes of assisting such UK institutional investors in complying with their due diligence obligations under Article 5 of the UK Securitisation Regulation.

Therefore, relevant UK institutional investors are required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with Article 5 of the UK Securitisation Regulation, and any corresponding national measures which may be relevant to investors, and no assurance can be given that this is the case. None of the Issuer, the Sole Arranger, the Lead Manager, the Servicer, the Originator or any of the other Transaction Parties makes any representation that any such information described in this Prospectus is sufficient in all circumstances for such purposes.

#### **Withholding Taxes (No Gross up for Taxes)**

Should any withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by any government or state with authority to tax or any political subdivision or any authority thereof or therein having power to tax be required to be made from any payment in respect of the Notes (as to which see **"Taxation"** below), neither the Issuer, the Common Representative, nor the Paying Agent will be obliged to make any additional payments to Noteholders to compensate them for the reduction in the amounts that they will receive as a result of such withholding or deduction. If payments made by any party under the Receivables Sale Agreement or the Servicing Agreement are subject to a Tax Deduction required by law, there will be no obligation on such party to increase the payment to leave an amount equal to the payment which would have been due if no Tax Deduction would have been required.

#### **Notes may be subject to Financial Transactions Tax**

On 14 February 2013, the European Commission published a proposal (the **"Commission's Proposal"**) for a Directive for a common financial transactions tax (the **"FTT"**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **"Participating Member States"**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

According to the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to its approval and any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Moreover, once the proposed Directive has been adopted (the "**FTT Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the FTT Directive might deviate from the FTT Directive itself.

In January 2019, France and Germany reportedly submitted an informal proposal for the FTT, limiting its scope to acquisition of shares in companies whose capitalisation exceeds €1 billion and which have their headquarters in at least one EU Member State (the applicable rate would not be less than 0.2%). This proposal led to informal discussions between the Participating Member States, but there were no further developments since then.

Depending on the final outcome of negotiations, the Notes could, ultimately, become subject to FTT. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

#### **Noteholders may be subject to tax reporting requirements under the Common Reporting Standard**

The Common Reporting Standard ("**CRS**") was approved by the Council of the Organisation for Economic Co-operation and Development ("**OECD**") on 15 July 2014, with the aim of providing comprehensive and multilateral automatic exchange of financial account information on a global basis through an annual exchange of information between the governments of the jurisdictions that have already adopted the CRS. On 9 December 2014, Council Directive 2014/107/EU, amending Council Directive 2011/16/EU of 15 February 2011, introduced the CRS among the EU Member States.

Under the Council Directive 2014/107/EU of 9 December 2014, financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Directive. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Portugal implemented Directive 2011/16/EU through Decree-law No. 61/2013, of 10 May 2013 and Council Directive 2014/107/EU, of 9 December 2014 through Decree-Law No. 64/2016, of 11 October 2016, as amended by Law No. 98/2017, of 24 August 2017 and by Law No. 17/2019, of 14 February 2019 ("**Portuguese CRS Law**").

Under the Portuguese CRS Law, financial institutions established in Portugal are required to report to the Tax Authorities (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Portuguese CRS Law. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

The Portuguese CRS Law sets forth the regime for the automatic exchange of financial information to be carried out by financial institutions to the Portuguese Tax Authority, until July 31 of each year, with reference to the previous year, with respect to accounts held by holders or beneficiaries resident in the Portuguese territory with a balance or value that exceeds €50,000 (assessed at the end of each civil year). This regime covers information related to years 2018 and following years.

*In addition, information regarding the registration of financial institutions, as well as the procedures to comply with the reporting obligations arising from the Portuguese CRS Law and the applicable forms were approved by (i) Ministerial Order (Portaria) No. 302-B/2016, of 2 December 2016, as amended by Ministerial Order (Portaria) No. 282/2018, of 19 October 2018, (ii) Ministerial Order (Portaria) No. 302-C/2016, of 2 December 2016, (iii) Ministerial Order (Portaria) No. 302-D/2016, of 2 December 2016, as amended by Ministerial Order (Portaria) No. 255/2017, of 14 August 2017 and by Ministerial Order (Portaria) No. 58/2018, of 27 February 2018, and (iv) Ministerial Order (Portaria) No. 302-E/2016, of 2 December 2016.*

*In any case investors should consult their own tax advisers to obtain a more detailed explanation of this regime and how it may individually affect them.*

**No stabilisation**

*In connection with the issue of the Notes, no stabilisation will take place and none of the Sole Arranger, Lead Placement Entity and Lead Manager will be acting as stabilising manager in respect of the Notes.*



## RISK FACTORS

*Prior to making an investment decision, prospective purchasers of the Notes should consider carefully, in light of the circumstances and their investment objectives, the information contained in this entire Prospectus, including the documents incorporated by reference and reach their own views prior to making any investment decision. Prospective purchasers of the Notes should nevertheless consider, among other things, the risk factors set out below.*

*The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes. Most of these factors are contingencies which may or may not occur, and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Prospective Noteholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.*

*The Issuer believes that the factors described below are the risks that are considered more relevant prior to the issuance of the Notes, based on the probability of their occurrence and on the expected extent of their negative impact, should they occur. Although these are the specific risks which are considered to be more significant and capable of affecting the Issuer's ability to meet its obligations in relation to the Notes, they may not be the only risks to which the Issuer is exposed and the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons or for the identified risks having materialised differently, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers generic or immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*An investment in the Notes involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Notes, and who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to suffer any potential loss stemming therefrom. Before making an investment decision, prospective purchasers of the Notes should (i) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (ii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as it deems appropriate, all the information set out in this Prospectus so as to arrive at their own independent evaluation of the investment and (iii) confirm that an investment in the Notes is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes are not a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in them. In particular, an investment in the Notes involves the risk of a partial or total loss of investment.*

### 1. RISKS RELATING TO THE ORIGINATOR AND THE RECEIVABLES

#### 1.1. Risk of non-payment by the Obligors

The ability of the Issuer to meet its payment obligations under the Notes depends almost entirely on the full and timely payments by the Obligors of the amounts to be paid by such Obligors in respect of the Receivables Portfolio. The Originator and the Servicer have not made any representations nor given any warranties nor assumed any liability in respect of the ability of the Obligors to make the payments due in respect of the Receivables. There can be no assurance that the levels or timeliness of payments in respect of the Receivables will be adequate to ensure fulfilment of the Issuer's obligations in respect of the Notes on each Interest Payment Date or on the Final Legal Maturity Date. For the sake of clarity, at the Initial Collateral Determination Date there are no Delinquent Receivables or Defaulted Receivables.

General economic conditions and other factors may have an adverse impact on the ability or willingness of the Obligors to meet their payment obligations in respect of the Auto Loan Contracts. The Auto Loan Contracts in the Receivables Portfolio were originated in accordance with the lending criteria set out in **"Originator's Standard Business Practices, Servicing and Credit Assessment"**, which take into account, *inter alia*, a potential Obligor's credit history, employment history and status, repayment ability and debt-to-income ratio and are utilised with a view, in

part, to address the risks in lending to Obligor. General economic conditions and other factors, such as losses of subsidies or increase of interest rates, may have an impact on the ability of Obligor to meet their repayment obligations under the Auto Loan Contracts (See risk factor entitled ***“7.2. Evolution of the Portuguese economic situation and to current uncertainties of the macro-economic context”***). A deterioration in economic conditions resulting in increased unemployment rates, consumer and commercial bankruptcy filings, a decline in the strength of national and local economies, inflation and other results that negatively impact household and corporate incomes could have an adverse effect on the ability of Obligor to make payments on their Auto Loan Contracts and result in losses on the Notes. Unemployment, loss of earnings, illness (including any illness arising in connection with a pandemic), divorce and other similar factors may also lead to an increase in delinquencies and insolvency filings by Obligor, which may lead to a reduction in payments by such Obligor on their Auto Loan Contracts and could ultimately reduce the Issuer’s ability to service payments on the Notes. Events such as certain weather conditions, natural disasters, fires or widespread health crises or the fear of such crises in a particular region may weaken economic conditions and negatively impact the ability of affected Obligor to make timely payments on the Auto Loan Contracts. This may affect the Obligor’s ability to make payments when due under the Auto Loan Contracts, which may negatively impact the Issuer’s ability to make payments under the Notes. For other relevant risks that may impact the Issuer’s ability to make payments under the Notes, please also see the remaining risk factors contained in Section 7 (*Other Relevant Risks*). For detailed information on default rates of Auto Loans originated by the Originator, please refer to section headed ***“Historical Performance of Auto Loan Receivables”***.

### **1.2. Uncertainty of the extent and timing of recoveries**

In case of default of payment of amounts due under an Auto Loan Contract by Obligor, the Servicer shall, in accordance with the Enforcement Procedures, take such action as may be determined by the Servicer to be necessary or desirable including, if necessary and without limitation, by means of court proceedings (which may involve judicial expenses and wasted time) against any Obligor in relation to a Defaulted Receivable. In accordance with the Securitisation Law and the Servicing Agreement, the Servicer, and not the Issuer, is contractually required to administer and collect the Receivables and accordingly the Issuer will not intervene or take any decisions in the aforementioned enforcement or other procedures envisaged or taken by the Servicer. For further information on the recovery processes, please refer to section headed ***“Originator’s Standard Business Practices, Servicing and Credit Assessment”***.

Certain events such as widespread health crises or the fear of such crises may lead to a temporary suspension or decrease in the activity of the courts, which may cause delays in the court proceedings in relation to the Defaulted Receivables. This may negatively impact the Issuer’s ability to make payments under the Notes. For further detail on recovery rates, please refer to section headed ***“Historical Performance of Auto Loan Receivables”***.

### **1.3. Risk of decline in vehicle values**

The Related Security may be affected by, among other things, a decline in value of the Transaction Assets securing the relevant Receivables. No assurance can be given that the value of the relevant Assets has remained or will remain at the same level on the dates of origination of the related Receivables and that the proceeds deriving from the sale of each Asset will be sufficient to discharge all obligations under the relevant Auto Loan Contract.

The automobile market in Portugal in general, or in any particular region, may from time to time experience a decline in economic conditions, namely increase in unemployment rates and disruption in the auto loan market and, consequently, may experience higher rates of loss and delinquency on auto loans generally. In addition, events such as certain weather conditions, natural disasters, fires or widespread health crises or the fear of such crises in a particular region may weaken economic conditions and could lead to a decline in the values of the vehicles located in the regions affected by such events, which may result in a loss being incurred upon sale of vehicles.

The value of used vehicles in the secondary market depends on their purpose and the intensity of their use, which determines their usable lifespan. In addition, other factors such as the brand, general maintenance conditions and the number of previous owners condition the market price of vehicles in the secondary market, especially in the personal loan market segment. There are other factors that may generate uncertainty about the market value of a vehicle, as is the case of factors of fiscal nature, induced by ecological or purely tax-related guidelines, and of a regulatory nature, such as limiting or encouraging the circulation of certain types of cars in cities or on certain roads.

The decline in vehicle values in the secondary market may negatively affect the capacity to service debts and recover credit values through their sale and completion in the secondary market. A downturn in the secondary market may

increase default and write-off levels on the Receivables included in the Receivables Portfolio. The Issuer is exposed to the risk that recoveries upon sale of the Assets securing the Receivables may be lower than anticipated at the outset of the Receivables Sale Agreement, which may negatively affect the Issuer's ability to meet its payment obligations under the Notes.

#### **1.4. Uncertainty as to insurance policies conditions and rights of the Issuer under the relevant policies**

The vehicles financed under the Auto Loan Contracts must be insured by their owners against damages in accordance with applicable law. However, it will be difficult in practice for the Servicer and/or the Issuer to confirm whether the Obligors have valid car insurance in place at any time, and the Obligors may not pay the premia due under the relevant insurance policies. In the event of absence of valid car insurance policies, if the vehicle related to a Defaulted Receivable is destroyed or damaged, recoveries are likely to be reduced than they would have been if the car had been properly insured.

In either case, the relevant Obligor takes an insurance policy, as insured party, with the relevant insurance company, having the Originator as beneficiary. The Originator will transfer in accordance with the Receivables Sale Agreement to the Issuer on the Closing Date its benefit (if any) in the insurance policies relating to the Auto Loan Contracts and any car insurance, which is included in the definition of Related Security and thus assigned to the Issuer in accordance with the Receivables Sale Agreement. However, as the insurance policies may not, in each case, refer to assignees in title of the Originator, the ability of the Issuer to make a claim under such a policy is not certain, unless each relevant insurer is notified of the assignment. Furthermore, the Originator will not notify each individual insurer of the assignment of the insurance policies to the Issuer. The Issuer may proceed to the relevant notification of the relevant insurers after the occurrence of a Notification Event.

Any Obligor may, at all times, cancel the insurance by means of a written notice sent to the insurance company or to the Originator, whenever acting as an insurance broker (*mediador de seguros*), with the termination being effective on the last day of the next month following the dispatch of the notice.

The termination of such credit protection insurance, would reduce the payment protection from which the relevant Obligor benefits, thus increasing the risk of non-payment by the Obligor, or on its behalf, under the relevant Auto Loan Contract.

For more detailed information regarding the type of insurance applicable to the Receivables Portfolio and related guarantees, please see "Table 15. Breakdown by Type of Insurance" and "Table 16. Related Guarantees" of section headed "*Characteristics of the Receivables*".

#### **1.5. Commingling risk and payment interruption risk due to a default of the Servicer**

The Servicer will procure that amounts received from Obligors in respect of the Purchased Receivables are paid into the Collection Accounts, which will be operated by the Servicer in accordance with the terms of the Servicing Agreement. These amounts in respect of the Purchased Receivables shall be transferred, after identified by the Servicer, from the Collection Accounts to the Payment Account on each Business Day following the 5<sup>th</sup>, 15<sup>th</sup> and 25<sup>th</sup> day of each month. Pursuant to Article 5(8) of the Securitisation Law, there is a statutory segregation of Collections, which are autonomous assets, and such Collections will not form part of the insolvency estate of the Servicer and the replacement of Servicer provisions in the Servicing Agreement will then apply.

There may be an operational risk that Collections may temporarily be, from an operational point of view, commingled with other monies, and where an Insolvency Event in respect of the Servicer occurs and is continuing, it cannot be excluded that cash transfers to the Payment Account may be interrupted immediately thereafter while alternative payment arrangements are made, the effect of which could be a short-term lack of liquidity that may lead to an interruption of payments to the Noteholders.

#### **1.6. Assignment and Obligor set-off risks**

The assignment of the Receivables to the Issuer under the Securitisation Law is not dependent upon the awareness or acceptance of the relevant Obligors or notice to them by the Originator, the Issuer or the Servicer to become effective. Therefore, the assignment of the Receivables becomes effective, from a legal point of view, both between the parties and towards the Obligors as from the moment on which it is effective between the Originator and the Issuer.

Set-off issues in relation to the Receivables are essentially those associated with the Obligor's possibility of exercising against the Issuer any set-off rights the Obligor held against the Originator prior to the assignment of the relevant Receivables to the Issuer. Such set-off rights held by an Obligor against the Originator prior to the assignment of the relevant Receivables to the Issuer are not affected by the assignment of the Receivables to the Issuer. Such set-off issues will not arise where the Originator, at the time of assignment of the relevant Assigned Rights to the Issuer, had no obligations then due and payable to the relevant Obligor which were not met in full at a later date given that the Originator is under an obligation to transfer to the Issuer any sums which the Originator holds or receives from the Obligors in relation to the Receivables including sums in the possession of the Originator and Servicer arising from a set-off effected by an Obligor. In this context, it should be noted that the Originator is not a deposit-taking institution and therefore any credit rights that the Borrowers may have against the Originator will not arise from deposits.

The Securitisation Law does not contain any direct provisions in respect of set-off (which therefore continues to be regulated by the Portuguese Civil Code's general legal provisions on this matter) but it may have an impact on the set-off risk related matters to the extent the Securitisation Law has varied the Portuguese Civil Code rules on assignment of credits (See ***“Selected Aspects of Portuguese Law Relevant to the Receivables and the Transfer of the Receivables”***).

Without prejudice to the above, in the event of an insolvency of 321Crédito (assuming that 321Crédito is the appointed Servicer at that time), there is a risk that an Obligor may exercise set-off, which could result in insufficient funds and liquidity to pay the principal and interest in respect of the Notes in accordance with the Post-Enforcement Payment Priorities.

#### **1.7. Change of the Originator's Lending Criteria**

The Receivables were originated in accordance with the Lending Criteria set out in ***“Originator's Standard Business Practices, Servicing and Credit Assessment”***. The company's automated scoring system, among other things, an Obligor's credit history, employment history and status, repayment ability, debt-to-income ratio and the presence of any guarantees or other collateral (see the section headed ***“Originator's Standard Business Practices, Servicing and Credit Assessment”***).

Accordingly, under the Receivables Sale Agreement, the Originator will warrant that, as at the Closing Date, and as at the Additional Purchase Date, each Obligor in relation to an Auto Loan Contract comprised in the Receivables Portfolio meets the Originator's lending criteria for new business in force at the time such Obligor entered into the relevant Auto Loan Contract.

During the Revolving Period, the Issuer may purchase Additional Receivables from the Originator, and therefore the characteristics of the Receivables may change after the Closing Date and could become substantially different from the characteristics of the pool of the Initial Receivables. These differences could result in faster or slower repayments or greater losses on the Notes. In order to address these risks, any Additional Receivables will be required to meet the conditions described in ***“Overview of certain Transaction Documents - Representations and Warranties as to the Receivables”*** below.

No assurance can be given that the Originator will not change the characteristics of its Lending Criteria in the future and that such change would not have an adverse effect on the performance of any Additional Receivables.

#### **1.8. Absence of English and German Law Security**

Under Portuguese law, the entirety of the Issuer's assets pertaining to this Transaction including those located outside of Portugal, are covered by the statutory segregation rule provided in Article 62 of the Securitisation Law, which provides that the assets and liabilities (constituting an autonomous estate or *património autónomo*) of the Issuer in respect of each transaction entered into by the Issuer are completely segregated from any other assets and liabilities of the Issuer. In accordance with the terms of Article 61 and the subsequent articles of the Securitisation Law, the Transaction Assets are exclusively allocated for the discharge of the Issuer's liabilities towards the payments due under the Notes and the Transaction Creditors, and other creditors do not have any right of recourse over the Transaction Assets until there has been a full discharge of such liabilities.

Certain of the Transaction Documents (the Transaction Management Agreement, the Subscription Agreement, the Balance Guaranteed Swap Agreement and the Accounts Bank Agreement) entered into by the Issuer are governed by English law and the Transaction Accounts are located in Germany. In the absence of an assignment pursuant to English law of the Issuer's rights under the English law Transaction Documents or a German law pledge in respect of the Transaction Accounts, (i) this may hinder the Common Representative from taking action following the occurrence of

an Event of Default, and (ii) prior to an Insolvency Event in respect of the Issuer, creditors of the Issuer (other than the Transaction Creditors) may have recourse to amounts standing to the credit of the Transaction Accounts (which would particularly be the case if the Issuer were to create security over the Transaction Accounts in favour of creditors other than the Transaction Creditors).

#### **1.9. Reliance on the Originator's Representations and Warranties**

If any of the Receivables fails to comply with any of the Receivables Warranties, then the Originator may discharge its liability for this failure either (i) if the breach is capable of remedy, within 30 days after receipt of a written notice of such breach from the Common Representative or the Issuer (as applicable), remedy such breach, or (ii) if such breach is not capable of remedy, or if capable of remedy, is not remedied within the 30 day period referred to in item (i), by, at its option (A) repurchasing or procuring a third party to repurchase such Receivable from the Issuer for an amount equal to the aggregate of: (i) the Principal Outstanding Balance of the relevant Purchased Receivable as at the date of re-assignment of such Assigned Right; (ii) an amount equal to all other amounts due (including unpaid interest or finance charges accrued) on or before the date of re-assignment in respect of the relevant Assigned Rights and its related Auto Loan Contract; and (iii) the properly incurred costs and expenses of the Issuer incurred in relation to such re-assignment, or (B) in case of a Receivable expressed to be included in the Receivables Portfolio has never existed or has ceased to exist, making an indemnity payment equal to such amount, provided that this shall not limit any other remedies available to the Issuer if the Originator fails to discharge such liability. The Originator is also liable for any losses or damages suffered by the Issuer as a result of any breach or inaccuracy of the representations and warranties given in relation to itself or its entering into any of the Transaction Documents. The Issuer's rights arising out of breach or inaccuracy of the representations and warranties are however unsecured and, consequently, a risk of loss exists if an Originator's Receivables Warranty is breached and the Originator is unable to repurchase or cause a third party to purchase or substitute the relevant Assigned Right or to indemnify the Issuer as applicable in accordance with the Receivables Sale Agreement.

#### **1.10. No independent investigation in relation to the Receivables**

None of the Transaction Parties (other than the Originator) has undertaken or will undertake any investigations, searches or other actions in respect of the Receivables, any historical information relating thereto, any Obligor or any Transaction Party including the Issuer, and each will rely instead on the representations and warranties made by the Originator in relation thereto set out in the Receivables Sale Agreement.

As such, the Receivables may be subject to matters which would have been revealed by a full investigation or, if incapable of remedy had such matters been revealed. If any of the warranties made by the Originator is materially breached or proves to be materially untrue as at the Closing Date and such breach is not remedied, the Originator shall repurchase any relevant Assigned Right in accordance with the repurchase provisions set forth in the Receivables Sale Agreement. The Originator is liable for any repurchase and there can be no assurance that the Originator will have the financial resources to honour such obligations.

The Originator is not obliged to monitor compliance of the Assigned Rights with the representations and warranties following the relevant Closing Date.

#### **1.11. Effects of the Originator's insolvency on the assignment of the Receivables Portfolio**

In the event of the Originator becoming insolvent and insolvency proceedings are initiated in Portugal, the Receivables Sale Agreement, and the sale and assignment of the Receivables Portfolio conducted pursuant to it, will not be affected and therefore will neither be terminated, nor will such Receivables Portfolio form part of the Originator's insolvent estate, save if a liquidator appointed to the Originator or any of the Originator's creditors produces evidence that the sale of the Receivables Portfolio under the Receivables Sale Agreement was prejudicial to the insolvency estate and that the Originator and the Issuer have entered into and executed such agreement in bad faith, i.e., with the intention of defrauding creditors (see "***Selected aspects of Portuguese Republic relevant to the Receivables and the transfer of the Receivables***").

In the case of Receivables with the benefit of a retention of title (*reserva de propriedade*), the retention of title over the vehicle, equipment and/or any type of property will not be re-registered in the name of the Issuer under the Receivables Sale Agreement and will remain registered in the name of the Originator, without prejudice to the transfer of the entitlement to rights and benefits resulting therefrom to the extent permitted by law. Once the relevant Auto Loan Contract is fully repaid, the Originator shall be bound to issue a document evidencing the payment

of all contractual obligations which should allow the relevant Obligor to have the full and unencumbered title over the vehicle. In the event of the insolvency of the Originator, and under the Portuguese Securitisation Law, the benefit of the retention of title, together with other rights aimed at ensuring the repayment of the assigned receivables would not form part of 321Crédito's general insolvency estate. Under the Portuguese Securitisation Law, the Related Security would not be included in insolvency estate of the Originator or the Servicer and would be exclusively allocated to ensuring any payments due under the Notes. Only once all payments due thereunder have been fully satisfied, the remaining amounts and assets may be allocated to the satisfaction of other credit entitlements by other creditors of the Originator or the Servicer, as applicable.

#### **1.12. Geographical concentration of the Receivables**

Although the Obligors are located throughout Portugal, the Obligors may be concentrated in certain locations, such as densely populated areas. The geographical regions that show a greater concentration of vehicles acquired under an Auto Loan Contracts, based on the percentage of Principal Outstanding Balance of the Receivables, are the following: Porto (27.27%), Lisbon (16.85%), and Braga (11.21%), representing a total of 55.32% of the Receivables Portfolio. For more detailed information, please see *"Table 11. Breakdown by Region of Residence"* of section headed *"Characteristics of the Receivables"*.

Any deterioration in the economic conditions characterising the regions in which the Obligors are located, causing an adverse effect on Obligors' ability to repay the Purchased Receivables, could increase the risk of losses on the Receivables. A concentration of Obligors in such areas may therefore result in a greater risk of loss than would be the case if such concentration had not been present. Such losses, if they occur, could have an adverse effect on the yield to maturity of the Notes as well as on the repayment of principal and interest (and, in respect of the Class Z Notes, the Class Z Distribution Amount) due under the Notes.

#### **1.13. Early Termination by Obligors under Auto Loan Contracts**

Under the terms of the Auto Loan Contracts, the related Obligors are entitled to terminate and prepay the contract. Upon such a termination, the obligation of the Obligors in respect of future monthly or quarterly instalment payments under the contracts will cease. In the case of termination, the Obligors are required to repay the outstanding principal and to pay any accrued interest, expenses and taxes together with a prepayment penalty as provided for in the Auto Loan Contracts. A high rate of prepayment of Auto Loan Contracts after the end of the Revolving Period will increase the rate of amortisation of principal under the Notes in accordance with the Pre-Enforcement Payment Priorities and the Pre-Enforcement Principal Withholding Amount Payment Priorities, and the weighted average life of the Notes will decrease. There can be no assurance that an Obligor will not exercise this right of termination and prepayment. A request for prepayment must be made in writing and duly signed by the Obligor (see section headed *"Overview of the Originator"*).

### **2. RISKS RELATING TO THE NOTES AND THE STRUCTURE**

#### **2.1. Interest rate risk**

The Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Receivables and the rate of interest payable in respect of the Notes. Some of the Receivables in the Receivables Portfolio pay or will pay a fixed rate of interest. The outstanding principal balance of Initial Receivables in the Initial Receivables Portfolio which pay a fixed rate of interest is EUR 186,525,769.17, as of March 2022. However, the Issuer's liabilities with respect to interest under the Notes are based on EURIBOR for one-month euro deposits.

To provide a hedge against the possible variance between:

- (a) the fixed rates of interest payable on the Receivables in the Receivables Portfolio; and
- (b) the rate of interest under the Notes being calculated by reference to EURIBOR for one-month euro deposits,

the Issuer will enter into a swap transaction (the **"Swap Transaction"**) with the Swap Counterparty under the Balance Guaranteed Swap Agreement on or around the Closing Date in order to mitigate this risk.

Under the Swap Transaction, the Swap Counterparty will be obliged to pay to the Issuer on each Interest Payment Date at a floating rate, and the Issuer will be obliged to pay to the Swap Counterparty on each Interest Payment Date

at a fixed rate, an amount which is calculated by reference to the notional amount of the Swap Transaction for the related calculation period thereunder.

The notional amount of the Swap Transaction on the first Interest Payment Date will be EUR 200,000,000 and on each subsequent Interest Payment Date will be calculated by reference to the Aggregate Principal Outstanding Balance of Performing Receivables on the immediately preceding Calculation Date. Notwithstanding the foregoing, on each Interest Payment Date, the amounts payable by the Issuer and the Swap Counterparty shall be set off against each other, as further detailed in the section "*Overview of Certain Transaction Documents – Swap Transaction*". During those periods in which the floating rate payable by the Swap Counterparty under the Balance Guaranteed Swap Agreement is substantially greater than the fixed rate payable by the Issuer under the Balance Guaranteed Swap Agreement, the Issuer will be more dependent on receiving payments from the Swap Counterparty in order to make interest payments on the Notes. If the Swap Counterparty fails to pay any amounts when due under the Balance Guaranteed Swap Agreement, the Available Distribution Amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

If for any Swap Calculation Period EURIBOR for one-month euro deposits is negative, the Issuer will be required to pay to the Swap Counterparty the absolute value of the relevant Swap Counterparty Swap Amount determined using the applicable negative EURIBOR for one-month euro deposits rate as calculated in accordance with the terms of the Balance Guaranteed Swap Agreement (the "**Issuer Swap Additional Amount**"). Where this occurs, the Issuer will be required to pay to the Swap Counterparty the scheduled Issuer Swap Amount (subject to the terms of the Balance Guaranteed Swap Agreement) plus the Issuer Swap Additional Amount. The interest rate on the Notes is floored at zero, so in this situation the Issuer would have to pay the Issuer Swap Additional Amount and there would be no corresponding adjustment in respect of payments under the Notes. This could affect the Issuer's ability to make payments of interest and principal under the Notes.

The effective date of the Swap Transaction will be the Closing Date.

This risk is also mitigated by the Issuer's Cash Reserve Account, which is funded, on the Closing Date, with the proceeds of the Class G Notes and which is sized to take into account the potential difference between the interest reference rates and reset dates under a number of scenarios and the Swap Transaction entered into between the Issuer and the Swap Counterparty on the Closing Date (see section headed "*Overview of Certain Transaction Documents – Swap Transaction*").

The Cash Reserve Account is not available exclusively to cover shortfalls caused by changes in interest rates and potential investors should be aware that the existence of the Cash Reserve Account does not ensure that the Issuer's income is sufficient to meet its payment obligations at all times.

## **2.2. Termination of the Balance Guaranteed Swap Agreement may expose the Issuer to interest rate fluctuations or require additional costs in replacing the Balance Guaranteed Swap Agreement**

The benefits of the Swap Transaction may not be achieved in the event of early termination of the Swap Transaction, including termination upon failure of the Swap Counterparty to perform its obligations. The Balance Guaranteed Swap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Swap Transaction.

In case of an early termination of the Swap Transaction, the Issuer may have insufficient funds to make payments under the Notes and this may result in a downgrading of the rating of some or all of the Rated Notes. Furthermore, if such early termination occurs and a replacement swap transaction is entered into, this may be on terms less favourable to the Issuer and therefore may mean that reduced amounts are available for distribution by the Issuer to the Transaction Creditors (including, *inter alia*, the Noteholders). The Issuer also may not be able to enter into a replacement swap agreement with a replacement swap counterparty immediately or at a later date. If a replacement swap counterparty cannot be found, the funds available to the Issuer to pay interest on the Notes will be reduced if the interest revenues received by the Issuer under the Receivables are substantially lower than the rate of interest payable by it on the Notes. In these circumstances, the Noteholders may experience delays and/or reductions in the interest and principal payments to be received by them, and the Notes may also be downgraded.

While the Swap Counterparty is required to have minimum ratings and contractual remedies are provided in the event of rating downgrading, no assurance can be given that the creditworthiness of the Swap Counterparty will not

deteriorate in the future and in the event of insolvency of the Swap Counterparty, the Issuer will be treated as a general unsecured creditor of the insolvent counterparty. This situation of insolvency is also likely to affect the performance of the Swap Counterparty's obligations under the Balance Guaranteed Swap Agreement. In the event that any relevant party fails to perform its obligations under the respective agreement to which it is a party, the Noteholders may be adversely affected, particularly if the circumstances prevailing at the time of termination of the Balance Guaranteed Swap Agreement are such that the Swap Counterparty owes a substantial termination payment to the Issuer. The amount of any such termination payment will be based:

- (i) if the Swap Transaction is terminated upon the occurrence of an Event of Default (as defined in the Balance Guaranteed Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Balance Guaranteed Swap Agreement) or upon the occurrence of a Termination Event (as defined in the Balance Guaranteed Swap Agreement) where the Swap Counterparty is the Affected Party (as defined in the Balance Guaranteed Swap Agreement), on the determining party's good faith determination of total losses and costs (or gains), including any, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or re-establishing any hedge or related trading position (or any gain resulting from any of them); and
- (ii) if the Swap Transaction is terminated in any other circumstances, on the market value of each swap transaction under the Balance Guaranteed Swap Agreement, computed in accordance with the Balance Guaranteed Swap Agreement, generally on the basis of market quotations of the cost of entering into a replacement swap transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties,

in each case in accordance with the procedures set out in the Balance Guaranteed Swap Agreement.

There can be no assurance that the Issuer will have sufficient funds available to make any termination payment under the Balance Guaranteed Swap Agreement or that the Issuer, following termination of the Balance Guaranteed Swap Agreement, will have sufficient funds to make subsequent payments to the Noteholders in respect of the relevant class of Notes. If the Balance Guaranteed Swap Agreement is terminated, although the Issuer shall use commercially reasonable efforts to find a replacement swap counterparty having the required ratings, no assurances can be given that the Issuer will be able to find any replacement counterparty with the requisite ratings on a timely basis or at all, and if one is entered into, there can be no assurance that the creditworthiness of the replacement Swap Counterparty will be sufficiently high as to prevent a downgrading of then current ratings of one or more classes of the Rated Notes by the Rating Agencies. In the event of the loss of sufficient creditworthiness of the counterparty below a certain level, measured either on the basis of the credit rating or otherwise, that the counterparty is subject to collateralisation requirements or makes a reasonable effort for its replacement or guarantee by another counterparty.

### **2.3. Issuer payment obligations are subject to predefined priorities**

The Conditions provide that, after the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, payments will rank in a certain order of priority as set out under the heading ***"Transaction Overview – Post-Enforcement Payment Priorities"***. In the event the Issuer's obligations are enforced, no amount of interest or principal (and, in respect of the Class Z Notes, the Class Z Distribution Amount) will be paid in respect of any Class of Notes until all amounts of interest and principal (and, in respect of the Class Z Notes, the Class Z Distribution Amount) due on any Class of Notes ranking in priority to such Notes (if any) and any other amounts ranking in priority to payments in respect of such Notes have been paid in full. The Issuer may not have sufficient funds to meet all payments.

In addition, pursuant to the Common Representative Agreement, the Transaction Management Agreement and the Conditions, the claims of certain Transaction Creditors and of third-party expenses creditors will rank senior to the claims of the Noteholders in accordance with the relevant Payment Priorities. Pursuant to the same terms and in accordance with the relevant Payment Priorities, the Issuer's liability to Tax, in relation to this Transaction, is always paid first, ahead or together with any liabilities towards the Common Representative and Issuer Expenses, and if any such amount is significant this may impact payments to be made to Noteholders, by reducing in such amount the monies available to make payments to Noteholders (see sections headed ***"Transaction Overview – Pre-Enforcement Payment Priorities"*** and ***"Transaction Overview – Post-Enforcement Payment Priorities"***).

Both before and after an Event of Default (which includes the occurrence of an Insolvency Event in relation to the Issuer) and the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, amounts



deriving from the assets of the Issuer other than the Transaction Assets will not be available for the purposes of satisfying the Issuer's Obligations towards the Noteholders and the other Transaction Creditors, as they are legally segregated from the Transaction Assets.

#### **2.4. Ranking and status of the Notes**

On any Interest Payment Date, prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, all payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class B Notes, which will rank in priority to any payments of interest due on the Class C Notes, which will rank in priority to any payments of interest due on the Class D Notes, which will rank in priority to any payments of interest due on the Class E Notes, which will rank in priority to any payments of interest due on the Class F Notes, which will rank in priority to any payments of interest due on the Class G Notes, which will rank in priority to any payments of interest due on the Class Z Notes, which will rank in priority to any payments of any Class Z Distribution Amount, in each case in accordance with the Pre-Enforcement Payment Priorities.

During the Revolving Period and prior to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, no principal will be payable under the Asset-Backed Notes, and on any Interest Payment Date, prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, all payment of principal due on the Class G Notes will rank in priority to any amounts due under the Class Z Notes in each case in accordance with the Pre-Enforcement Payment Priorities.

After the end of the Revolving Period and prior to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, provided that no Sequential Redemption Event has occurred, all payment of principal shall be made in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes, until all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and Class G Notes have been redeemed in full, and in case of the Class G Notes up to the Class G Amortisation Amount and in case of the Class Z Notes up to €1,000.

Following the occurrence of a Sequential Redemption Event, all payments of principal due on the Class A Notes will rank in priority to payments of principal due on the Class B Notes, which will rank in priority to any payments of principal due on the Class C Notes, which will rank in priority to any payments of principal due on the Class D Notes, which will rank in priority to any payments of principal due on the Class E Notes, which will rank in priority to any payments of principal due on the Class F Notes, which will rank in priority to any payments of principal due on the Class G Notes, which will rank in priority to any payments of principal due on the Class Z Notes, in each case in accordance with the Pre-Enforcement Principal Withholding Amount Payment Priorities and the Pre-Enforcement Payment Priorities.

Prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, payment of interest and principal on the Notes (and, in respect of the Class Z Notes, the Class Z Distribution Amount) will be made in accordance with the Pre-Enforcement Payment Priorities.

After the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, any payments due under the Class A Notes will rank in priority to any payments due under the Class B Notes, which will rank in priority to any payments due on the Class C Notes, which will rank in priority to any payments due on the Class D Notes, which will rank in priority to any payments due on the Class E Notes, which will rank in priority to any payments due on the Class F Notes, which will rank in priority to any payments due on the Class G Notes, which will rank in priority to any payments due on the Class Z Notes, which will rank in priority to any payments of any Class Z Distribution Amount, in each case in accordance with the Post-Enforcement Payment Priorities.

In addition, pursuant to the Common Representative Agreement, the Transaction Management Agreement and the Conditions, the claims of certain Transaction Creditors and of third-party expenses creditors will rank senior to the claims of the Noteholders in accordance with the relevant Payment Priorities. Pursuant to the same terms, the Issuer's liability to tax, in relation to this transaction, is always paid first, ahead or together with any liabilities towards the Common Representative and Issuer Expenses, and if any such amount is significant this may impact payments to be made to Noteholders, by reducing in such amount the monies available to make payments to Noteholders (see sections headed "**Overview of the Transaction – Pre-Enforcement Payment Priorities**", "**Overview of the Transaction**

– *Pre-Enforcement Principal Withholding Amount Payment Priorities*” and *“Overview of the Transaction – Post-Enforcement Payment Priorities”*).

## **2.5. Issuer’s liability under the Notes**

The Notes are direct limited recourse obligations and are obligations solely of the Issuer and will not be obligations or responsibilities of any other entity. In particular, the Notes will not be obligations of and will not be guaranteed by the Originator, the Servicer, the Transaction Manager, the Accounts Bank, the Paying Agent, the Common Representative and any other Transaction Party (other than the Issuer). In particular, holders of each Note do not have any legal recourse for non-payments or reduced payments against the Originator. None of the Transaction Parties or any other person has assumed any obligation in the event the Issuer fails to make a payment due under any of the Notes. No holder of any Notes will be entitled to proceed directly or indirectly against any of the Transaction Parties (other than indirectly against the Issuer through the Common Representative) under the Notes. No Transaction Party (other than the Issuer to the extent of the cashflows generated by the Receivables Portfolio and any other amounts paid to the Issuer pursuant to the Transaction Documents) or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes.

The Issuer will not have any assets available for the purpose of meeting its payment obligations under the Notes other than the Transaction Assets, the Collections, its rights pursuant to the Transaction Documents and amounts standing to the credit of certain of the Transaction Accounts. The obligations of the Issuer under the Notes are without recourse to any other assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer’s own funds or to the Issuer’s directors, officers, employees, managers or shareholders. None of such persons or entities has assumed or will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on or in respect of the Notes.

There is no assurance that there will be sufficient funds to enable the Issuer to pay interest on any class of the Notes (and, in respect of the Class Z Notes, the Class Z Distribution Amount) or, on the redemption date of any class of the Notes (whether on the Final Legal Maturity Date, upon acceleration following the delivery of an Enforcement Notice or upon the occurrence of an Optional Redemption Event), to repay principal in respect of such class of Notes, in whole or in part.

Repayment of the Notes is limited to the funds received from or derived from the Transaction Assets. If there are insufficient funds available to the Issuer from the Transaction Assets to pay in full all principal, interest and other amounts due in respect of the Notes at the Final Legal Maturity Date, upon acceleration following the delivery of an Enforcement Notice or the upon the occurrence of an Optional Redemption Event, then the Noteholders will have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be deemed discharged in full. No recourse may be had for any amount due in respect of any Notes or any other obligations of the Issuer against any officer, member, director, employee, shareholder, security holder or incorporator of the Issuer or their respective successors or assigns.

## **2.6. Notes are subject to optional redemption**

The Notes may be subject to early redemption at the option of the Issuer, or the Noteholders, as specified in Condition 8.9 (*Optional Redemption in whole*) and Condition 8.10 (*Optional Redemption in whole for taxation reasons*).

In accordance with Condition 8.9 (*Optional Redemption in whole*) and Condition 8.10 (*Optional Redemption in whole for taxation reasons*) the Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date after the date on which a Call Option Event or a Tax Event has occurred, provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class Z Notes at their Principal Amount Outstanding, the Class Z Notes shall be redeemed in full and all the claims of the Class Z Noteholders for any shortfall in the Principal Amount Outstanding of the Class Z Notes, the Interest Amount in respect of the Class Z Notes and the Class Z Distribution Amount shall be extinguished.

Such early redemption feature of the Notes may limit their market value and adversely affect the yield on the Notes as more fully described to in risk factor **“3.6. Uncertainty regarding weighted average lives of the Notes and possible influence of external factors”**. During any period when the Issuer may redeem the Notes, the market value of the Notes may not rise substantially above the price at which they can be redeemed. This also may be true prior to the occurrence of the events allowing the Issuer to exercise such optional redemption. An investor may not be able to

reinvest the redemption proceeds at an effective interest rate on conditions similar to or better than those of the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk bearing in mind other investments available at the time, since if the investors had expected any such event to occur and eventually no such event occurs and they are repaid at a later date than expected, the investors will not be able to reinvest the amounts of principal at potentially better conditions than those of Notes where such better conditions exist.

### **3. RISKS RELATING TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES**

#### **3.1. Constraints on the satisfaction of credit entitlements due to the actual access to the Transaction Assets being dependent on different entities**

The satisfaction of the Noteholders' and other Transaction Creditors' credit entitlements, upon delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event and the Notes becoming immediately due and payable in accordance with the Post-Enforcement Payment Priorities, will depend on the actual access to the Transaction Assets.

As a result, Noteholders should be aware that, as the Transaction Assets are the sole recourse to the Issuer's Obligations, actual access to the Transaction Assets is paramount to the discharge of the Issuer's Obligations. However, such access may be affected by the fact that the Receivables Portfolio is serviced by an entity other than Issuer.

#### **3.2. Limited liquidity of the Receivables**

In the event of occurrence of an Event of Default and the delivery of an Enforcement Notice to the Issuer by the Common Representative, the disposal of the performing Receivables by the Common Representative (including its rights in respect of the Receivables) is restricted by Portuguese law in that any such disposal will be, as a general rule, restricted to a disposal to the Originator or to another Portuguese securitisation fund (FTC), to another Portuguese securitisation company (STC) or to credit institutions or financial companies authorised to grant credit on a professional basis. In such circumstances, and unless a breach of a relevant warranty under the Receivables Sale Agreement is outstanding (see section headed "**Overview of Certain Transaction Documents – Receivables Sale Agreement**"), the Originator has no obligation to repurchase the Receivables from the Issuer under the Transaction Documents and there can be no certainty that any other purchaser could be found as there is not, at present, and the Issuer believes it is unlikely to develop, an active and liquid secondary market for receivables of this type in Portugal.

In addition, even if a purchaser could be found for the Receivables, the amount realised by the Issuer in respect of their disposal to such purchaser in such circumstances may not be sufficient to redeem all of the Notes in full at their then Principal Amount Outstanding together with accrued interest.

#### **3.3. The Notes are not protected by the Deposit Guarantee Fund**

Unlike a bank deposit, the Notes are not protected by the Portuguese Deposit Guarantee Fund ("**Fundo de Garantia de Depósitos**" or "**FGD**"), or by any other government savings or deposit protection scheme, because the Notes do not constitute deposits and the Issuer, being a securitisation company, is not a credit institution and, therefore, is not covered by the rules applicable to the FGD. As a result, the FGD will not pay compensation to an investor in the Notes upon any payment failure of the Issuer. If the Issuer goes out of business or becomes insolvent, the Noteholders may lose all or part of their investment in the Notes.

#### **3.4. Limited Recourse to the Receivables Portfolio**

The Notes will not be obligations or responsibilities of any of the parties to the Transaction Documents other than the Issuer and shall be limited to the segregated portfolio of Receivables corresponding to the Transaction (as identified by asset code 202206TGSCRTS00N0147 awarded by the CMVM on 30 May 2022 pursuant to Article 62 of the Securitisation Law which provides that the assets and liabilities (constituting an autonomous estate or *património autónomo*) of the Issuer in respect of each securitisation transaction entered into by the Issuer are completely segregated from any other assets and liabilities of the Issuer) and such other Transaction Assets.

The obligations of the Issuer under the Notes are without recourse to any other receivables of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, officers,

employees, managers or shareholders. None of such persons or entities has assumed or will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on or in respect of the Notes.

Therefore, the satisfaction of the Noteholders' and other Transaction Creditors' credit entitlements upon delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event and the Notes becoming immediately due and payable in accordance with the Post-Enforcement Payments Priorities will depend on the actual access to the Receivables Portfolio.

The Issuer will not have any receivables available for the purpose of meeting its payment obligations under the Notes other than the Receivables, the Collections, its rights pursuant to the Transaction Documents and any amounts standing to the credit of the Transaction Accounts. The Issuer's ability to meet its obligations in respect of the Notes, its operating expenses and its administrative expenses is wholly dependent upon:

- collections and recoveries made from the Receivables Portfolio by the Servicer;
- arrangements pursuant to the Transaction Accounts; and
- the performance by all of the parties to the Transaction Documents (other than the Issuer) of their respective obligations under the Transaction Documents (in this regard see risk factor "**4.4. Credit risk on the Transaction Parties**").

The Issuer will not have any other funds available to it to meet its obligations under the Notes or any other payments ranking in priority to, or *pari passu* with, the Notes. There is no assurance that there will be sufficient funds to enable the Issuer to pay interest (or the Class Z Distribution Amount, as applicable) on any Class of Notes or, on the redemption date of the Class A Notes (whether on the Final Legal Maturity Date, upon acceleration following the delivery of an Enforcement Notice or upon the occurrence of an Optional Redemption Event), that there will be sufficient funds to enable the Issuer to repay principal in respect of such Class of Notes in whole or in part.

**3.5. Authorised Investments may not have a return or may be unrecoverable and therefore the assets of the Issuer may be adversely affected**

The Transaction Manager, on behalf of the Issuer, has the right to make certain interim investments of money standing to the credit of the Payment Account and the Cash Reserve Account. Such investments must comply with the requirements set out in Article 44(3) of the Securitisation Law and Article 3 of Regulation No. 12/2002 of the CMVM, as amended by Regulation No. 4/2020 of the CMVM, have appropriate ratings (as set out in the definition of Authorised Investments) depending on the term of the investment and the term of the investment instrument, and shall not consist, either directly or indirectly, of asset-backed securities or credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives. However, it may be that, irrespective of any rating, such investments will be irrecoverable due to insolvency of the debtor under the investment or of a financial institution involved, or due to loss of an investment amount during the transfer thereof. Additionally, the return on an investment may not be sufficient to fully cover interest payment obligations due from the investing entity in respect of its corresponding payment obligations. In this case, the Issuer may not be able to meet all its payment obligations. No Transaction Party other than the Issuer will be responsible for any such loss or shortfall.

**3.6. Uncertainty regarding weighted average lives of the Notes and possible influence of external factors**

The yield to maturity of the Notes will be driven and may be affected by multiple factors including the amount and timing of delinquencies, defaults and prepayments in respect of the Receivables and, if and when any early, mandatory or optional redemption has or has not occurred. Such events may each influence the average lives and may reduce the yield to maturity of the Notes.

Under the terms of the Auto Loan Contracts, Obligor are entitled to prepay in whole or part the amounts owed by the Obligor thereunder. In case of prepayment, the Obligor is required to repay the outstanding principal and to pay any accrued interest, expenses and taxes together with a prepayment penalty, as provided for under the respective Auto Loan Contract. Such right of prepayment can be exercised at any time by the Obligor and, if such prepayment is made in full, the relevant Auto Loan Contract will be early terminated.

No assurance can be given as to the level of prepayment that the Receivables Portfolio will experience and the level of prepayment amounts (see section headed "**Weighted Average Lives of the Notes and Assumptions**").

The weighted average life of the Notes, assuming a 4.00% cumulative Default rate and with Clean-Up Call and other assumptions stated in the section "**Weighted Average Lives of the Notes and Assumptions**", is estimated to be in the range of 3.6–3.8 years for Class A Notes, 3.6–3.8 years for Class B Notes, 3.6–3.8 years for Class C Notes, 3.6–3.8 years for Class D Notes, 3.6–3.8 years for Class E Notes, 3.6–3.8 years for Class F Notes, and 0.5 years for Class G Notes, for an assumed constant per annum rate of prepayment ("**CPR**") in the range of 8% to 12%.

Furthermore, the Notes may be subject to early or optional redemption in whole upon the occurrence of a Call Option Event. If a Call Option Event occurs the Notes may be redeemed earlier than it would have been the case if no such event had occurred and Noteholders may not be able to reinvest the amounts of principal received on conditions similar to or better than those of the Notes. Conversely, if Noteholders had expected any such event to occur and eventually no such event occurs and they are repaid later than expected, Noteholders will not be able to reinvest the amounts of principal at potentially better conditions than those of Notes where such better conditions exist. In addition, the election by the Originator to exercise any of the Call Options is discretionary and may be driven by various factors. Additionally, the ability of the Originator to exercise a Call Option will be conditional inter alia on the funds available to the Issuer being sufficient to redeem the Rated Notes in full. As a result, there may be circumstances where the Originator may not be entitled to exercise any of the Call Options. Accordingly, there is no certainty as to whether any of the Call Options will be exercised and as to when it might be exercised, so Noteholders may be repaid later than they would have if such call option had been exercised. The exercise of any of the Call Options by the Originator may result in losses for the Class Z Noteholders and/or higher losses than they would have suffered if no Call Option had been exercised. Besides the Purchased Receivables which are not Delinquent Receivables will be valued at par value implying that Noteholders will not benefit from the credit enhancement provided by excess spread as they would have been if such Call Option had not been exercised. Besides, there is no certainty as to how the Delinquent Receivables and Purchased Receivables which are not Performing Receivables would be valued. Accordingly, optional redemption of the Notes may adversely affect the yield of the Notes.

### **3.7. Competition in the Portuguese Market**

The Issuer is subject to the risk of the contractual interest rates on the Auto Loan Contracts being less than that required by the Issuer to meet its commitments under the Notes, which may result in the Issuer having insufficient funds available to meet the Issuer's commitment under the Notes and other Issuer obligations. There are a number of lenders in the Portuguese market and competition may result in lower interest rates on offer in such market. In the event of lower interest rates, Obligors under the Auto Loan Contracts may seek to repay such Auto Loan Contracts early, with the result that the yield on the Receivables Portfolio may be reduced over time which may impact the Issuer's ability to meet its commitments under the Notes.

## **4. RISKS RELATING TO THE TRANSACTION PARTIES AND THE TRANSACTION**

### **4.1. Risk of Transaction Party's non-performance and rating trigger risk**

The Issuer faces the possibility that a counterparty will be unable to honour its contractual obligations to it. The counterparties may default their obligations to the Issuer due to insolvency, lack of liquidity, operational failure or other reasons.

The ability of the Issuer to meet its obligations under the Notes will be dependent upon the performance of duties owed by a number of third parties that will agree to perform services in relation to the Notes. For example, the Transaction Manager will provide calculation and management services under the Transaction Management Agreement and the Paying Agent will provide payment services in connection with the Notes. In the event that any of these third parties fails to perform its obligations under the respective agreements to which it is a party, or the creditworthiness of these third parties deteriorates, the Noteholders may be adversely affected. See headed "**Overview of Certain Transaction Documents**".

The parties to the Transaction Documents who receive and hold monies pursuant to the terms of such documents (such as the Accounts Bank) are required to satisfy certain criteria in order to continue to receive and hold such monies.

These criteria include requirements in relation to the short-term, unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the concerned party ceases to satisfy the applicable criteria, including such ratings criteria, then the rights and obligations of that party may be required to be transferred to another entity which does satisfy the applicable criteria, which may then be required to become a party to the relevant Transaction Document. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Transaction Documents.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers, as detailed under Condition 16 (*Modification and Waiver*).

If the requirements of the Rating Agencies in relation to the short-term, unguaranteed and unsecured ratings ascribed to a party to the Transaction Documents are not met, that could potentially adversely affect the rating of the Rated Notes.

While certain Transaction Documents provide for rating triggers to address the insolvency risk of counterparties, such rating triggers may be ineffective in certain situations. Rating triggers may require counterparties, *inter alia*, to provide collateral or to arrange for a new counterparty to become a party to the relevant Transaction Document upon a rating downgrade or withdrawal of the original counterparty. It may, however, be that a counterparty having a requisite rating becomes insolvent before a rating downgrade or withdrawal occurs or that insolvency occurs immediately upon such rating downgrade or withdrawal or that the relevant counterparty does not have sufficient liquidity for implementing the measures required upon a rating downgrade or withdrawal.

Furthermore, after the delivery of a Transaction Manager Event Notice or the delivery of a written notice pursuant to the Transaction Management Agreement giving notice of the future termination of the appointment of the Transaction Manager, the Issuer or, after the delivery of an Enforcement Notice, the Common Representative (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) upon written instructions from the Noteholders holding not less than 5% of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes which is outstanding, acting in accordance with the Common Representative Appointment Agreement, would need to appoint a substitute transaction manager. The appointment of the substitute transaction manager is subject to the condition that, *inter alia*, such substitute transaction manager is capable of administering the Transaction Accounts of the Issuer. The appointment of any successor Transaction Manager shall have been previously notified to the Rating Agencies.

There is no certainty that it would be possible to find a substitute of satisfactory standing and experience, who would be willing to act as transaction manager under the terms of the Transaction Management Agreement or an alternative agreement on substantially the same terms or that a substitute transaction manager would be willing to comply with the obligations of the retiring transaction manager as set out in the Transaction Management Agreement on the same terms and for the same remuneration as the retiring transaction manager.

In order to appoint a substitute transaction manager, it may be necessary to pay higher fees than those paid to the Transaction Manager and depending on the level of fees payable to any substitute, the payment of such fees could potentially adversely affect the rating of the Rated Notes and would reduce the amounts available to be paid to Noteholders and other Transaction Creditors in accordance with the Payment Priorities.

#### **4.2. Reliance on performance by Servicer and Back-up Servicer**

The Issuer has engaged the Servicer to administer the Receivables Portfolio pursuant to the Servicing Agreement and has appointed the Back-Up Servicer to administer the Receivables Portfolio upon the Servicer ceasing to do so pursuant to the Servicing Agreement. While each of the Servicer and the Back-Up Servicer are under contract to perform certain services under the Servicing Agreement, there can be no assurance that they will be willing or able to perform such services in the future.

If the appointment of the Servicer or the Back-up Servicer is terminated by reason of the occurrence of a Servicer Event, there can be no assurance that the transition of servicing will occur without adverse effects on investors or that an equivalent level of performance on collections and administration of the Receivables can be maintained by a successor servicer ("**Successor Servicer**") after any replacement of the Servicer or the Back-up Servicer, as many of the servicing and collections techniques currently employed were developed by the Servicer or the Back-up Servicer.

If the appointment of the Servicer or the Back-up Servicer is terminated, the Issuer shall endeavour to appoint a Successor Servicer. No assurances can be made as to the availability of, and the time necessary to engage, such Successor Servicer.

The Servicer and the Back-up Servicer may not resign their respective appointments as Servicer or Back-up Servicer, without a justified reason and furthermore, pursuant to the Servicing Agreement, such resignation shall only be effective if the Issuer has appointed a Successor Servicer, provided that such appointment does not have an adverse effect on the current ratings of the Rated Notes. The appointment of the Back-up Servicer and any other Successor Servicer is subject to the prior approval of the CMVM.

Notice of the appointment of a Successor Servicer shall be delivered by the Issuer to the Rating Agencies, the CMVM, the Bank of Portugal, the Sole Arranger, the Lead Manager and each of the other Transaction Parties. A Successor Servicer is appointed by the Issuer with effect from the Servicer Termination Date or the Servicer Resignation Date, by the entry of the Successor Servicer, the Originator and the Issuer into a replacement servicing agreement in similar terms to the Servicing Agreement. The Successor Servicer shall have experience in the servicing of loans similar to those included in the Receivables Portfolio and shall have well documented and adequate policies, procedures and risk management controls relating to such servicing. The appointment of a Successor Servicer may not result in the downgrade of the ratings of the Rated Notes and it is subject to the prior approval of the CMVM.

Under the Portuguese Securitisation Law, in the event of the Servicer becoming insolvent, all the amounts which the Servicer may then hold in respect of the Receivables assigned by the Originator to the Issuer will not form part of the Servicer's insolvency estate and the replacement of the Servicer provisions in the Servicing Agreement will then apply.

However, it cannot be excluded that cash transfers to the Payment Account may be interrupted immediately thereafter while alternative payment arrangements are made, the effect of which could be a short-term lack of liquidity that may lead to an interruption of payments to the Noteholders.

#### **4.3. Services and limited liability of the Back-up Servicer and the Successor Servicer**

The performance of the services by the Back-up Servicer (or the Successor Servicer, if and when appointed) is dependent on receipt by the Back-up Servicer (or the Successor Servicer, if and when appointed) or the Issuer of certain documents, records and information from the Servicer, and the Back-up Servicer (or the Successor Servicer, if and when appointed) shall not be liable for any failure to carry out its obligations, which arises in connection with the Back-up Servicer (or the Successor Servicer, if and when appointed) not having received in full such documents, records and information from the Servicer or the Issuer, in accordance with clause 26.4 of the Servicing Agreement.

Additionally, the Back-up Servicer (or the Successor Servicer, if and when appointed) shall also not be held liable for any set-off or other rights which the Obligors may exercise or invoke against the Servicer, or for any monies or entitlements that may, for whatever reason, be retained by the original Servicer and, in such event, the Back-up Servicer (or the Successor Servicer, if and when appointed) will be dependent on the cooperation of the original Servicer in order to fully recover any such amounts, including the possible intervention of the original Servicer in any judicial proceedings against such Obligors.

The above described factors may limit the capacity of the Back-up Servicer (or the Successor Servicer, if and when appointed) to render the services in the manner rendered by the original Servicer and consequentially may impose a delay and negatively affect the collections and recoveries made under the Receivables Portfolio and therefore affect the rights of the Noteholders to receive payments under the Notes.

#### **4.4. Credit risk on the Transaction Parties**

The ability of the Issuer to meet its payment obligations in respect of the Notes depends partially on the full and timely payments by the parties to the Transaction Documents of the amounts due to be paid thereby and on the non-existence of unforeseen extraordinary expenses to be borne by the Issuer which are not already accounted for by the Rating Agencies in relation to the Transaction Documents (see risk factor "**3.4. Limited recourse to the Receivables Portfolio**"). If any of the parties to the Transaction Documents fails to meet its payment obligations, to perform its duties with regards to performing any transfer of funds as foreseen in the Transaction Documents or if the Issuer has to bear the referred unforeseen extraordinary expenses, there is no assurance that the ability of the Issuer to meet its payment obligations under the Notes will not be adversely affected or that the rating initially assigned to the Rated Notes is subsequently lowered, withdrawn or qualified.

#### **4.5. Common Representative's rights may be limited under the Transaction Documents**

The Common Representative has entered into the Common Representative Agreement in order to exercise, following the delivery of an Enforcement Notice, certain rights on behalf of the Issuer and the Transaction Creditors, in accordance with the terms of the Transaction Documents for the benefit of the Noteholders and the Transaction Creditors (other than itself) and to give certain directions and make certain requests in accordance with the terms and subject to the conditions of the Transaction Documents, the Securitisation Law, the Portuguese Securities Code and the Portuguese Companies Code.

The Common Representative shall have no liability or responsibility for monitoring the activities and obligations of the Servicer (or the Successor Servicer, if and when appointed) and shall assume, unless it has actual knowledge to the contrary, that the Servicer (or the Successor Servicer, if and when appointed) is properly carrying out its responsibilities and obligations. The Common Representative will not, at any time, carry out any of the responsibilities or obligations of the Servicer.

The Common Representative will not be granted the benefit of any contractual rights or any representations, warranties or covenants by the Originator or the Servicer under the Receivables Sale Agreement or the Servicing Agreement (as applicable) but will acquire the benefit of such rights from the Issuer through the Co-ordination Agreement. Accordingly, although the Common Representative may give certain directions and make certain requests to the Originator or the Servicer on behalf of the Issuer under the terms of the Receivables Sale Agreement and the Servicing Agreement (as applicable), the exercise of any action by the Originator or the Servicer in response to any such directions and requests will be made to and with the Issuer only and not with the Common Representative.

Therefore, if an Event of Default (which includes the occurrence of an Insolvency Event) occurs in relation to the Issuer, the Common Representative may not be able to circumvent the involvement of the Issuer in the Transaction by, for example, pursuing actions directly against the Originator or the Servicer under the Receivables Sale Agreement or the Servicing Agreement (as applicable). Although the Notes have the benefit of the segregation provided for by the Securitisation Law, the above may impair the ability of the Noteholders and the Transaction Creditors to be repaid amounts due to them in respect of the Notes and under the Transaction Documents.

#### **4.6. All Noteholders to be bound by the provisions of the meetings of Noteholders and by decisions of the Common Representative**

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions also provide that the Common Representative may, at its sole discretion and without the consent of Noteholders or any other Transaction Creditors, agree to certain modifications of, or to the waiver or authorisation of a breach or proposed breach of, provisions of the applicable Transaction Documents or the Notes which, in the sole opinion of the Common Representative, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding and any of the Transaction Creditors or which are of a formal, minor, administrative or technical nature or is made to correct a manifest error or an error which is, to the satisfaction of the Common Representative, proven, or is necessary or desirable for the purposes of clarification.

#### **4.7. Potential conflict of interest**

Each of the Transaction Parties (other than the Issuer) and their affiliates (including affiliates of the Issuer) in the course of each of their respective businesses may provide services to other Transaction Parties and to third parties and in the course of the provision of such services it is possible that conflicts of interest may arise between such Transaction Parties and their affiliates or between such Transaction Parties and their affiliates and third parties. Each of the Transaction Parties (other than the Issuer) and their affiliates may provide such services and enter into arrangements with any person without regard to or constraint as a result of any such conflicts of interest arising as a result of it being a Transaction Party in respect of the Transaction.



## 5. MARKET RISKS

### 5.1. Ratings are not recommendations and Ratings may be lowered, withdrawn or qualified

The CRA Regulation regulates credit rating agencies. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Furthermore, pursuant to the CRA Regulation, structured finance transactions are required to be rated by at least 2 rating agencies which are independent of each other, it being recommended that one of such rating agencies holds less than 10% of total market share.

ESMA is obliged to maintain on its website, [www.esma.europa.eu](http://www.esma.europa.eu), a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list is required to be updated within 5 working days following the adoption by ESMA of a registration decision under the CRA Regulation. While the timing of the registration decision coming into effect and the publication of the updated ESMA list coincides, there will be some mismatch in timing when it concerns: (i) any decision to withdraw registration (i.e. the decision takes an immediate effect throughout the EU, while the ESMA list is only required to be updated within 5 working days following the adoption of the decision) or (ii) any decision to temporarily suspend the use, for regulatory purposes of the credit ratings issued by the credit rating agency with effect throughout the EU under Article 24 (i.e. the CRA Regulation does not expressly provide for the update of the ESMA list in this situation and, while ESMA must notify, without undue delay, its decision to the credit rating agency concerned and communicate to the competent authorities, including sectoral competent authorities, the European Banking Authority and the European Insurance and Occupational Pensions Authority, it is only required to make such decision public on its website within 10 working days from the date when the decision was adopted).

Investors regulated in the UK are subject to similar restrictions under the Regulation (EU) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended and (b) transitional provisions that apply in certain circumstances. The list of registered and certified rating agencies is published by the FCA on its website (<https://www.fca.org.uk/>) in accordance with the UK CRA.

The FCA is obliged to maintain on its website (<http://www.fca.org.uk>), a list of credit rating agencies registered and certified in accordance with the UK CRA. This list must be updated within 5 working days of the FCA's adoption of any decision to withdraw the registration of a credit rating agency under the UK CRA. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA list. The contents of this website do not form part of this Prospectus and are not incorporated by reference into this Prospectus.

There is no obligation on the part of any of the Transaction Parties (but the Accounts Bank shall be replaced if its rating falls below the Minimum Long-Term Rating and the Swap Counterparty shall be replaced if its rating falls below the Swap Counterparty Minimum Ratings) under the Notes or the Transaction Documents to maintain any rating for itself or the Rated Notes. None of the Transaction Parties or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each securities rating should be evaluated independently of any other securities rating. In the event that the ratings initially assigned to the Rated Notes are subsequently lowered, withdrawn or qualified for any reason, no person will be obliged to provide any credit facilities or credit enhancement to the Issuer for the original ratings to be restored. Any such lowering, withdrawal or qualification of a rating may have an adverse effect on the liquidity and market price of the Rated Notes.

The Rating Agencies' ratings address the credit risks associated with the transaction. Other non-credit risks have not been addressed but may have a significant effect on yield to investors. The ratings address the expected loss posed to investors by the legal final maturity of the Rated Notes.

The ratings take into consideration the characteristics of the Receivables and the structural, legal and tax aspects associated with the Rated Notes. However, the ratings assigned to the Rated Notes do not represent any assessment of the likelihood or rate of principal prepayments. The ratings do not address the possibility that the holders of the Rated Notes might suffer a lower than expected yield due to prepayments. In addition, the negative economic impact which may be caused by events such as certain weather conditions, war, natural disasters, fires or widespread health crises or the fear of such crises (such as risk factors entitled "**7.1. Risks related to the war in Ukraine and its impact on the global economy**" below) may result in downgrades to the ratings assigned to the Rated Notes.

The Issuer has not requested a rating of the Rated Notes or the other Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate the Rated Notes or the other Notes and, if it does, what rating would be assigned by such other rating agency. The rating assigned by such other rating agency to the Rated Notes could be lower than the respective ratings assigned by the Rating Agencies.

The Issuer notes that Class G and Class Z Notes are unrated and, as such, this risk factor does not apply to Class G and Class Z Notes.

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by the Rating Agencies, each of which as at the date of this Prospectus is a credit rating agency established in the European Union and registered under the CRA III. The rating which Moody's has given, or may give, to the Rated Notes will be endorsed by Moody's Investors Service Limited, which is established in the UK and registered under the UK CRA. The rating which DBRS has given, or may give, to the Rated Notes will be endorsed by DBRS Ratings Limited, which is established in the UK and registered under the UK CRA. The list of registered and certified rating agencies is published by the Financial Conduct Authority on its website (<https://www.fca.org.uk/>) in accordance with the UK CRA.

It should be noted that the list of registered and certified rating agencies published by ESMA and the FCA on their websites in accordance with the CRA Regulation or the UK CRA (as applicable) is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated lists.

## **5.2. Absence of a secondary market**

Although application has been made to Euronext for the Listed Notes to be admitted to trading on Euronext Lisbon, there is currently no secondary market for such Notes and there can be no assurance that a secondary market for any of such Listed Notes will develop in the future or, if it does develop, that it will provide the holders of such Listed Notes with liquidity of investment or that it will continue for the entire life of such Listed Notes. Consequently, any purchaser of the Listed Notes must be prepared to hold such Notes until final redemption or earlier application in full of the proceeds of enforcement of the Issuer's obligations by the Common Representative. The market price of the capital in the Listed Notes could be subject to fluctuation in response to, among other things, variations in the value of the Receivables, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions.

Due to the limited number of investors in asset-backed securities, the secondary asset-backed securities market may from time to time experience volatile conditions and/or disruptions. Presently, the secondary market liquidity is highly dependent on the level of European Central Bank participation. Additionally, since the UK left the EU on 31 January 2020 at midnight, there has been increased volatility and disruption of the capital, currency and credit markets, including the market for securities similar to the Notes. In addition, the circumstances created by the COVID-19 pandemic and the recent and ongoing developments between Russia and Ukraine have led to volatility in the capital markets and may lead to volatility in or disruption of the credit markets at any time.

These conditions may continue or worsen in the future. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of the asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Listed Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the

Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

The market values of the Listed Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor. In addition, any forced sale into the market of asset-backed securities held by various investors experiencing funding or other difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, such Notes in the secondary market.

These risks include, among others, (i) the likelihood that the Issuer will find it harder to dispose of the Receivables in accordance with the Transaction Documents, (ii) the possibility that, on or after the Closing Date, the price at which Receivables can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the increased illiquidity and price volatility of the Listed Notes as there is currently no secondary trading in asset-backed securities. These additional risks may affect the returns on the Listed Notes to investors.

The Issuer notes that Class Z Notes will not be admitted to trading on any stock exchange and, as such, this risk factor does not apply to Class Z Notes.

### **5.3. Exchange rate risks and exchange controls**

The Issuer will pay principal and interest on the Notes (and, in respect of the Class Z Notes, the Class Z Distribution Amount) in Euro. This presents certain risks relating to currency conversion if an investor's financial activities are denominated principally in a currency or currency unit other than Euro (the "**Investor's Currency**"). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Euro or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal (or Class Z Distribution Amount, as applicable) than expected, or no interest or principal (or Class Z Distribution Amount, as applicable) at all.

The Issuer cannot predict if and when an appreciation in the value of the Investor's Currency relative to the Euro will occur and whether, if and when they do occur, how it would affect the Investor's Currency or if the authorities with jurisdiction over the Euro or the Investor's Currency will impose or modify exchange controls.

### **5.4. Risks related to benchmarks**

Reference rates and indices (including interest rate benchmarks, such as EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms have already been implemented, such as the Benchmark Regulation, whilst others are still to be implemented. Further to these reforms, a transitioning away from the IBORs to 'risk-free rates' is expected. An example of such a rate is the euro short-term rate ("**€STR**") being developed by the European Central Bank's ("**ECB**") Governing Council, which is a rate based on transaction data available to the Eurosystem. €STR will reflect the wholesale euro unsecured overnight borrowing costs of euro area banks and will complement existing benchmark rates produced by the private sector, serving as a backstop reference rate. The ECB began publishing €STR on 2 October 2019. As of the Closing Date the interest payable on the Notes will be determined by reference to EURIBOR.

Under the Benchmark Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks; and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

These reforms and other initiatives (including from regulatory authorities) may cause one or more benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise),

create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Interest payable under the Notes is calculated by reference to EURIBOR, which is provided by the European Money Markets Institute (“EMMI”). EMMI is in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. Should the EMMI become de-registered from ESMA’s register of administrators and benchmarks, there is a risk that the use of EURIBOR might be banned in accordance with the Benchmark Regulation. The Benchmark Regulation could have a material impact on any notes linked to EURIBOR or any other benchmark rate or index, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or of affecting the volatility of the published rate or level of the benchmark.

Furthermore, it is not possible to ascertain as at the date of this Prospectus (i) what the impact of these initiatives and the reforms will be on the determination of EURIBOR in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of EURIBOR for the purposes of the Notes and the Balance Guaranteed Swap Agreement, (iii) whether any changes will result in a sudden or prolonged increase or decrease in EURIBOR rates or (iv) whether such changes will have an adverse impact on the liquidity or the market value of the Notes and the payment of interest thereunder.

In case of change in the definition, methodology or formula of EURIBOR in order to comply with the requirements of the Benchmark Regulation, investors should be aware that such change will not constitute a Benchmark Event under the Conditions and that such change will not necessarily require an amendment to the Transaction Documents and even if that were the case, their consent will not be necessarily required.

Investors should note the various circumstances in which a modification may be made to the Conditions of the Notes, the Balance Guaranteed Swap Agreement or any other Transaction Documents for the purpose of changing the base rate or such other related or consequential amendments as are necessary to facilitate such change (a “**Base Rate Modification**”). These circumstances broadly relate to the disruption, discontinuation or cessation of EURIBOR, but also specifically include, inter alia, any public statements by the EURIBOR administrator or certain regulatory bodies that EURIBOR will be discontinued or may no longer be used, and a Base Rate Modification may also be made if the Servicer reasonably expects any of these events to occur within 6 months of the proposed effective date of the Base Rate Modification, subject to certain conditions. There can be no assurance that any such amendment will mitigate the interest rate risk or result in an effective replacement methodology for determining the reference rate on the Notes. Any amendment to change the base rate or any other significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of EURIBOR could result in amendments to the Conditions of the Notes in line with Condition 16.2 (*Additional Right of Modification*).

Based on the foregoing, investors should in particular be aware that:

- any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including causing it to be lower and/or more volatile than it would otherwise be;
- the elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the Notes and the trading market for securities (including the Notes) based on the same benchmark;
- if EURIBOR or any other relevant interest rate benchmark is discontinued or is otherwise unavailable, then the rate of interest on the Notes will be determined for a period by the relevant fallback provisions, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks (in the Euro-zone interbank market in the case of EURIBOR), may not operate

as intended (depending on market circumstances and the availability of rates information at the relevant time).

Moreover, any of the above matters or any other significant change to the setting or existence of EURIBOR or any other relevant interest rate benchmark could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of EURIBOR or any other relevant interest rate benchmark could result in adjustment to the Conditions, early redemption, discretionary valuation by the calculation agent, delisting or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to EURIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist or that any replacement rate available in such situation is appropriate and will generate interest payments under the Notes. Investors should consider these matters, consult their own independent advisers and make their own assessment about the potential risks when making their investment decision with respect to the Notes.

## **6. LEGAL AND REGULATORY RISKS IN RESPECT OF THE NOTES AND OTHERS**

### **6.1. The Auto Loan Contracts are subject to consumer protection laws and maximum interest rates**

Portuguese law (namely the Portuguese Constitution (*Constituição da República Portuguesa*), the Portuguese Civil Code (*Código Civil*), enacted by Decree-Law No. 47344, of 25 November 1966, as amended (the “**Portuguese Civil Code**”), and the Law for Consumer Protection (*Lei de Defesa do Consumidor*), enacted by Law No. 24/96, of 31 July 1996, as amended (the “**Law for Consumer Protection**”)) contains general provisions in relation to consumer protection. These provisions cover general principles of information disclosure, information transparency (contractual clauses must be clear, precise and legible) and a general duty of diligence, neutrality and good faith in the negotiation of contracts.

In addition, Portuguese law provides for the protection of consumers pursuant to the following:

- (a) Decree-Law no. 133/2009, of 2 June 2009 (implementing Directive 2008/48/CE of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC) sets forth specific provisions related to consumer credit agreements entered into with natural persons to finance the purchase of consumer goods, whether for commercial or professional purposes, namely including auto loans. Any clause contained in the Receivables Contracts entered into by Obligor which are natural persons which does not comply with Decree-Law no. 133/2009, of 2 June 2009 shall be considered null and void. Furthermore, Decree-Law no. 446/85 of 25 October 1985, as amended by Decree-Law no. 220/95 of 31 July 1995, Decree-Law no. 249/99 of 7 July 1999 (which implemented Directive 93/13/CEE of 5 April 1993), Decree-Law no. 323/2001 of 17 December 2001 and Law no. 32/2021, of 27 May 2021, referred to as the General Contractual Clauses Law (*Lei das Cláusulas Contratuais Gerais*) prohibits, in general terms, the introduction of abusive clauses in contracts entered into with consumers. Pursuant to this law, a clause is in general deemed to be abusive if such clause has not been specifically negotiated by the parties and leads to an unbalanced situation insofar as the rights and obligations of the consumer (regarded as the weaker party) and the rights and obligations of the counterparty (regarded as the stronger party) are concerned in violation of contractual good faith. Clauses prohibited under Decree-Law no. 446/85 of 25 October 1985, as amended, will be considered null and void; and
- (b) Decree-Law No. 227/2012, of 25 October 2012 establishes the principles and rules which credit institutions must comply with in respect of the prevention and remediation of default by banking clients and creates the out-of-court network to support such clients in the context of the remediation of such situations by establishing an action plan regarding the risk of default (“*Plano de Acção para o Risco de Incumprimento – “PARI”*”) and an out-of-court procedure for the remediation of default situations (“*Procedimento Extrajudicial de Regularização de Situações de Incumprimento – “PERSI”*”).

Moreover, the Bank of Portugal calculates and publishes maximum interest rates for each type of consumer credit on a quarterly basis. These rates constitute maximum limits for the charges that can be contracted in each type of credit agreement. The maximum rates applicable in the 2<sup>nd</sup> quarter of 2022, pursuant to Instruction No. 5/2022 of the Bank of Portugal, for auto loans ranges between 3% and 11.8%, depending on the specific type of auto loan at issue, namely on whether the credit is for a new or used vehicle or whether the relevant vehicle is subject to retention of title.

Breach of such maximum interest rates, as published at each moment by the Bank of Portugal, would result in the automatic reduction of the interest rate applicable in the relevant agreement to half the applicable maximum interest rate.

The foregoing should not be viewed as an exhaustive description of the provisions which could be invoked in respect of consumer protection. Although the Originator has warranted and represented to the Issuer in the Receivables Sale Agreement that the Receivables comply with all applicable Portuguese laws, there can be no assurance that a court in Portugal would not apply the relevant consumer protection laws to vary the terms of an Auto Loan Contract or to relieve an Obligor of its obligations thereunder.

As such, the ability of the Issuer to meet its payment obligations in respect of the Notes also depends on the full compliance of the Auto Loan Contracts with the consumer protection laws, and the inexistence of litigation in result of the violation of any consumer protection laws provisions, which may result in unforeseen extraordinary expenses to be borne by the Issuer which are not already accounted for by the Rating Agencies in relation to the Transaction Documents. Failure to ensure compliance with the applicable consumer protection laws and applicable maximum interest rates could result in a reduction of the Collections received with regards to the Receivables Portfolio which could in turn adversely affect the Issuer's ability to meet its payment obligations under the Notes.

## **6.2. Uncertainty as to STS designation being achieved for this Transaction**

The securitisation transaction described in this Prospectus is intended to qualify as an STS securitisation within the meaning of Article 18 of the EU Securitisation Regulation. Consequently, the securitisation transaction is intended to meet, on the date of this Prospectus and during its entire life, the requirements set out in Articles 19 to 22 of the EU Securitisation Regulation ("**STS Criteria**") and, at the Closing Date, is intended to be notified by the Originator to be included in the list published by ESMA referred to in Article 27(5) of the EU Securitisation Regulation (as of the date of this Prospectus, such list can be obtained from the following website: <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>) (the "**ESMA STS Register**"). The Originator must notify ESMA and the competent authority should the transaction cease to meet the STS Criteria at any point during its life. The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided that the Notes remain on the ESMA STS Register and continue to meet the STS Criteria.

However, there is no certainty that such designation will be achieved, and the Originator will be responsible for filing the STS Notification with ESMA. Prospective investors are themselves responsible for monitoring and assessing changes to the EU risk retention rules and their regulatory capital requirements. It is important to note that the involvement of SVI as an authorised verification agent is not mandatory and the responsibility for compliance with the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) remains with the relevant institutional investors, the Originator and the Issuer, as applicable in each case. The STS Verification will not absolve such entities from making their own assessment and assessments with respect to the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation), and the STS Verification cannot be relied on to determine compliance with the foregoing regulations in the absence of such assessments by the relevant entities. Furthermore, STS Verification is not an opinion on the creditworthiness of the relevant Notes or on the level of risk associated with an investment in the relevant Notes. It is not an indication of the suitability of the relevant Notes for any investor and/or a recommendation to buy, sell or hold Notes. Institutional investors that are subject to the due diligence requirements of the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) need to make their own independent assessment and may not rely solely on STS Verification, the STS Notification or other disclosed information. None of the Issuer, the Sole Arranger, or any other party to the Transaction Documents (other than the Originator) makes any representation or accepts any liability for the Securitisation to qualify as an STS Securitisation under the EU Securitisation Regulation (or, if applicable, the UK Securitisation Regulation) at any point in time.

Non-compliance with the status of STS Securitisation may result in the loss of benefits in regulatory treatment of STS Securitisations under various EU regimes (in relation to which see the risk factor entitled "**6.4. Regulatory Capital Framework May Affect Risk Weighting of the Notes for the Noteholders**"), in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originator. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

## **6.3. Uncertainty regarding the eligibility of the Class A Notes for Eurosystem Monetary Policy**

It is intended that only the Class A Notes will constitute eligible collateral for Eurosystem monetary policy operations.

This only means that the Class A Notes were upon issue integrated in a centralised system (*sistema centralizado*) and registered with the of the Portuguese securities depository system (*Central de Valores Mobiliários* or “**CVM**”) as central securities depository and no assurance can be given that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (“**Eurosystem Eligible Collateral**”) either upon issue, or at any or all times during their life. Such recognition will, inter alia, depend upon satisfaction of the Eurosystem eligibility criteria as specified by the ECB.

If the Class A Notes do not satisfy the criteria specified by the ECB, the Class A Notes will not be Eurosystem Eligible Collateral. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Class A Notes that such notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investors in the Class A Notes should make their own determinations by accessing the eligible asset database of the European Central Bank, which is daily updated with all marketable eligible assets, through the following website <https://www.ecb.europa.eu/paym/coll/assets/html/index.en.html> and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

#### **6.4. Regulatory Capital Framework may affect risk weighting of the Notes for the Noteholders**

The Basel Committee on Banking Supervision approved significant changes to the Basel II regulatory capital and liquidity framework (such changes being commonly referred to as “**Basel III**”). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systematically important banks) and to establish a leverage ratio “backstop” for financial institution and certain minimum liquidity standards for credit institutions. Implementation of Basel III requires national legislation and therefore the final rules and timetable for their implementation in each jurisdiction may be subject to some level of national variation.

The Basel III framework as implemented in the EU through Directive 2013/36/EU, also known as the “CRD IV” and the CRR, provides for a substantial strengthening of existing prudential rules relating to liquidity and funding. These rules have been further strengthened by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (“**CRR II**”), by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD V**”) and by Regulation (EU) 2021/558 of the European Parliament and of the Council of 31 March 2021 amending the CRR as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis.

CRD V and CRR II introduce a new approach for the measurement of counterparty credit risk, the implementation of the Net Stable Funding Ratio, a changed framework for interest rate risk and changes to the treatment of trading book exposures, in addition to other amendments relating to capital, liquidity, leverage, remuneration and the EU's recovery and resolution framework. CRR II amends CRR and is directly applicable in all EU member states, and its application is staggered in accordance with Article 3 of the CRR II from 27 June 2019 to 28 June 2023. CRD V amends CRD IV and most of the provisions of CRD V were required to be transposed into national law by 28 December 2020, with application immediately thereafter. Although the transposition deadline has passed, CRD V has still not been implemented in Portugal. The Bank of Portugal, as the Portuguese local regulator, has launched a public consultation on the draft legal instrument that aims to transpose CRD V into national law. As at the date of this Prospectus, the public consultation has been concluded, following which a revised draft legal instrument was published and is currently pending approval in the Portuguese Parliament.

In December 2017, the Basel Committee published a package of proposals to update Basel III (referred to as “**Basel IV**”). Basel IV proposes to amend the way in which institutions approach the calculation of their risk-weighted assets as well as setting regulatory capital floors. The Basel Committee currently proposes a nine-year implementation timetable for Basel IV. As implementation of any changes to the Basel framework requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities, may be subject to some level of national variation. Changes to regulatory capital requirements have also been made for insurance and reinsurance undertakings through participation jurisdiction initiatives, such as Commission Delegated Regulation (EU) 2015/35, of 10 October 2014 (“**Solvency II Implementing Rules**”) framework

in Europe. The changes under Basel III and Basel IV as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes. In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

The STS Securitisation designation (in relation to which see the risk factor entitled “**6.2. Uncertainty as to STS designation being achieved for this Transaction**”) impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment under various EU regimes that were amended (or will be amended in due course) to take into account the STS framework, such as:

- the substitution under Commission Delegated Regulation (EU) 2018/1221 of 1 June 2018 (already in force though subject to transitional arrangements) of the general provisions on the type 1 securitisation under Solvency II Implementing Rules, with reference now being made to the relevant provisions on STS Securitisation laid down in the EU Securitisation Regulation;
- the amendments to regulatory capital treatment under the securitisation framework of the Capital Requirements Regulation, as amended by Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending the CRR (“**CRR Amendment Regulation**”) to adequately reflect the specific features of STS Securitisations and already in force;
- the recharacterisation of the type 2B securitisation under Commission Delegated Regulation (EU) 2015/61 of 10 October 2014, amended by the LCR Regulation to reflect the STS designation; and
- the changes to Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012, as amended (“**EMIR**”), made in January 2021 and February 2021, through Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 and Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021, that address certain exemptions for STS Securitisation caps.

As of the date hereof, the Originator complied with its regulatory capital requirements. There is no certainty as to the regulatory capital requirements that the Originator will be required to comply with in the future and the Originator may be unable to comply with or incur substantial costs in monitoring and in complying with those requirements. Additionally, the Issuer cannot foresee what impact such regulations and eventual capital adequacy may have on prospective investors.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

#### **6.5. Compliance with EU Risk Retention Requirements and effects thereof on the Notes**

The Originator will undertake in the Receivables Sale Agreement to retain, on an ongoing basis, a material net economic interest of not less than 5% of the nominal amount of the securitised exposures as required by Article 6(1) of the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect at the Closing Date) (the “**Retention Obligation**”). Such retention requirement will be satisfied by the Originator retaining, in accordance with Article 6(3)(c) of the EU Securitisation Regulation and Article 6(3)(c) of the UK Securitisation Regulation (as in effect at the Closing Date), randomly selected exposures, equivalent to not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination, until the Final Legal Maturity Date.



The Originator will undertake not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Receivables. The EU Securitisation Regulation Investor Report, which will be provided on a monthly basis, will also confirm the ongoing compliance by the Originator with the Retention Obligation. It should be noted that there is no certainty that references to the Retention Obligation and the EU Retained Interest and the UK Retained Interest in this Prospectus or the undertakings in the Receivables Sale Agreement will constitute adequate due diligence (on the part of the Noteholders) or explicit disclosure (on the part of the Originator) for the purposes of Articles 7(1)(e)(iii) of the EU Securitisation Regulation and Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect at the Closing Date).

If the Originator does not comply with its undertakings set out in the Receivables Sale Agreement, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

#### **6.6. Risk of enforcement of the bank recovery and resolution directive**

On 15 May 2014, the EU Council and the EU Parliament approved Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”). The aim of the BRRD is to equip national authorities with harmonised tools and powers to tackle crises at banks and certain investment firms at the earliest possible moment and to minimise costs for taxpayers. These tools and powers include:

- preparatory and preventive measures (including the requirement for banks to have recovery and resolution plans);
- early supervisory intervention (including powers for authorities to take early action to address emerging problems); and
- resolution tools, which are intended to ensure the continuity of essential services and to manage the failure of a credit institution in an orderly way.

The BRRD was implemented in Portugal by a number of legislative acts, including Law No. 23-A/2015, of 26 March 2015, which has, *inter alia*, amended the Portuguese Legal Framework of Credit Institutions and Financial Companies, enacted by Decree-Law No. 298/92, of 31 December 1992, as amended (the “**RGICSF**”), including the requirements for the application of preventive measures, supervisory intervention and resolution tools to credit institutions and investment firms in Portugal.

Credit institutions, branches of credit institutions outside the EU, and investment firms, such as all the Transaction Parties other than the Issuer, are subject to the BRRD regime as implemented in the relevant EU Member States and if one or more of the abovementioned actions under the BRRD is taken in respect of any Transaction Party (other than the Issuer), this may impact the performance of their respective obligations under the relevant contracts.

Following the publication of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD (“**BRRD2**”), and once the respective national transposition legal framework has been enacted, credit institutions will be subject to more burdensome capital and other legal requirements, as they become applicable. Any difficulty or failure to comply with such requirements may have a Material Adverse Effect on the Notes issued.

Prospective investors should make themselves aware of the current recovery and resolution framework, in addition to any other applicable regulatory requirements with respect to any investment in the Notes, and be alert to any changes which may occur in the future. Prospective investors should independently assess the impact of the recovery and resolution framework on any investment in the Notes. No predictions can be made as to the precise effects the framework may have on any investment in the Notes.

#### **6.7. Noteholders to assess compliance with the EU Securitisation Regulation, UK Securitisation Regulation, CRR Amendment Regulation, and Bank of Portugal Notice 9/2010**

In general, the requirements imposed under the EU Securitisation Regulation, the UK Securitisation Regulation and the CRR Amendment Regulation are more onerous and have a wider scope than those which were imposed under earlier legislation, namely (i) the Capital Requirements Regulation, (ii) AIFMR, and (iii) the Solvency II Implementing

Rules. Among other things, the EU Securitisation Regulation, the UK Securitisation Regulation and the CRR Amendment Regulation include provisions intended to implement the revised securitisation framework developed by the Basel Committee (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU and UK regulated investors.

Noteholders should make themselves aware of all those provisions and make their own investigation and analysis as to the impact thereof on any holding of Notes and should take their own advice on whether this Transaction constitutes a securitisation and on the provisions of the EU Securitisation Regulation, UK Securitisation Regulation, CRR Amendment Regulation and Bank of Portugal Notice 9/2010. No predictions can be made as to the precise effects of such matters on any prospective investor or otherwise. Additionally, Noteholders should also be aware that, if applicable, non-compliance with the requirements of the EU Securitisation Regulation, UK Securitisation Regulation, CRR Amendment Regulation and Bank of Portugal Notice 9/2010 may adversely affect the price and liquidity of the Notes.

#### **6.8. Impact of non-compliance by the Designated Reporting Entity with reporting obligations under Article 7 of the EU Securitisation Regulation**

With regards to the transparency requirements set out in Article 7 of the EU Securitisation Regulation, the relevant regulatory and implementing technical standards, which are based on the draft regulatory technical standards submitted by ESMA to the Commission, were approved by Commission Delegated Regulation (EU) 2020/1224 of 16 October 2019 ("**Delegated Regulation 2020/1224**") and Commission Delegated Regulation (EU) 2020/1225 of 16 October 2019 ("**Delegated Regulation 2020/1225**").

In order to ensure compliance with the transparency requirements set forth in Article 7 of the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect on the Closing Date), the Designated Reporting Entity is required to make information available using the following regulatory and implementing technical standards:

- information referred to in Annexes V (*Underlying Exposures Information - Automobile*), XII (*Investor Report Information – Non-Asset Backed Commercial Paper Securitisation*), XIV (*Inside Information or Significant Event Information – Non-Asset Backed Commercial Paper Securitisation*) of Delegated Regulation 2020/1224; and
- information referred to in Annexes V (*Underlying exposures template— Automobile*), XII (*Investor Report Template – Non-asset backed commercial paper securitisation*) and XIV (*Inside Information or Significant Event Template – Non-asset backed commercial paper securitisation*) of Delegated Regulation 2020/1225.

In accordance with Article 9 of Delegated Regulation 2020/1224, the information made available by the Designated Reporting Entity must be complete and consistent. Pursuant to Articles 5 and 11 of Delegated Regulation 2020/1224, the Designated Reporting Entity shall assign item codes to the information made available to securitisation repositories and the securitisation shall be assigned a unique identifier.

Delegated Regulation 2020/1224 and Delegated Regulation 2020/1225 do not foresee any consequences for the Designated Reporting Entity resulting from any potential non-compliance by the Designated Reporting Entity with the abovementioned regulations. In accordance with Article 32 of the EU Securitisation Regulation and Article 32 of the UK Securitisation Regulation (as in effect on the Closing Date), EU Member States shall lay down rules establishing appropriate administrative sanctions and, under the relevant provisos of the Securitisation Law, the Designated Reporting Entity will be subject to the appropriate administrative sanctions, in the case of negligence or intentional infringement, and remedial measures set forth in Article 66-D of the Securitisation Law, which include, *inter alia*: (i) maximum administrative pecuniary sanctions of up to €5,000,000, or of up to the triple of the economic benefit obtained, or of up to 10% of the total annual net turnover of the legal person according to the last available accounts approved by the management body; (ii) a temporary ban preventing any member of the respective management body or any other natural person held responsible for the infringement from exercising management functions in such undertakings; and (iii) a public statement which indicates the identity of the natural or legal person and the nature of the infringement. Articles 66-D, 66-F and 66-G of the Securitisation Law empowers CMVM to enforce several remedial measures, which include the measures mentioned above.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Arranger as to the Designated Reporting Entity's ability to comply with any obligation, including the

reporting obligations, provided for in, or otherwise ensuring the compliance of the transaction with, the Delegated Regulation 2020/1224 and Delegated Regulation 2020/1225.

The Originator has also undertaken to the Issuer and the Lead Manager that it will procure the provision to the investors in the Notes of any reasonable and relevant additional data and information referred to in Article 5 of the UK Securitisation Regulation (subject to all applicable laws), provided that the Originator will not be in breach of such requirements if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertakings.

Noteholders should make themselves aware of all those provisions and make their own investigation and analysis as to the impact of non-compliance by the Designated Reporting Entity on any holding of Notes. No prediction can be made as to the precise effects of such matters on any prospective investor or otherwise. Additionally, Noteholders should also be aware that, if applicable, such non-compliance may adversely affect the price and liquidity of the Notes.

#### **6.9. Risk of change of law**

The structure of the Transaction and, *inter alia*, the issue of the Notes and ratings assigned to the Rated Notes are based on law, tax rules, rates, procedures and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that law, tax rules, rates, procedures or administration practice will not change after the date of this Prospectus or that such change will not adversely impact the structure of the Transaction and the treatment of the Notes, including the expected payments of interest and repayment of principal in respect of the Notes (and, in respect of the Class Z Notes, the Class Z Distribution Amount). None of the Issuer, the Common Representative, the Transaction Manager, the Sole Arranger, Lead Placement Entity and Lead Manager, the Servicer or the Originator will bear the risk of a change in law whether in the jurisdiction of the Issuer or in any other jurisdiction.

In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Prospectus or of any party under any applicable law or regulation.

#### **6.10. Risk of adverse interpretation and applicability of the Securitisation Law, the Securitisation Tax Law and Decree Law 193/2005**

The securitisation law was enacted in Portugal by Decree-Law No. 453/99, of 5 November 1999, as amended by Decree-Law No. 82/2002, of 5 April 2002, by Decree-Law No. 303/2003, of 5 December 2003, by Decree-Law No. 52/2006, of 15 March 2006, by Decree-Law No. 211-A/2008, of 3 November 2008, by Law No. 69/2019, of 28 August 2019, and by Law No. 25/2020, of 7 July 2020 (the “**Securitisation Law**”). The Portuguese securitisation tax law was enacted by Decree-Law No. 219/2001, of 4 August 2001, as amended by Law No. 109-B/2001, of 27 December 2001, by Decree-Law No. 303/2003, of 5 December 2003, by Law No. 107-B/2003, of 31 December 2003, by Law No. 53-A/2006, of 29 December 2006 and Decree-Law no. 53/2020, of 11 August 2020 (the “**Securitisation Tax Law**”).

The tax regime applicable on income arising from debt securities in general was enacted by Decree-Law No. 193/2005, of 7 November 2005, as amended by Decree-Law No. 25/2006, of 8 February 2006, by Decree-Law No. 29-A/2011, of 1 March 2011, by Law No. 83/2013, of 9 December 2013 and by Law No. 42/2016, of 28 December 2016 (“**Decree-Law 193/2005**”).

As at the date of this Prospectus the application of the Securitisation Law by the Portuguese courts and the interpretation of its application by any Portuguese governmental or regulatory authority has been limited to a few cases, namely regarding effectiveness of the assignment of banking credits towards borrowers, despite the absence of debtor notification and format of the assignment agreement.

The Securitisation Tax Law and Decree-Law 193/2005 have not been considered by any Portuguese court and no interpretation of their application has been issued by any Portuguese governmental or regulatory authority (with the exception of Circular 4/2014 and of the Order issued by the Secretary of State for Tax Affairs dated 14 July 2014 in connection with tax ruling no. 7949/2014 with reference to Decree-Law 193/2005).

Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law, the Securitisation Tax Law and Decree-Law 193/2005 or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

#### **6.11. Risks resulting from Data Protection rules**

The legal framework on data protection results from Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 (the “**GDPR**”) and Law No. 58/2019, of 8 August 2019 (“**Data Protection Law**”) that supplements the GDPR, as a result of some GDPR opening clauses that allow the adoption of supplementary EU Data Protection Provisions. The GDPR is directly applicable in Portugal.

The GDPR came to reinforce the rights of data subjects and to strengthen the privacy and data protection rules for data controllers and processors.

The GDPR also introduces new administrative fines and penalties for a breach of requirements, including fines for serious breaches of up to 4% of the total annual worldwide turnover of the preceding financial year or €20,000,000 (whichever is higher) and fines of up to 2% of the total annual worldwide turnover of the preceding financial year or €10,000,000 (whichever is higher) for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement). 321Crédito undertook an internal assessment and adopted the required steps to ensure compliance of its procedures and policies with the GDPR. These changes could adversely impact 321Crédito's business by increasing its operational and compliance costs. If there are breaches of these measures, 321Crédito could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

In Portugal, there is no case law or publication from a court or other competent authority confirming the proper manner and procedures for the processing of personal data that underlie a securitisation transaction to be in compliance with the GDPR. Therefore, certain aspects of the implementation of the data protection requirements in the context of securitisation transactions remain unclear and subject to interpretation and it cannot be excluded that some of the parties to the securitisation transaction may have to take further steps to comply with the data protection requirements which may result in the need to amend the provisions of certain Transaction Documents in the future.

### **7. OTHER RELEVANT RISKS**

#### **7.1. Risks related to the war in Ukraine and its impact on the global economy**

Recent and ongoing developments between Russia and Ukraine are of great concern and currently represent one of the main uncertainties of the global economy. Rising commodity prices, sweeping financial sanctions and the potential ban on energy imports from Russia following its invasion of Ukraine are threatening to hobble the global economy after the damage already inflicted by the Covid-19 pandemic, with severe impacts on any subsequent trade barriers, exchange controls or financial market restrictions and macroeconomic effects, including possible supply disruptions, pushing up prices for Europe's export-focused manufacturing companies.

In addition, Western sanctions on Russian businesses, Western companies' decision to sever ties with Russia and the deep recession in the country will severely reduce eurozone exports to Russia.

The war will also weigh on household spending through higher prices and greater uncertainty. Although difficult to predict at this stage, the tensions caused by Russia's invasion and the potential further escalation of this conflict may increasingly affect policies on trade, production, duties and taxation globally, and further disrupt supply chains across Europe.

However, the Russia-Ukraine conflict has already had a direct impact on the global economy and financial markets, causing commodity price volatility, increased inflation, problems related to the massive inflow of Ukrainian refugees, increased funding costs and execution risks related to debt issuance in the capital markets and the valuation of bonds in bank portfolios, which could in turn have a material adverse impact on the Collections received with regards to the Receivables Portfolio which could in turn adversely affect the Issuer's ability to meet its payment obligations under the Notes.

## **7.2. Evolution of the Portuguese economic situation and to current uncertainties of the macro-economic context**

The Bank of Portugal foresees GDP growth of approximately 4.9% in 2022 (Source: *Bank of Portugal, Economic Projections, March 2022*).

The spread of the coronavirus (“COVID-19”) from late December 2019 onwards proceeded at such a rapid pace that on 11 March 2020, the World Health Organization confirmed that its spread and severity had escalated to the point of a pandemic. The initial stage of the pandemic was marked by national and international authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces, which led to materially increased volatility and declines in financial markets and the significant worsening of the macro-economic outlook.

Nonetheless, over time businesses, households and politicians have learnt to adapt to the pandemic environment, such that the re-introduction of social mobility restrictions to counter the subsequent waves of infections had a smaller economic impact. In addition, vaccination programmes helped to mitigate infections and the increase in cases, leading to softer restrictions on mobility. Against the background of a more benign economic outlook, uncertainty regarding the evolution of the virus remains nevertheless high and there is a risk that the impact of COVID-19 on health, the global economy and financial markets could become more severe once again if vaccine-resistant strains of the virus emerge, resulting in further health restrictions and business shutdowns.

Any potential similar future outbreaks may have an adverse effect on (i) 321Crédito’s counterparties and/or clients, including the Obligors, resulting in additional risks in the performance of the obligations assumed by them for 321Crédito, including payment obligations in relation to the Receivables Portfolio, as and when the same fall due, and ultimately exposing 321Crédito to an increased number of insolvencies among its counterparties and/or clients, including Obligors and hinder or limit the purchase of Additional Receivables by the Issuer from the Originator during the Revolving Period and (ii) the Originator and Servicer’s ability to comply with its obligations under the Transaction Documents and/or the Obligors’ ability to make payments when due under the Receivables, which may negatively impact the Issuer’s ability to make payments under the Notes.

Nonetheless, the Transaction Documents do not permit the substitution of affected assets should any temporary moratoria on payments of interest and/or principal in relation to credits with partial instalments or other cash amounts payable be reintroduced.

The outlook for euro area activity and inflation has become very uncertain and will crucially depend on how the Russian war in Ukraine unfolds, on the impact of current sanctions and on possible further measures. Soaring energy prices and negative confidence levels imply significant headwinds to domestic demand in the near term, while the announced sanctions and sharp deterioration in the prospects for the Russian economy will weaken euro area trade growth. Based on the assumption that the current disruptions to energy supplies and negative impacts on confidence linked to the conflict are temporary and that global supply chains are not significantly affected, the projections foresee a significant negative impact on euro area growth in 2022; however, in medium term, growth is projected to converge towards historical average rates, despite a less supportive fiscal stance and an increase in interest rates in line with the technical assumptions based on financial market expectations. Overall, real GDP growth is projected to average 3.7% in 2022, 2.8% in 2023 and 1.6% in 2024 and the deficit ratio is estimated to fall to 3.1% of GDP in 2022 and to 2% by the end of the forecast horizon. (Source: *ECB, staff macroeconomic projections for the euro area, March 2022*).

In addition, the Portuguese economy remains vulnerable to other factors and it should be noted: (i) too rapid appreciation of the euro could be detrimental to the competitiveness of the economy; (ii) the effects of the recent instability in the financial markets on the conditions of financing of the Portuguese economy; and (iii) the effects of the reduction of the ECB’s monetary policy expansionary environment on Portuguese debt yields.

The Issuer cannot foresee what impact any economic or related fiscal developments and policies or other additional measures may have on the conditions of the Portuguese economy, and accordingly on the Obligors, the Noteholders and prospective investors.

*The Issuer believes that the risks described above are certain of the principal risks inherent in the transaction for Noteholders but the inability of the Issuer to pay interest or repay principal on the Notes (and, in respect of the Class Z Notes, the Class Z Distribution Amount) may occur for other reasons and, accordingly, the Issuer does not represent that the above statements of the risks of holding the Notes are comprehensive. While the various structural elements*

*described in this Prospectus are intended to lessen some of these risks for Noteholders there can be no assurance that these measures will be sufficient or effective to ensure payment to the Noteholders of interest or principal on the Notes (and, in respect of the Class Z Notes, the Class Z Distribution Amount) on a timely basis or at all.*

## RESPONSIBILITY STATEMENTS

In accordance with article 149/1 (b), (d), (f), (i) and (h) (*ex vi* article 238(1) and (3)(a) of the Portuguese Securities Code, the following entities are responsible for the information contained in this Prospectus:

The **Issuer**, the **members of its Board of Directors**, the **members of its supervisory board** and **Mazars & Associados, Sociedade de Revisores Oficiais de Contas, S.A.** are responsible for the information contained in this document and each declares that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. This statement is without prejudice to any liability which may arise under Portuguese law.

The Issuer further confirms that this Prospectus contains all information which is material in the context of the issue of the Notes, that such information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in it are honestly held by it and that there are no other facts the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and all proper enquiries have been made to ascertain and to verify the foregoing. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

**321Crédito – Instituição Financeira de Crédito, S.A.**, in its capacity as Originator and Servicer, accepts responsibility for the information in this Prospectus relating to itself, the Receivables, the Receivables Sale Agreement, the Servicing Agreement and all information relating to the Receivables Portfolio in the sections headed, **“Weighted Average Lives of the Notes and Assumptions”**, **“Characteristics of the Receivables”**, **“Originator’s Standard Business Practices, Servicing and Credit Assessment”** and **“Overview of the Originator”** (together referred to as **“Originator Information”**). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by 321Crédito as to the accuracy or completeness of any information contained in this Prospectus (other than the Originator Information) or any other information supplied in connection with the Notes or their distribution.

**Deutsche Bank AG**, in its capacity as Accounts Bank, accepts responsibility for the information in this document relating to itself in this regard in the section headed **“Description of the Accounts Bank”** (the **“DB Information”**). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Accounts Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the DB Information) or any other information supplied in connection with the Notes or their distribution.

**Crédit Agricole Corporate & Investment Bank**, in its capacity as Swap Counterparty, accepts responsibility for the information in this document relating to itself in this regard in the section headed **“Description of the Swap Counterparty”** (the **“Swap Counterparty Information”**). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Swap Counterparty as to the accuracy or completeness of any information contained in this Prospectus (other than the Swap Counterparty Information) or any other information supplied in connection with the Notes or their distribution.

**Vieira de Almeida & Associados, SP RL**, as legal advisors to the Originator, is responsible for the Portuguese legal matters and exclusively in relation to those points in respect of the Portuguese Law included in the chapter **“Selected aspects of Portuguese Law relevant to the Receivables and the transfer of the Receivables”** and **“Taxation”** (together the **“VdA Information”**). No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Vieira de Almeida & Associados, SP RL as to the accuracy or completeness of any information contained in this Prospectus (other than the VdA Information).

In accordance with article 149, no. 3 (*ex vi* article 238, no.1) of the Portuguese Securities Code, liability of the abovementioned entities is excluded if any such entity proves that the addressee knew or should have been aware of the inaccuracies in the contents of this Prospectus on the date of issue of the contractual declaration or when the respective revocation was still possible. Pursuant to Article 150 of the Portuguese Securities Code, the Issuer is strictly liable (i.e. independently of fault) if any of the members of its Board of Directors, its Supervisory Board or Mazars is held responsible for such information. Further to Article 238(3)(b) of the Portuguese Securities Code, the right to compensation based on the aforementioned responsibility statements is to be exercised within 6 months of the party seeking compensation becoming aware of an inaccuracy in the contents of the Prospectus or the amendment thereto,

and ceases, in any case, 2 years following disclosure of (i) the Prospectus of admission or (ii) the amendment thereto that contains the defective information or forecast.

The responsible entities for certain parts or sections of information contained in this Prospectus declare that, having taken all reasonable care to ensure that such is the case, the information contained in such part or section of the Prospectus for which they are responsible to is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. For each of the legal persons identified above, the corresponding registered office may be found in the last two pages of this Prospectus.

The Notes will be solely obligations of the Issuer and will not be obligations of, and will not be guaranteed by, and will not be the responsibility of, any other entity. In particular, the Notes will not be the obligations of, and will not be guaranteed by the Originator, the Servicer, the Transaction Manager, the Common Representative, the Accounts Bank, the Swap Counterparty, the Paying Agent, the Agent Bank, or the Sole Arranger, Lead Placement Entity and Lead Manager (together the "**Transaction Parties**").

Pursuant to Article 149 of the Portuguese Securities Code, **Deutsche Bank AG**, in its role as Sole Arranger, shall not be responsible for the information in this document. Furthermore, Deutsche Bank AG does not accept any liability for the information in this document, as the Sole Arranger is acting merely as advisor to the Originator and is not providing any financial service in relation to which the Sole Arranger would be required, pursuant to Article 149, no. 1 (ex vi Article 238, no. 3(a)) of the Portuguese Securities Code, to accept responsibility for the information contained herein. For clarification purposes, it should be noted that Deutsche Bank AG is not providing any financial intermediation service pursuant to the Portuguese Securities Code in the context of this transaction. Deutsche Bank AG makes no representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or part thereof or any other information provided in connection with the Notes.

This Prospectus may only be used for the purposes for which it has been published. This Prospectus is not, and under no circumstances is to be construed as an advertisement, and the offering contemplated in this Prospectus is not, and under no circumstances is to be construed as, an offering of the Notes to the public.



## OTHER RELEVANT INFORMATION

### Financial condition of the Issuer

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

### Selling restrictions summary

This Prospectus does not constitute an offer of, or an invitation by or on behalf of any of the Transaction Parties to subscribe for or purchase any of the Notes and this document may not be used for or in connection with an offer to, or a solicitation of an offer by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Sole Arranger and the Lead Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus and other offering material relating to the Notes, see the section headed "*Subscription and Sale*".

### Representations about the Notes

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by any of the Transaction Parties. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

No action has been taken by the Issuer, the Sole Arranger or the Lead Manager other than as set out in this Prospectus that would permit a public offer of the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus (nor any part hereof) nor any prospectus, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in circumstances that will result in compliance with applicable laws, orders, rules and regulations, and the Issuer, the Sole Arranger and the Lead Manager have represented that all offers and sales by them have been made on such terms.

Each person receiving this Prospectus shall be deemed to acknowledge that (i) such person has not relied on the Sole Arranger and on the Lead Manager or on any person affiliated with the Sole Arranger and with the Lead Manager in connection with its investment decision, and (ii) no person has been authorised to give any information or to make any representation concerning the Notes offered hereby except as contained in this Prospectus, and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer, the Sole Arranger and the Lead Manager.

None of the Transaction Parties accept any responsibility or make any representation that the information contained in the Prospectus is sufficient to allow any investor or prospective investor to comply with any the obligations applicable to it under CRR or AIFMR.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

### Currency

In this Prospectus, unless otherwise specified, references to "€", "EUR" or "euro" are to the lawful currency of the member states of the European Union participating in Economic and Monetary Union as contemplated by the Treaty.

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

#### **Interpretation**

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus and, in particular, in Condition 21 (*Definitions*). A reference to a "Condition" or the "Conditions" is a reference to a numbered Condition or Conditions set out in the "**Terms and Conditions of the Notes**" below.

#### **Language**

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## THE PARTIES

<b>Issuer:</b>	Tagus – Sociedade de Titularização de Créditos, S.A. (the " <b>Issuer</b> "), a limited liability company incorporated under the laws of Portugal as a securitisation company ( <i>sociedade de titularização de créditos</i> ) and registered as such with the CMVM, with a fully subscribed and paid-up share capital of €888,585.00, with its registered offices at Rua Castilho, no. 20, 1250-069 Lisboa, Portugal, registered with the Commercial Registry of Lisbon under its tax number 507 130 820, acting for the account of a separate and independent compartment pertaining to this transaction to be named Ulisses Finance No. 3 (" <b>Ulisses Finance No. 3</b> ").
<b>Originator:</b>	321Crédito – Instituição Financeira de Crédito, S.A. (the " <b>Originator</b> " and " <b>321Crédito</b> "), a credit institution incorporated under the laws of Portugal, with a share capital of €30,000,000.00, with its registered office at Avenida D. João II, no. 13 – Edifício Báltico, 11 <sup>th</sup> floor, 199-001 Lisbon, Portugal, registered with the Commercial Registry Office of Lisbon under its tax number 502 488 468.
<b>Servicer:</b>	321Crédito, in its capacity as servicer in accordance with the terms of the Servicing Agreement, or such other servicer appointed in accordance with the terms of the Servicing Agreement.
<b>Back-up Servicer:</b>	Servdebt, Capital Asset Management, S.A. (" <b>Servdebt</b> "), incorporated under the laws of Portugal, with the share capital of €50,000.00, registered with the Commercial Registry Office of Lisbon under sole taxpayer and commercial registration number 508 266 130, with registered office at Praça Marquês de Pombal, no. 3A, 1.ª floor, 1250-161, Lisbon, Portugal.
<b>Common Representative:</b>	Law Debenture (Ireland) Trustees Limited, in its capacity as representative of the Noteholders pursuant to Article 65 of the Securitisation Law, in accordance with the Conditions and the terms of the Common Representative Appointment Agreement, acting through its office at Law Debenture Ireland (Trustees) Limited, 38/39 Fitzwilliam Square West, Dublin 2.
<b>Transaction Manager:</b>	Deutsche Bank AG, London Branch, a company duly organised and existing under the law of the Federal Republic of Germany, having its principal place of business at Taunusanlage 12 in the city of Frankfurt (Main), Germany and operating in the United Kingdom under branch number BR000005 at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
<b>Accounts Bank:</b>	Deutsche Bank AG, in its capacity as the bank at which the Transaction Accounts are held in accordance with the terms of the Accounts Bank Agreement acting through its office at Taunusanlage 12, 60325 Frankfurt, Germany.
<b>Agent Bank:</b>	Deutsche Bank AG, London Branch, in its capacity as the agent bank in accordance with the terms of the Paying Agency Agreement acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.
<b>Paying Agent:</b>	Deutsche Bank Aktiengesellschaft - Sucursal em Portugal, in its capacity as the paying agent in accordance with the terms of the Paying Agency Agreement, acting through its office at Rua Castilho, 20, 1250-069 Lisbon, Portugal.

<b>Transaction Creditors:</b>	The Common Representative, the Agents, the Transaction Manager, the Accounts Bank, the Swap Counterparty, the Originator, the Servicer and the Back-up Servicer.
<b>Swap Counterparty:</b>	Crédit Agricole Corporate & Investment Bank, in its capacity as the swap counterparty in accordance with the terms of the Balance Guaranteed Swap Agreement, acting through its office at 12, place des Etats-Unis CS 70052-92547 Montrouge Cedex.
<b>Rating Agencies:</b>	Moody's and DBRS.
<b>Sole Arranger, Lead Placement Entity and Lead Manager:</b>	Deutsche Bank AG (" <b>Deutsche Bank AG</b> "), a company duly organised and existing under the law of the Federal Republic of Germany, having its principal place of business at Taunusanlage 12 in the city of Frankfurt (Main), Germany, LEI code: 7LTWFZYICNSX8D621K86, in its capacity as Sole Arranger, Lead Placement Entity and Lead Manager.
<b>Information on the direct and indirect ownership or control between the Transaction Parties:</b>	Deutsche Bank Aktiengesellschaft is the sole shareholder of the Issuer. The Paying Agent is the Portuguese branch of Deutsche Bank Aktiengesellschaft. There are no potential conflicts of interest that are material to the issuance of the Notes between any duties of the persons listed above and their private interests.

## PRINCIPAL FEATURES OF THE NOTES

*The following is a summary of certain aspects of the Conditions of the Notes which prospective Noteholders should be aware of. This summary is not intended to be exhaustive and prospective Noteholders should read the detailed information set out in this document and reach their own views prior to making any investment decision.*

<b>Notes:</b>	<p>The Issuer intends to issue on the Closing Date in accordance with the terms of the Common Representative Appointment Agreement and the Conditions the following Notes (the "<b>Notes</b>");</p> <p>€168,000,000 Class A Asset-Backed Floating Rate Notes (the "<b>Class A Notes</b>");</p> <p>€8,000,000 Class B Asset-Backed Floating Rate Notes (the "<b>Class B Notes</b>");</p> <p>€12,000,000 Class C Asset-Backed Floating Rate Notes (the "<b>Class C Notes</b>");</p> <p>€6,000,000 Class D Asset-Backed Floating Rate Notes (the "<b>Class D Notes</b>");</p> <p>€5,000,000 Class E Asset-Backed Floating Rate Notes (the "<b>Class E Notes</b>");</p> <p>€1,000,000 Class F Asset-Backed Floating Rate Notes (the "<b>Class F Notes</b>");</p> <p>€1,500,000 Class G Floating Rate Notes (the "<b>Class G Notes</b>");</p> <p>€1,800,000 Class Z Notes (the "<b>Class Z Notes</b>");</p> <p>The Notes will be governed by the Conditions.</p> <p>The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, Class G Notes and the Class Z Notes are together referred to as the "<b>Notes</b>".</p>
<b>Issue Date:</b>	1 June 2022.
<b>Issue Price:</b>	<p>The Class A Notes will be issued at 100% of their principal amount, the Class B Notes will be issued at 97.47% of their principal amount, the Class C Notes will be issued at 97.40% of their principal amount, the Class D Notes will be issued at 93.15% of their principal amount, the Class E Notes will be issued at 94.03% of their principal amount, the Class F Notes will be issued at 95.66% of their principal amount, the Class G Notes will be issued at 99.16% of their principal amount and the Class Z Notes will be issued at 100% of their principal amount.</p>
<b>Form and Denomination:</b>	<p>The Notes will be in dematerialised book-entry (<i>forma escritural</i>) and registered (<i>nominativas</i>) form and in the denomination of €100,000 each (the "<b>Denomination</b>"). The Notes will be registered with Interbolsa, as operator and manager of the Portuguese securities depository system (<i>Central de Valores Mobiliários</i> or "<b>CVM</b>"), and held through the accounts of the Affiliate Members of Interbolsa.</p>
<b>Eurosystem Eligibility:</b>	The Class A Notes are intended to be held in a manner which will allow

Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be registered with Interbolsa as operator of CVM and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

**Status and Ranking:**

The Notes will constitute direct limited recourse obligations of the Issuer and will benefit from the statutory segregation provided by the Securitisation Law. Notes in each class rank *pari passu* without preference or priority amongst themselves.

The Notes represent the right to receive interest (and, in respect of the Class Z Notes, the Class Z Distribution Amount) and principal payments from the Issuer in accordance with the Conditions, the Common Representative Appointment Agreement and the relevant Payment Priorities.

**Payment Priorities:**

Prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, all payments of interest (and, in respect of the Class Z Notes, the Class Z Distribution Amount) and principal due on the Notes will be made in accordance with the Pre-Enforcement Payment Priorities.

After the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, all payments of interest (and, in respect of the Class Z Notes, the Class Z Distribution Amount) and principal in respect of the Notes will be made in accordance with the Post-Enforcement Payment Priorities.

**Limited Recourse:**

All obligations of the Issuer to the Noteholders or to the Transaction Parties in respect of the Notes or the other Transaction Documents, including, without limitation, the Issuer Obligations, are limited in recourse and, as set out in Condition 9 (*Limited Recourse*), the Noteholders and/or the Transaction Parties will only have a claim in respect of the Transaction Assets and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other receivables or its contributed capital.

**Statutory Segregation and Security for the Notes:**

The Notes and other obligations of the Issuer under the Transaction Documents owing to the Transaction Creditors will have the benefit of the statutory segregation and creditors' privilege (*privilegio creditório*) provided for in articles 62 and 63 of the Securitisation Law, which establishes that the assets and liabilities of the Issuer in respect of each transaction entered into by the Issuer are completely segregated from the other assets and liabilities of the Issuer.

**Use of Proceeds:**

On or about the Closing Date, the Issuer will apply the full net proceeds of the issue of the Notes (such proceeds being equal to €202,020,100) as follows:

- (i) payment of the component of the Initial Purchase Price relating to the Principal Outstanding Balance of the Receivables included in the Initial Receivables Portfolio will be made with the proceeds

of the issue of the Asset-Backed Notes and of the Class Z Notes to the extent not covered by the issue of the Asset-Backed Notes;

- (ii) the funding of the Initial Cash Reserve Amount will be made with the proceeds of the issue of the Class G Notes and of the Class Z Notes to the extent not covered by the issue of the Class G Notes;
- (iii) payment of the up-front Issuer Expenses will be made with the proceeds of the issue of the Class Z Notes; and
- (iv) any excess amount will be transferred to the Payment Account.

**Rate of Interest:**

The Notes of each Class will represent entitlements to payment of interest in respect of each successive Interest Period from the Closing Date at an annual rate in respect of the Notes of each Class equal to EURIBOR for one-month euro deposits or, in the case of the first Interest Period, at a rate equal to the interpolation of the EURIBOR one-month and three-month euro deposits, plus the following margins:

- (A) in respect of the Class A Notes, 0.90% per annum;
- (B) in respect of the Class B Notes, 2.00% per annum;
- (C) in respect of the Class C Notes, 3.70% per annum;
- (D) in respect of the Class D Notes, 5.25% per annum;
- (E) in respect of the Class E Notes, 6.50% per annum;
- (F) in respect of the Class F Notes, 8.50% per annum;
- (G) in respect of the Class G Notes, 7.85% per annum;
- (H) in respect of the Class Z Notes, 7.50% per annum;

subject to a floor of 0%.

If, on any Interest Payment Date (other than the Final Legal Maturity Date) prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event and, in respect of each class of Notes that is not the Most Senior Class of Notes, on any given Interest Payment Date, there is any Interest Amount in Arrears, payment of such amounts shall be deferred to the next Interest Payment Date and any amount so deferred shall not accrue any further during the period from (and including) the Interest Payment Date from which such Interest Amount in Arrears was deferred, to (and excluding) the following Interest Payment Date upon which the obligations of the Issuer to pay any Interest Amount in Arrears is discharged.

**Class Z Distribution Amount:**

In respect of any Interest Payment Date, the Class Z Notes will bear an entitlement to payment of the Class Z Distribution Amount in the amount calculated by the Transaction Manager to be paid from the Available Distribution Amount on the relevant Interest Payment Date. This amount shall be equal to the Available Distribution Amount less the aggregate of the amounts to be applied by the Transaction Manager in respect of payments of a higher priority set forth in the Pre-Enforcement Payment Priorities, or, after the delivery of an Enforcement Notice or the occurrence of an Optional Redemption

Event, the amount calculated by the Transaction Manager to be paid from the amounts standing to the credit of the Payment Account, and which shall be equal to the amounts standing to the credit of the Payment Account less the aggregate of the amounts to be applied by the Transaction Manager (as agent of the Common Representative) or the Common Representative in respect of payments of a higher priority set forth in the Post-Enforcement Payment Priorities, save for an amount equal to the Principal Amount Outstanding of the Class Z Notes. This amount will only be payable to the extent that funds are available to the Issuer for that purpose under the Pre-Enforcement Payment Priorities or the Post-Enforcement Payment Priorities, as applicable.

**Interest Accrual Period:**

Interest on the Notes will accrue from, and including, the immediately preceding Interest Payment Date (or, in the case of the First Interest Payment Date, the Closing Date) to, but excluding, the relevant Interest Payment Date.

**Interest Payment Date:**

Interest on the Notes and the Class Z Distribution Amount is payable in arrears on 23 July 2022 ("**First Interest Payment Date**") and thereafter will be payable monthly in arrears on the 23<sup>rd</sup> day of each calendar month until the Final Legal Maturity Date (inclusive), provided that if any such day is not a Business Day, it shall be the immediately succeeding Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the next preceding Business Day (Modified Following Adjusted).

**Business Day:**

Any day which is, cumulatively, a TARGET Day and a day on which banks are open for business in Lisbon, Frankfurt and London.

**Lisbon Business Day:**

Any day on which banks are open for business in Lisbon.

**Final Redemption:**

Unless the Notes have previously been redeemed in full as described in Condition 8 (*Redemption*), the Notes will be redeemed by the Issuer on the Final Legal Maturity Date at their Principal Amount Outstanding, together with accrued interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable). If, as a result of the Issuer having insufficient amounts of the Available Distribution Amount, any of the Notes cannot be redeemed in full or interest due on any of the Notes (and, in the case of the Class Z Note, the Class Z Distribution Amount) cannot be paid in full, the amount of any principal and/or interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) then unpaid shall be cancelled and no further amounts shall be due by the Issuer in respect of the Notes.

**Final Legal Maturity Date:**

The Interest Payment Date falling in June 2039 or, if such day is not a Business Day, the first following day that is a Business Day.

**Authorised Investments:**

At the close of business on each Business Day, the Transaction Manager may, acting on behalf of the Issuer (as instructed by the Originator who will ensure that the investments requested under such instruction are in compliance with the requirements set out in Article 3 of the CMVM Regulation no. 12/2002, as amended by the CMVM Regulation no. 4/2020) and on a non-discretionary basis, invest funds standing to the credit of the Payment Account and the Cash Reserve Account in Authorised Investments, except to the extent they are required for the immediate payment of any amount pursuant to the Payment Priorities, in accordance with part 10 (*Authorised Investments*) of schedule 2



(Services to be provided by the Transaction Manager) of the Transaction Manager Agreement. Any Authorised Investment will be disclosed in the Investor Report.

**Taxation in respect of the Notes:**

Payments of interest and principal and other amounts due under the Notes will be subject to income taxes, including applicable withholding taxes (if any), and other taxes (if any) and neither the Issuer nor any other person will be obliged to pay additional amounts in relation thereto.

Income generated by the holding (distributions) or transfer (capital gains) of the Notes is generally subject to Portuguese tax for debt notes (*obrigações*) if the holder is a Portuguese resident or has a permanent establishment in Portugal to which the income might be attributable. Pursuant to Decree-Law no. 193/2005, any payments of interest made in respect of the Notes to Noteholders who are not Portuguese residents and who do not have a permanent establishment in Portugal to which the income might be attributable will be exempt from Portuguese income tax provided that the debt securities are integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal, or (ii) an international clearing system operated by a managing entity established in a member state of the EU other than Portugal (e.g. Euroclear or Clearstream, Luxembourg) or in a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iii) integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of Decree-Law 193/2005 and the beneficiaries are:

- (A) central banks or governmental agencies; or
- (B) international bodies recognised by the Portuguese State; or
- (C) entities resident in countries or jurisdictions with whom Portugal has a double tax treaty in force or a tax information exchange agreement in force; or
- (D) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in Ministerial Order (*Portaria*) no. 150/2004, of 13 February, as amended from time to time ("**Ministerial Order 150/2004**").

Please refer to the section headed "**Taxation**" for more information.

**EU Retained Interest:**

The Originator will retain on an ongoing basis during the life of the Transaction a material net economic interest of not less than 5% of the nominal amount of the securitised exposures as required by Article 6(1) of the EU Securitisation Regulation ("**EU Retained Interest**"). Such retention requirement will be satisfied by the Originator retaining, in accordance with Article 6(3)(c) of the EU Securitisation Regulation, randomly selected exposures equivalent to not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation,

provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date (see “**Regulatory Disclosures**” section).

**UK Retained Interest:**

The Originator will retain on an ongoing basis during the life of the Transaction a material net economic interest of not less than 5% of the nominal amount of the securitised exposures as required by Article 6(1) of the UK Securitisation Regulation (as in effect at the Closing Date) (“**UK Retained Interest**”). Such retention requirement will be satisfied by the Originator retaining, in accordance with Article 6(3)(c) of the UK Securitisation Regulation, randomly selected exposures, equivalent to not less than 5% of the nominal value of the securitised exposures where such non-securitised exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date (see “**Regulatory Disclosures**” section).

**No Purchase of Notes by the Issuer:**

The Issuer may not at any time purchase any of the Notes.

**Ratings:**

The Rated Notes are expected on issue to be assigned the following Ratings by the Rating Agencies:

	<b>Rating Moody's/DBRS</b>
<b>Class A Notes</b>	Aa2 / AA (sf)
<b>Class B Notes</b>	A1 / A (high) (sf)
<b>Class C Notes</b>	Baa1 / BBB (sf)
<b>Class D Notes</b>	Ba1 / BB (sf)
<b>Class E Notes</b>	Ba3 / B (sf)
<b>Class F Notes</b>	B1 / B (low) (sf)

The Class G Notes and Class Z Notes will not be rated.

Each of Moody's and DBRS are established in the European Union and registered under CRA Regulation.

It is expected that the rating which Moody's gives to the Rated Notes will be endorsed by Moody's Investors Service Limited, which is established in the UK and registered under the UK CRA. It is expected that the rating which DBRS will give to the Rated Notes will be endorsed by DBRS Ratings Limited, which is established in the UK and registered under the UK CRA.

**A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agencies.**

The ratings take into consideration the characteristics of the Receivables and the structural, legal and tax aspects associated with the Rated Notes, respectively, including the nature of the underlying

Receivables.

Moody's rating of the Rated Notes addresses the likelihood that the Noteholders of the Rated Notes will receive timely payments of interest and ultimate repayment of principal on the Final Legal Maturity Date.

With respect to DBRS the rating of the Class A Notes addresses the timely payment of scheduled interest and the ultimate repayment of principal by the legal final maturity date, and the ratings of the Class B Notes, Class C Notes, Class D Notes, and Class E Notes, and Class F Notes address the ultimate payment of interest (timely when most senior) and the ultimate repayment of principal by the Final Legal Maturity Date.

The ratings do not address the possibility that the holders of the Rated Notes might suffer a lower than expected yield due to prepayments. The Rating Agencies' ratings address only the credit risks associated with the Transaction. Other non-credit risks such as any change in any applicable law, rule or regulation have not been addressed but may have a significant effect on yield to investors.

Each securities rating should be evaluated independently of any other securities rating. In the event that the ratings initially assigned to the Rated Notes are subsequently lowered, withdrawn or qualified for any reason, no person or entity will be obliged to provide any credit facilities or credit enhancement to the Issuer for the original ratings to be restored. Any such lowering, withdrawal or qualification of a rating may have an adverse effect on the liquidity and market price of the Notes.

#### *Ratings considerations*

The meaning of the ratings assigned to the Notes by Moody's and DBRS can be reviewed on those Rating Agencies' websites: respectively [www.moodys.com](http://www.moodys.com) and [www.dbrsmorningstar.com](http://www.dbrsmorningstar.com)

The abovementioned credit ratings are intended purely as an opinion and should not prevent potential investors from conducting their own analyses of the securities to be acquired.

The Rating Agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

As of 31 October 2011, and 14 December 2018, Moody's and DBRS are registered and authorised by the ESMA as European Union Credit Rating Agencies in accordance with the provisions of CRA Regulation.

The DBRS long-term rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which the obligations have been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category. Descriptions on the meaning of each individual relevant rating is as follows:

AAA: Highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

AA: Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A: Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.

BBB: Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

BB: Speculative, non-investment grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events.

B: Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet financial obligations.

CCC / CC / C: Very highly speculative credit quality. In danger of defaulting on financial obligations. There is little difference between these three categories, although CC and C ratings are normally applied to obligations that are seen as highly likely to default, or subordinated to obligations rated in the CCC to B range. Obligations in respect of which default has not technically taken place but is considered inevitable may be rated in the C category.

D: When the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods, a downgrade to D may occur. DBRS may also use SD (Selective Default) in cases where only some securities are impacted, such as the case of a “distressed exchange”. See Default Definition for more information.

Moody’s long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honoured as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default. Descriptions on the meaning of each individual relevant rating is as follows:

AAA: Obligations rated Aaa are judged to be of the highest quality, with minimal risk.

Aa: Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A: Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa: Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

Ba: Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B: Obligations rated B are considered speculative and are subject to high credit risk.

**Mandatory Redemption in part of the Notes:**

During the Revolving Period and prior to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, no principal will be payable under the Asset-Backed Notes.

After the end of the Revolving Period, but prior to the occurrence of a Sequential Redemption Event or to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, on each Interest Payment Date the Issuer will cause any Principal Available Funds available for this purpose on such Interest Payment Date to be applied in the redemption in part of the Principal Amount Outstanding of each Class of the Asset-Backed Notes determined as at the related Calculation Date in the following amounts and in the following order of priority, in each case the relevant amount being applied to each Class divided by the number of Asset-Backed Notes outstanding in such Class, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, until all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been redeemed in full.

On the first Interest Payment Date following the occurrence of a Sequential Redemption Event, provided that no Enforcement Notice has been delivered by the Common Representative to the Issuer, the Issuer will cause any Principal Available Funds available on such Interest Payment Date to be applied towards the redemption of the Asset-Backed Notes in the following sequential order of priority (to the extent the relevant Class of Asset-Backed Notes have not yet been redeemed):

- (A) *firstly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (B) *secondly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
- (C) *thirdly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;
- (D) *fourthly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class D Notes until the Class D Notes are repaid in full;
- (E) *fifthly*, to redeem on a *pari passu* and *pro rata* basis the Principal

Amount Outstanding of the Class E Notes until the Class E Notes are repaid in full; and

- (F) *sixthly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class F Notes until the Class F Notes are repaid in full,

in each case in an amount rounded down to the nearest 0.01 euro, in accordance with the Pre-Enforcement Principal Withholding Amount Payment Priorities.

On each Interest Payment Date, prior to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, the Issuer will cause the Class G Notes to be redeemed on a *pari passu* and *pro rata* basis up to the Class G Amortisation Amount and will cause the Class Z Notes to be redeemed on a *pari passu* and *pro rata* basis in an amount up to €1,000, in accordance with the Pre-Enforcement Payment Priorities.

**Mandatory Redemption following the occurrence of an enforcement event:**

Following the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, the Issuer will redeem the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date in accordance with the Post-Enforcement Payment Priorities.

**Redemption in Whole at the option of the Originator:**

The Issuer shall redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date if:

- (a) a Regulatory Change Event has occurred and a Regulatory Change Notice has been delivered by the Originator to the Issuer; or
- (b) a Clean-up Call Notice has been delivered by the Originator to the Issuer and the Clean-Up Call Option is exercised.

**Optional Redemption for Taxation Reasons:**

The Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date after the date on which a Tax Event has occurred, provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class Z Notes at their Principal Amount Outstanding, the Class Z Notes shall be redeemed in full and all the claims of the Class Z Noteholders for any shortfall in the Principal Amount Outstanding of the Class Z Notes, the Interest Amount in respect of the Class Z Notes and the Class Z Distribution Amount shall be extinguished.

No Class of Notes may be redeemed under such circumstance unless all Classes of Notes are redeemed in full at the same time.

**Paying Agent:**

The Issuer will appoint the Paying Agent with respect to payments due under the Notes. The Issuer will procure that, for so long as any Notes are outstanding, there will always be a paying agent to perform the functions assigned to it. The Issuer may at any time, pursuant to the terms of the Paying Agency Agreement by giving not less than 30 days' notice, replace the Paying Agent by another financial institutions which will assume such functions. As consideration for performance of the

paying agency services, the Issuer will pay the Paying Agent a fee in accordance with the terms of the Paying Agency Agreement.

**Transfers of Notes:**

Transfers of Notes will require appropriate entries in securities accounts in accordance with the Portuguese Securities Code and the applicable procedures of Interbolsa. Transfers of Notes between Euroclear participants, between Clearstream, Luxembourg participants and between Euroclear participants on the one hand and Clearstream, Luxembourg participants on the other hand will be effected in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg respectively.

**Settlement:**

Settlement of the Notes is expected to be made on or about the Closing Date.

**Admission to trading:**

Application has been made to Euronext for the Listed Notes to be admitted to trading on its regulated market.

No application has been made to admit the Listed Notes on any other stock exchange and the Class Z Notes will not be admitted to trading on any stock exchange.

**Simple, Transparent and Standardised Securitisation (STS):**

It is intended that the Transaction qualifies as a STS securitisation within the meaning of Article 18 of the EU Securitisation Regulation and the STS notification will be submitted by 321Crédito on or about the Closing Date to ESMA, in accordance with Article 27 of the EU Securitisation Regulation. The STS Notification, once delivered to ESMA, will be available for download on the ESMA STS register website at <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>. In relation to the STS Notification, 321Crédito has been designated as the first contact point for investors and competent authorities.

With respect to an STS Notification, the Originator has used the services of SVI as a third party authorised pursuant to Article 28 of the EU Securitisation Regulation to elaborate the STS Verification, and to prepare the STS Verification. The STS Verification is expected to be made by SVI on or about the Closing Date. It is expected that the STS Verification prepared by SVI will be available on the SVI Website together with detailed explanations of its scope at [www.sts-verification-international.com](http://www.sts-verification-international.com). Neither the SVI Website nor the contents thereof form part of this Prospectus.

The STS status of any series of notes is not static and prospective investors should verify the current status of such notes on ESMA's website (<https://www.esma.europa.eu>).

**Governing Laws:**

The Notes, the Master Framework Agreement, the Common Representative Appointment Agreement, the Class Z Notes Purchase Agreement, the Co-ordination Agreement, the Receivables Sale Agreement, the Servicing Agreement, the Paying Agency Agreement, including any non-contractual obligations arising therefrom, will be governed by Portuguese law. The Transaction Management Agreement, the Subscription Agreement, the Balance Guaranteed Swap Agreement and the Accounts Bank Agreement, including any non-contractual obligations arising therefrom, will be governed by English Law.

## REGULATORY DISCLOSURES

### EU Risk Retention Requirements and the UK Risk Retention Requirements

321Crédito (as Originator) will retain, on an ongoing basis, a material net economic interest of not less than 5% of the nominal amount of randomly selected securitised exposures as required by Article 6(1) of the EU Securitisation Regulation, and Article 6(1) of the UK Securitisation Regulation (as in effect at the Closing Date). Such retention requirement will be satisfied by the Originator retaining, in accordance with Article 6(3)(c) of the EU Securitisation Regulation and Article 6(3)(c) of the UK Securitisation Regulation (as in effect at the Closing Date), randomly selected exposures, equivalent to not less than 5% of the nominal value of the securitised exposures, where such non-securitised exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity Date.

Any change to the manner in which such interest is held will be notified to investors. Receivables have not been selected to be sold to the Issuer with the aim of rendering losses on the Receivables sold to the Issuer, measured over a period of 4 years, higher than the losses over the same period on comparable assets held on 321Crédito's balance sheet.

321Crédito (as Originator) will undertake, inter alia, to the Lead Manager under the Subscription Agreement and the Class Z Notes Purchaser under the Class Z Notes Purchase Agreement that it will: (a) confirm to the Issuer and the Transaction Manager on each date on which a Servicing Report is delivered that it continues to hold the EU Retained Interest and/or the UK Retained Interest; (b) provide notice to the Issuer, the Lead Manager and the Transaction Manager as soon as practicable in the event it no longer holds the EU Retained Interest and/or the UK Retained Interest; (c) not sell, short, hedge, transfer or otherwise dispose of its interest in the EU Retained Interest and/or the UK Retained Interest, or otherwise enter into any transaction which would result in the EU Retained Interest and/or the UK Retained Interest being subject to any form of credit risk mitigation, except, in each case, to the extent permitted by the EU Securitisation Regulation and/or the UK Securitisation Regulation; (d) comply or ensure the Transaction Manager complies, on behalf of the Originator and always without prejudice that the Originator will remain as the Designated Reporting Entity, at all times with the disclosure and reporting obligations under the EU Securitisation Regulation; (e) provide or ensure that the Servicer will provide to the Issuer, the Lead Manager and the Transaction Manager such information as may be reasonably required by the Noteholders to be included in the Servicing Report (or in the EU Securitisation Regulation Investor Reports) in respect of its retention of the EU Retained Interest and the UK Retained Interest; and (f) on each Interest Payment Date during the Revolving Period on which the Originator assigns Additional Receivables to the Issuer, retain (also pursuant to paragraph 3(c) of Article 6 of the EU Securitisation Regulation and paragraph 3(c) of Article 6 of the UK Securitisation Regulation (as in effect at the Closing Date)) additional randomly selected exposures equivalent, on each such Interest Payment Date, to not less than 5% of the nominal value of the additional exposures assigned on each given Interest Payment Date. However, provided that there is no embedded mechanism by which the retained interest at origination would decline faster than the interest transferred, this does not imply an undertaking by the Originator to constantly replenish or readjust throughout the life of the transaction its retained interest to at least 5% as losses are realised on its retained exposures or allocated to its retained positions, pursuant to Article 10(2) of the Delegated Regulation 625/2014.

### Transparency under the EU Securitisation Regulation and UK Securitisation Regulation and Confirmations of the Originator

For the purposes of Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation (as in effect on the Closing Date), the Originator has made available the following information (or has procured that such information is made available): (a) confirmation that the Originator grants all credits giving rise to the Receivables Portfolio on the basis of sound and well defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the EU Securitisation Regulation and Article 9(1) of the UK Securitisation Regulation (as in effect on the Closing Date); (b) confirmation that the Originator will retain on an ongoing basis a material net economic interest in accordance with Article 6(3)(c) of the EU Securitisation Regulation, and Article 6(3)(c) of the UK Securitisation Regulation (as in effect on the Closing Date) and that the risk retention will be disclosed to investors in accordance with the transparency requirements required by the text



of Article 7 of the EU Securitisation Regulation and Article 7 of the UK Securitisation Regulation (as in effect on the Closing Date), as stated above in EU Risk Retention Requirements and the UK Risk Retention Requirements; and (c) confirmation that the Originator will make available the information required by Article 7 of the EU Securitisation Regulation in accordance with the frequency and modalities provided for in such Article.

The Originator confirms that it has made available, prior to pricing:

- (A) the information required to be made available under Article 7(1)(a) of the EU Securitisation Regulation and Article 7(1)(a) of the UK Securitisation Regulation (as in effect on the Closing Date), to the extent such information has been requested by a potential investor;
- (B) a cashflow model required to be made available under Article 22(3) of the EU Securitisation Regulation;
- (C) the underlying documentation required to be made available under Article 7(1)(b) of the EU Securitisation Regulation and Article 7(1)(b) of the UK Securitisation Regulation (as in effect on the Closing Date) in draft form;
- (D) data on static and dynamic historical default and loss performance covering a period of 5 years required to be made available under Article 22(1) of the EU Securitisation Regulation; and
- (E) a draft of the STS Notification required to be made available under Article 7(1)(d),

(in each case, on the website of the European DataWarehouse at <https://editor.eurodw.eu/> registered on 25 June 2021 and effective on 30 June 2021).

The Originator further confirms that it has obtained external verification of the underlying exposures prior to issuance, in accordance with Article 22(2) of the EU Securitisation Regulation.

#### **Reporting under the EU Securitisation Regulation**

The Originator undertakes to: (i) provide such investor information and compliance requirements of Article 7(e)(iii) of the EU Securitisation Regulation and Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect on the Closing Date) by confirming its risk retention as contemplated by Article 6(1) of the EU Securitisation Regulation and Article 6(1) of the UK Securitisation Regulation (as in effect on the Closing Date) as specified in the paragraph above; and (ii) the interest to be retained by the Originator as specified in the introductory paragraph to the Lead Manager pursuant the Subscription Agreement, to the Class Z Notes Purchaser in the Class Z Notes Purchase Agreement and to the Issuer pursuant to the Receivables Sale Agreement.

For the purposes of Articles 7(2) and 22(5) of the EU Securitisation Regulation and Article 7(2) of the UK Securitisation Regulation (as in effect on the Closing Date), the Originator shall be responsible for compliance with Article 7 of the EU Securitisation Regulation and Article 7 of the UK Securitisation Regulation together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards ("**EU Disclosure Requirements**").

321Crédito (as Originator) has been designated as the entity responsible for fulfilling the information requirements provided in Article 7 of the EU Securitisation Regulation and Article 7 of the UK Securitisation Regulation (as in effect on the Closing Date) ("**Designated Reporting Entity**") and will either fulfil such requirements itself or procure that such requirements are complied with on its behalf, provided that the Designated Reporting Entity will not be in breach of such undertaking if the Designated Reporting Entity fails to so comply due to events, actions or circumstances beyond the Designated Reporting Entity's control. Any reference to the EU Disclosure Requirements shall be deemed to include any successor or replacement provisions of Article 7 of the EU Securitisation Regulation included in any European Union directive or regulation.

The Designated Reporting Entity will, from the Closing Date:

- (A) procure that the Transaction Manager prepares, and the Transaction Manager will prepare (to the satisfaction of the Designated Reporting Entity) an investor report to be made available to the Issuer, the Paying Agent, the Common Representative, the Servicer, the Accounts Bank, the Lead Manager, the Swap Counterparty and the Rating Agencies not less than 5 Business Days prior to each Interest

Payment Date, in relation to the immediately preceding Collections Period containing the information required under (i) ESMA Disclosure Templates and the ESMA regulatory technical standards published pursuant to Article 7(3) of the EU Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the EU Securitisation Regulation, incorporated through Commission Delegated Regulation (EU) 2020/1224, of 16 October 2019 ("**RTS**") and the (ii) ESMA implementing the technical standards published pursuant to Article 7(4) of the EU Securitisation Regulation, with regard to the format and standardised templates for making available the information and details under the EU Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the EU Securitisation Regulation and Article 7(1)(a) and (e) of the UK Securitisation Regulation (as in effect on the Closing Date), incorporated through Commission Implementing Regulation (EU) 2020/1225, of 29 October 2019 ("**ITS**"). On the date hereof, (A) the following RTS should be considered for the above purposes: Annexes XII (*Investor Report Information – Non-Asset Backed Commercial Paper Securitisation*) of Delegated Regulation 2020/1224; and (B) the following ITS should be considered for the above purposes: XII (*Investor Report Template – Non-asset backed commercial paper securitisation*) of Delegated Regulation 2020/1225 (the "**Investor Report**"); and

- (B) procure that the Servicer prepares a monthly report in respect of the relevant Collections Period and makes it available, through the SR Repository, as soon as possible but no later than 1 month after each Interest Payment Date, containing the information required under the applicable RTS and ITS. On the date hereof, (A) the following RTS should be considered for the above purposes: Annex V (*Underlying Exposures Information - Automobile*) of Delegated Regulation 2020/1224; and (B) the following ITS should be considered for the above purposes: Annexes V (*Underlying exposures template—Automobile*) of Delegated Regulation 2020/1225 (the "**Loan-Level Report**" and together with the Investor Report, the "**EU Securitisation Regulation Investor Reports**").

321Crédito (as Originator) shall provide or, as relevant, procure the provision to the Transaction Manager for inclusion in the Investor Report (or otherwise so that such information can be available to investors) of readily accessible data and information with respect to the provision of such investor information and compliance by 321Crédito (as Originator) with the requirements of Article 7(1)(e)(iii) of the EU Securitisation Regulation and Article 7(1)(e)(iii) of the UK Securitisation Regulation (as in effect on the Closing Date), by confirming the retention of the EU Retained Interest and the UK Retained Interest.

Each of the Issuer and 321Crédito shall supply to the Transaction Manager, or ensure that it is supplied with, all relevant information required in accordance with the terms herein in order for the Transaction Manager to prepare the Investor Report.

The Designated Reporting Entity shall make available to the investors in the Notes a copy of the final Prospectus, the other final Transaction Documents and the STS Notification, on the SR Repository and on the investor page of the website of 321Crédito (being, as at the date of this Prospectus, 30 May 2022), by no later than 15 days after the Closing Date, and any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect on the Closing Date) in a timely manner (to the extent not already provided by other parties), in each case in accordance with the reporting requirements under Article 7(1)(a) of the EU Securitisation Regulation and Article 7(1)(a) of the UK Securitisation Regulation (as in effect on the Closing Date). Draft versions of the STS Notification will be made available on the SR Repository prior to the pricing in respect of the Notes. In addition, 321Crédito will also make available on the SR Repository a link to the liability cash flow model to investors in the Notes (being, as at the date of this Prospectus, 30 May 2022), on an ongoing basis and to potential investors in the Notes, upon request, as required under Article 22(3) of the EU Securitisation Regulation.

The EU Securitisation Regulation Investor Reports shall be published by the Designated Reporting Entity on the SR Repository and each such report shall be made available no later than 1 month following the Interest Payment Date following the Collections Period to which it relates.

The Originator has also undertaken to the Issuer and the Lead Manager that it will procure the provision to the investors in the Notes of any reasonable and relevant additional data and information referred to in Article 5 of the UK Securitisation Regulation (as in effect on the Closing Date and subject to all applicable laws), provided that

the Originator will not be in breach of such requirements if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertakings.

For the avoidance of doubt, the SR Repository, the EU Securitisation Regulation Investor Reports and the contents thereof do not form part of this Prospectus.

***Liability of the Transaction Manager in relation to the EU Disclosure Requirements and EU Securitisation Regulation Investor Reports***

The Transaction Manager does not assume any responsibility for the Designated Reporting Entity's obligations as the entity designated as being responsible for complying with the EU Disclosure Requirements. In providing its services, the Transaction Manager assumes no responsibility or liability to any third party, including, any holder of the Notes or any potential investor in the Notes or any other party, and including for their use or onward disclosure of any information published in support of the Designated Reporting Entity's reporting obligations, and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents. Any Investor Reports prepared by the Transaction Manager may include disclaimers excluding the liability of the Transaction Manager for information provided therein. The Transaction Manager shall not have any duty to monitor, enquire or satisfy itself as to the veracity, accuracy or completeness of any documentation provided to it in connection with the preparation by it of the Investor Report or the publication by it of the Investor Report, or whether or not the provision of such information accords with the EU Disclosure Requirements, and the Transaction Manager shall be entitled to rely conclusively upon any instructions given by (and any determination by) the Designated Reporting Entity regarding the same, provided that such instructions are given in accordance with the Transaction Documents, and shall have no obligation, responsibility or liability whatsoever for the provision of information and documentation on the SR Repository.

***SR Repository***

Following the appointment by the Designated Reporting Entity of the SR Repository, the Designated Reporting Entity shall be responsible for procuring that each EU Securitisation Regulation Investor Reports, and any other information required to be made available by the Designated Reporting Entity under the EU Securitisation Regulation, is made available through the SR Repository in accordance with the requirements of Article 7 of the EU Securitisation Regulation and for the purposes of making available simultaneously the EU Securitisation Regulation Investor Reports to the holders of the Notes and the competent authorities, and upon request, potential investors in the Notes. In determining whether a person is a holder of the Notes or a potential investor in the Notes, the Designated Reporting Entity is entitled to rely, without liability, on any certification given by such person that they are a holder of the Notes or, as relevant, a potential investor in the Notes.

***Ongoing monitoring of ESMA Disclosure Templates and other ESMA regulatory and implementing technical standards under the EU Securitisation Regulation***

The Designated Reporting Entity (and/or their professional advisers on their behalf) will monitor when ESMA or any relevant regulatory or competent authority amends any applicable ESMA Disclosure Templates or applicable ESMA regulatory technical standards under the EU Securitisation Regulation, and will notify the Transaction Manager, the Issuer and the Servicer (unless the Designated Reporting Entity is also the Servicer) of the same (each such notification, an "SR Reporting Notification").

***Information required to be reported under Article 7(1)(f) and (g), as applicable, to the extent applicable of the EU Securitisation Regulation***

The Designated Reporting Entity will: (a) publish on the SR Repository (without delay), any information required to be reported pursuant to Article 7(1)(f) and (g) to the extent applicable of the EU Securitisation Regulation and Article 7(1)(f) and (g) of the UK Securitisation Regulation (as in effect on the Closing Date), provided that the Designated Reporting Entity will only be required to publish such information as the Issuer or the Servicer may from time to time notify to it and/or direct it to publish; and (b) within 15 days of the Closing Date (without delay) make available via the SR Repository copies of the Transaction Documents and this Prospectus. The Designated Reporting Entity's obligation to publish information required to be reported by the Issuer or the Originator pursuant to Article 7(1)(f) and (g), as applicable, to the extent applicable of the EU Securitisation Regulation shall be conditional upon delivery by the Issuer or the Servicer, to the extent the Issuer or the Servicer becomes aware,

of any information falling under Article 7(1)(f) and (g), as applicable, to the extent applicable of the EU Securitisation Regulation, provided that the Designated Reporting Entity shall not be required to monitor the price at which any Class of Notes trade at any time.

#### ***Disclosure of modifications to the Payment Priorities***

Any events which trigger changes in any Payment Priorities and any change in any Payment Priorities which will materially adversely affect the repayment of the Notes will be disclosed by the Designated Reporting Entity without undue delay to the extent required under Article 21(9) of the EU Securitisation Regulation.

#### **Sufficiency of information**

Each prospective investor is required to assess independently and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the EU Securitisation Regulation and Article 5 of the UK Securitisation Regulation (if applicable) and any national measures which may be relevant and none of the Issuer, the Sole Arranger, the Transaction Manager, nor any of the other Transaction Parties: (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes; (ii) shall have any liability to any such investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the EU Securitisation Regulation or the UK Securitisation Regulation (in effect as of the Closing Date) (if applicable) or any other applicable legal, regulatory or other requirements; or (iii) shall have any obligation (other than the obligations in respect of Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as in effect on the Closing Date) undertaken by 321Crédito and the obligations of the Designated Reporting Entity and the Issuer in relation to the EU Disclosure Requirements as referred to above) to enable compliance with the requirements of Article 6 of the EU Securitisation Regulation and Article 6 of the UK Securitisation Regulation (as in effect on the Closing Date) or any other applicable legal, regulatory or other requirements. In addition, each prospective investor should ensure that it complies with the implementing provisions (including any regulatory technical standards, implementing technical standards and any other implementing provisions) in their relevant jurisdiction. Investors and prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

#### **Liability cashflow model**

The Sole Arranger, on behalf of the Originator, has, prior to the pricing of the Transaction, as required by Article 22(3) of the EU Securitisation Regulation, made available to potential investors a cashflow model through the platforms provided by Intex and Bloomberg. The Originator shall procure that such cashflow model (i) precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, investors, other third parties and the Issuer, and (ii) is made available to investors in the Notes on an ongoing basis and to potential investors upon request.

#### **Credit-granting**

As required by Article 9 of the EU Securitisation Regulation and Article 9 of the UK Securitisation Regulation (as in effect on the Closing Date), 321Crédito (as Originator) applied to each Receivable the same sound and well-defined criteria for credit-granting as 321Crédito (as Originator) applied to all other receivables originated by it. The same clearly established processes for approving and, where relevant, amending, renewing and refinancing the Receivables also apply to all other receivables originated by 321Crédito. 321Crédito has in place effective systems to apply such criteria and processes in order to ensure that 321Crédito's credit-granting is based on a thorough assessment of the relevant borrower's (including each of the Obligor's) creditworthiness, taking appropriate account of the factors relevant to verifying the prospect of the relevant borrower (including the Obligors) meeting his/her obligations under the relevant receivables (including the Receivables). Additional information on 321Crédito's credit granting criteria is included in the section headed ***"Originator's Standard Business Practices, Servicing and Credit Assessment"***.

Any information which from time to time may be deemed necessary under Articles 5, 6 and 7 of the EU Securitisation Regulation and Articles 5,6 and 7 of the UK Securitisation Regulation (as in effect on the Closing Date) in accordance with the market practice will be made available through the SR Repository. Such information

includes any amendment or supplement of the Transaction Documents, the Prospectus, the draft or, if and once it has been notified to ESMA, the final version of the STS Notification pursuant to Article 27(1) of the EU Securitisation Regulation, the relevant notice in case the Securitisation ceases to meet the STS requirements or, where competent authorities have taken remedial or administrative actions, information on any other event which may trigger a change in the applicable Payment Priorities. 321Crédito has been designated as the first contact point for investors and competent authorities for this purpose.

#### **Volcker Rule**

Based on the advice received in the context of this transaction, at the date of this Prospectus, the Issuer is not, and immediately following the issuance of the Notes it shall not be, a “covered fund” for purposes of Section 13 of the Bank Holding Company Act of 1956 (and that section’s final implementing rules, commonly known collectively as the “**Volcker Rule**”). For this purpose, the Issuer is entitled to rely on the exemption from the definition of “investment company” set forth in Section 3(c)(5) of the Investment Company Act of 1940, as amended. The Volcker Rule generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund”, and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 1 April 2014, with a conformance period until 21 July 2015.

Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

## OVERVIEW OF THE TRANSACTION

*The information in this section does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus and related documents referred to herein. Prospective investors are advised to read carefully, and should rely solely on, the detailed information appearing elsewhere in this Prospectus and related documents referred to herein in making any investment decision. Capitalised terms used but not defined in this section shall have the meaning given to them elsewhere in this Prospectus.*

<b>Purchase of Receivables Portfolio:</b>	<p>Under the terms of the Receivables Sale Agreement, the Originator will sell and assign to the Issuer and the Issuer will on the Closing Date and on certain Additional Purchase Dates from time to time during the Revolving Period, subject to satisfaction of certain conditions and the Eligibility Criteria, purchase from the Originator, portfolios of Receivables due under certain Auto Loan Contracts and the Related Security (the <b>"Receivables Portfolio"</b>).</p> <p>The Receivables Portfolio will provide collateralisation for the Notes and the cashflows which will be used exclusively by the Issuer for effecting payments on the Notes in accordance with the Payment Priorities.</p>
<b>Consideration for Purchase of the Initial Receivables Portfolio:</b>	<p>In consideration for the assignment of the Initial Receivables Portfolio by the Originator to the Issuer on the Closing Date, the Issuer will pay the Initial Purchase Price to the Originator.</p>
<b>Purchase of Additional Receivables during the Revolving Period:</b>	<p>During the Revolving Period, on each Additional Purchase Date, the Originator may sell and assign to the Issuer and the Issuer will, subject to satisfaction of certain conditions and the Eligibility Criteria, purchase from the Originator the Additional Receivables Portfolios.</p>
<b>The Receivables:</b>	<p>The Receivables are monetary obligations arising under certain fixed or floating rate auto loan credit contracts, entered into between the Originator and natural or legal persons, which are resident in Portugal at the time the relevant contract is entered into (each, an <b>"Obligor"</b>), to finance the acquisition of new or used Vehicles by such Obligor, including credit contract's stamp duty and initial expenses (if financed) (each, an <b>"Auto Loan Contract"</b>).</p>
<b>Consideration for Purchase of Additional Receivables Portfolios:</b>	<p>In consideration for the assignment of an Additional Receivables Portfolio on any Additional Purchase Date, the Issuer will pay to the Originator on such Additional Purchase Date the Additional Purchase Price for the relevant Additional Receivables Portfolio to be assigned to the Issuer.</p>
<b>Revolving Period:</b>	<p>The Revolving Period is the period from (and including) the Closing Date to (and excluding) the Revolving Period End Date.</p>
<b>Related Security:</b>	<p>The sale and assignment of the Receivables Portfolio will include, both pursuant to Portuguese law and the Receivables Sale Agreement, the sale and transfer of the Related Security from the Originator to the Issuer.</p>
<b>Receivables Portfolio Eligibility Criteria:</b>	<p>The Initial Receivables comprised within the Initial Receivables Portfolio shall comply with the Eligibility Criteria as at the Initial Collateral Determination Date and as at the Closing Date and any Additional Receivables comprised within each Additional Receivables Portfolio shall comply with the Eligibility Criteria as at the relevant Additional Collateral Determination Date and as at the relevant Additional Purchase Date (see <b>"OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS – The Receivables Sale Agreement"</b>).</p>

**Conditions to the purchase of Additional Receivables Portfolios:**

The purchase of any Additional Receivables Portfolio by the Issuer on any Additional Purchase Date is subject to the satisfaction of certain conditions (see “**OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS – The Receivables Sale Agreement**”).

**Servicing of the Receivables Portfolio:**

The Servicer will agree to administer and service the Assigned Rights on behalf of the Issuer in accordance with the terms set out in the Servicing Agreement and Article 5 of the Securitisation Law and, *inter alia*, to:

- (A) collect the Receivables due in respect thereof;
- (B) set the interest rates applicable to the Receivables;
- (C) administer the Auto Loan Contracts; and
- (D) undertake enforcement proceedings in respect of any Obligors which may default on their obligations under the relevant Auto Loan Contracts.

**Servicer Reporting:**

The Servicer will be required to provide the following reports:

- (i) no later than 7 Lisbon Business Days after the relevant Calculation Date to deliver to the Issuer, the Transaction Manager, the Back-up Servicer, the Rating Agencies, the Sole Arranger and the Lead Manager a single report in a form reasonably acceptable to the Transaction Manager (the “**Servicing Report**”) relating to the period from the last date covered by the previous Servicing Report, except in the case of the first Servicing Report, which shall cover the period elapsed between the Closing Date until (and including) the First Calculation Date; and
- (ii) the Loan-Level Report to be prepared and made available by the Servicer, through the SR Repository, as soon as possible but no later than 1 month after each Interest Payment Date.

**Transaction Manager Reporting:**

The information contained in the Servicing Report will be used by the Transaction Manager to produce the Investor Report to be delivered by the Transaction Manager to, *inter alios*, to the Issuer, the Paying Agent, the Common Representative, the Servicer, the Accounts Bank, the Lead Manager, the Swap Counterparty and the Rating Agencies not less than 5 Business Days prior to each Interest Payment Date.

**Provision of Information under the EU Securitisation Regulation and the UK Securitisation Regulation**

For the purposes of Article 7(2) of the EU Securitisation Regulation and Article 7(2) of the UK Securitisation Regulation (as in effect on the Closing Date), the Designated Reporting Entity shall comply with the EU Disclosure Requirements and will either fulfil such requirements itself or procure that such requirements are complied with on its behalf. From the Closing Date, the Designated Reporting Entity will procure that the Transaction Manager prepares and delivers, and the Transaction Manager will prepare (to the satisfaction of the Designated Reporting Entity) and deliver, an Investor Report not less than 5 Business Days prior to each Interest Payment Date, in relation to the immediately preceding Collections Period containing the information required under the ESMA Disclosure Templates and applicable ESMA regulatory technical standards published pursuant to Article 7(3) of the EU Securitisation Regulation.

The Designated Reporting Entity will also procure from the Closing Date that the Servicer prepares a Loan-Level Report as soon as possible after each

Interest Payment Date but no later than 1 month after such date, relating to the Collections Period ending on the calendar month immediately prior to the month in which it is due to be delivered, containing the information required under the applicable ESMA Disclosure Templates. The Transaction Manager shall have no responsibility for preparing the Loan-Level Reports.

321Crédito, as Originator (and as Designated Reporting Entity) will be responsible for compliance with Article 7 of the EU Securitisation Regulation for the purposes of Article 22(5) of the EU Securitisation Regulation. The Designated Reporting Entity will publish (or ensure the publication of) the Investor Report and the Loan-Level Report (simultaneously with each other) on the SR Repository in accordance with the requirements of Article 7 of the EU Securitisation Regulation.

**Collections Account:**

The Servicer will ensure that all Collections received by the Collections Accounts Banks from an Obligor pursuant to an Auto Loan Contract will be credited to the relevant Collections Account. Each of the Collections Account will be operated by the Servicer in accordance with the terms of the Servicing Agreement- see section headed "***Overview of Certain Transaction Documents –Servicing Agreement - Collections and Transfers to the Payment Account***".

The Servicer has undertaken in the Servicing Agreement to identify Collections paid into the Collections Account or otherwise received or collected in cash or cheque as soon as possible, but in any case, within 2 Business Days after the respective payment, receipt or collection.

**Payments from Collections Account to the Payment Accounts:**

The Servicer shall give instructions to the Collections Accounts Banks to ensure that Collections paid into the relevant Collections Account, after identified by the Servicer, are transferred to the Payment Account on each Business Day following the 5<sup>th</sup>, 15<sup>th</sup> and 25<sup>th</sup> day of each month.

**Payment Account:**

The Issuer will establish the Payment Account in its name at the Accounts Bank. The Payment Account will be operated by the Transaction Manager in accordance with the terms of the Transaction Management Agreement and the Accounts Bank Agreement.

A downgrade of the ratings of the Accounts Bank by the Rating Agencies below the Minimum Long-Term Rating, will require the Transaction Manager, acting on behalf of the Issuer to, within 60 calendar days of such downgrade, procure a replacement Accounts Bank rated at least the Minimum Long-Term Rating.

Any administrative costs relating to the action contemplated above shall be borne by the Issuer as an Issuer Expense (which for the avoidance of doubt shall not include the remuneration, fees or costs payable to the successor Accounts Bank). For the avoidance of doubt, the Transaction Manager shall not bear any unallocated costs in any circumstance, including as a result of the exercise of any remedial action.

**Payments from Payment Account on each Business Day:**

On each Business Day (other than an Interest Payment Date) prior to delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, funds standing to the credit of the Payment Account will be applied by the Issuer, to the extent due and payable, in or towards payment of: (i) any Withheld Amounts due to the relevant Tax Authority; and (ii) any Incorrect Payments to the Originator due on such Business Day.



**Statutory Segregation for the Notes,  
right of recourse and Issuer  
Obligations:**

The Notes will have the benefit of the statutory segregation provided for by Article 62 of the Securitisation Law which provides that the assets and liabilities (*patrimonio autónomo*) of the Issuer in respect of each transaction entered into by the Issuer are completely segregated from the other assets and liabilities of the Issuer.

In accordance with the terms of Article 61 and the subsequent articles of the Securitisation Law the right of recourse of the Noteholders is limited to the Transaction Assets, in accordance with the Securitisation Law.

**Cash Reserve Account:**

On or about the Closing Date, the Cash Reserve Account will be established with the Accounts Bank in the name of the Issuer into which an amount equal to the Initial Cash Reserve Amount will be transferred on the Closing Date.

Funds will be debited and credited to the Cash Reserve Account in accordance with the payment instructions of the Transaction Manager, on behalf of the Issuer, in accordance with the terms of the Transaction Management Agreement and the Accounts Bank Agreement.

A downgrade of the rating of the Accounts Bank below the Minimum Long-Term Rating will require the Transaction Manager, acting on behalf of the Issuer, within 60 calendar days from such downgrade to transfer the Cash Reserve Account (and the balances standing to the credit thereto) to other bank rated at least the Minimum Long-Term Rating.

The replaced Accounts Bank shall bear any administrative costs and expenses relating to its replacement (which, for the avoidance of doubt, shall not include the remuneration or fees payable to, or costs or expenses of, the replacement Accounts Bank), and for the avoidance of doubt none of those costs and expenses will be borne by the Issuer (or shall be deemed, for the avoidance of doubt, an Issuer Expense to be paid in accordance with the Payment Priorities).

**Replenishment of Cash Reserve  
Account:**

On each Interest Payment Date, to the extent that monies are available for the purpose, amounts (if required) will be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Payment Priorities until the amount standing to the credit thereof equals the Cash Reserve Account Required Balance.

**Available Distribution Amount:**

Means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager as at the Calculation Date immediately preceding such Interest Payment Date equal to:

- (A) any Principal Collections Proceeds received by the Issuer during the Collections Period immediately preceding such Interest Payment Date; plus
- (B) any Interest Collections Proceeds received by the Issuer under the Receivables Portfolio during the Collections Period immediately preceding such Interest Payment Date; plus
- (C) where the proceeds of disposal or on maturity of any Authorised Investment received in relation to the relevant Collections Period exceed the original cost of such Authorised Investment, the amount of such excess; plus
- (D) any amounts standing to the credit of the Cash Reserve Account; plus

- (E) interest accrued and credited to the Transaction Accounts during the relevant Collections Period; plus
- (F) on the first Interest Payment Date, the amount credited to the Payment Account which was allocated to pay Issuer Expenses but has not been paid until such date; plus
- (G) amounts received or to be received by the Issuer under or in connection with the Balance Guaranteed Swap Agreement (other than any (i) early termination amount received by the Issuer under the Balance Guaranteed Swap Agreement required to fund the entry into a replacement Swap Transaction, (ii) Swap Collateral, (iii) Replacement Swap Premium paid to the Issuer to the extent required to pay termination amounts to the existing Swap Counterparty and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date; less
- (H) any Withheld Amount.

**Principal Deficiency Amount:**

During the Revolving Period a principal deficiency ledger will be established in order to record any Principal Deficiency Amount.

If the Transaction Manager verifies the existence of a debit balance of a Principal Deficiency Amount, as at any Calculation Date, during the Revolving Period, the Revolving Period shall end and a Sequential Redemption Event will have occurred and the principal under the Notes will be redeemed in accordance with the Pre-Enforcement Principal Withholding Amount Payment Priorities.

**Payment Priorities:**

Prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, the Issuer is required to apply the Available Distribution Amount in accordance with the Pre-Enforcement Payment Priorities, provided that after the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, all amounts received or recovered by the Issuer and/or the Common Representative will be applied in accordance with the Post-Enforcement Payment Priorities.

**Pre-Enforcement Payment Priorities:**

Prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, the Available Distribution Amount determined in respect of the relevant Interest Payment Date will be applied by the Transaction Manager on such Interest Payment Date in making the following payments or provisions in the following order of priority (the "**Pre-Enforcement Payment Priorities**"), but in each case only to the extent that all payments or provisions of a higher priority falling due on such Interest Payment Date have been made in full:

- (A) *first*, in or towards payment of the Issuer's liability to Tax, in relation to this transaction, if any;
- (B) *second*, in or towards payment of the Common Representative's Fees and Common Representative's Liabilities;
- (C) *third*, in or towards payment of the Issuer Expenses to the extent not already paid in items (A) and (B) above, including payment of the Servicing Fees to the Servicer if the Originator is no longer the Servicer;
- (D) *fourth*, in or towards payment of amounts due to the Swap Counterparty including in connection with an early termination of the Balance Guaranteed Swap Agreement (except if the Swap Counterparty is the sole Defaulting Party or Affected Party (each as defined in the Balance Guaranteed Swap Agreement));
- (E) *fifth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class A Notes;
- (F) *sixth*, provided that no Class B Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class B Notes;
- (G) *seventh*, provided that no Class C Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class C Notes;
- (H) *eighth*, provided that no Class D Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class D Notes;
- (I) *ninth*, provided that no Class E Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class E Notes;
- (J) *tenth*, provided that no Class F Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class F Notes;
- (K) *eleventh*, in or towards crediting the Cash Reserve Account in an amount up to the Cash Reserve Account Required Balance;
- (L) *twelfth*, retain in the Payment Account an amount up to the Principal Withholding Amount for payment on such Interest Payment Date of the amount due under the Pre-Enforcement Principal Withholding Amount Payment Priorities;
- (M) *thirteenth*, provided that a Class B Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis,

of the Interest Amount in respect of the Class B Notes;

- (N) *fourteenth*, provided that a Class C Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class C Notes;
- (O) *fifteenth*, provided that a Class D Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class D Notes;
- (P) *sixteenth*, provided that a Class E Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class E Notes;
- (Q) *seventeenth*, provided that a Class F Notes Deferred Interest Event has occurred, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class F Notes;
- (R) *eighteenth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class G Notes;
- (S) *nineteenth*, in or towards redemption, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class G Notes up to the Class G Amortisation Amount;
- (T) *twentieth*, in or towards payment of amounts due to the Swap Counterparty in connection with an early termination of the Balance Guaranteed Swap Agreement (if the Swap Counterparty is the sole Defaulting Party or Affected Party (each as defined in the Balance Guaranteed Swap Agreement));
- (U) *twenty first*, in or towards payment of the Servicing Fees, if the Originator is the Servicer;
- (V) *twenty second*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class Z Notes;
- (W) *twenty third*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class Z Notes up to €1,000; and
- (X) *twenty fourth*, in or towards payment, on a *pari passu* and *pro rata* basis, of any Class Z Distribution Amount due and payable in respect of the Class Z Notes.

**Pre-Enforcement Principal  
Withholding Amount Payment  
Priorities:**

Prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, the Principal Available Funds shall be allocated on each Interest Payment Date as follows, by order of priority:

- I. During the Revolving Period:
  - (A) *firstly*, in or towards payment of the Additional Purchase Price for Additional Receivables offered by the Originator for sale on such date, and
  - (B) *secondly*, retain remaining amounts in the Payment Account.
- II. After the end of the Revolving Period, but prior to the occurrence of

a Sequential Redemption Event in each case the relevant amount being applied to each Class divided by the number of Asset-Backed Notes outstanding in such Class, in or towards payment on a *pari passu* and on a *pro rata* basis of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, until all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been redeemed in full.

III. Following the occurrence of a Sequential Redemption Event, unless the relevant series of Asset-Backed Notes have been previously redeemed in full:

- (A) *firstly*, to redeem, on a *pari passu* and *pro rata* basis, the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (B) *secondly*, to redeem, on a *pari passu* and *pro rata* basis, the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
- (C) *thirdly*, to redeem, on a *pari passu* and *pro rata* basis, the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;
- (D) *fourthly*, to redeem, on a *pari passu* and *pro rata* basis, the Principal Amount Outstanding of the Class D Notes until the Class D Notes are repaid in full;
- (E) *fifthly*, to redeem, on a *pari passu* and *pro rata* basis, the Principal Amount Outstanding of the Class E Notes until the Class E Notes are repaid in full; and
- (F) *sixthly*, to redeem, on a *pari passu* and *pro rata* basis, the Principal Amount Outstanding of the Class F Notes until the Class F Notes are repaid in full.

**Redemption of Class Z Notes from  
Class Z Distribution Amount:**

On the last Interest Payment Date (after redemption in full of all the Asset-Backed Notes) on which any Class Z Distribution Amount is to be paid by the Issuer in accordance with Condition 7.5 (*Class Z Distribution Amount Payments*), or the date on which an Optional Redemption Event occurs in relation to the Asset-Backed Notes, the Issuer will cause the Class Z Notes to be redeemed in full from such Class Z Distribution Amount.

**Post-Enforcement Payment Priorities:**

Following the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, all monies held in the Payment Account and the Cash Reserve Account and all monies received or recovered by the Issuer and/or the Common Representative in relation to the Transaction Assets (other than monies standing to the credit of the Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) which shall be applied in accordance with the Transaction Management Agreement) shall be paid to the persons entitled to such monies and applied by the Transaction Manager or the Common Representative, as the case may be, in making the following payments in the following order of priority (the "**Post-Enforcement Payment Priorities**"), but in each case only to the extent that all payments of a higher priority falling due on such Interest Payment Date have been made in full:

- (A) *first*, in or towards payment of the Issuer's liability to Tax, in relation to this transaction, if any;
- (B) *second*, in or towards payment of the Common Representative's Fees and Common Representative's Liabilities;
- (C) *third*, in or towards payment of the Issuer Expenses to the extent not already paid in items (A) and (B) above, including payment of the Servicing Fees to the Servicer if the Originator is no longer the Servicer;
- (D) *fourth*, in or towards payment of amounts due to the Swap Counterparty including in connection with an early termination of the Balance Guaranteed Swap Agreement (except if the Swap Counterparty is the sole Defaulting Party or Affected Party (each as defined in the Balance Guaranteed Swap Agreement));
- (E) *fifth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class A Notes;
- (F) *sixth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;
- (G) *seventh*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class B Notes;
- (H) *eighth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full;
- (I) *ninth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class C Notes;
- (J) *tenth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class C Notes until the Class C Notes have been redeemed in full;
- (K) *eleventh*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class D Notes;
- (L) *twelfth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class D Notes until the Class D Notes have been redeemed in full;
- (M) *thirteenth*, in or towards the payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class E Notes;
- (N) *fourteenth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class E Notes until the Class E Notes have been redeemed in full;
- (O) *fifteenth*, in or towards the payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class F Notes;
- (P) *sixteenth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class F Notes until the Class F Notes have been redeemed in full;

- (Q) *seventeenth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class G Notes;
- (R) *eighteenth*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class G Notes until the Class G Notes have been redeemed in full;
- (S) *nineteenth*, in or towards payment of amounts due to the Swap Counterparty in connection with an early termination of the Balance Guaranteed Swap Agreement (if the Swap Counterparty is the sole Defaulting Party or Affected Party (each as defined in the Balance Guaranteed Swap Agreement));
- (T) *twentieth*, in or towards payment of the Servicing Fees, if the Originator is the Servicer;
- (U) *twenty first*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Interest Amount in respect of the Class Z Notes;
- (V) *twenty second*, in or towards payment, on a *pari passu* and *pro rata* basis, of the Principal Amount Outstanding of the Class Z Notes until the Class Z Notes have been redeemed in full; and
- (W) *twenty third*, in or towards payment, on a *pari passu* and *pro rata* basis, of any Class Z Distribution Amount due and payable in respect of the Class Z Notes.

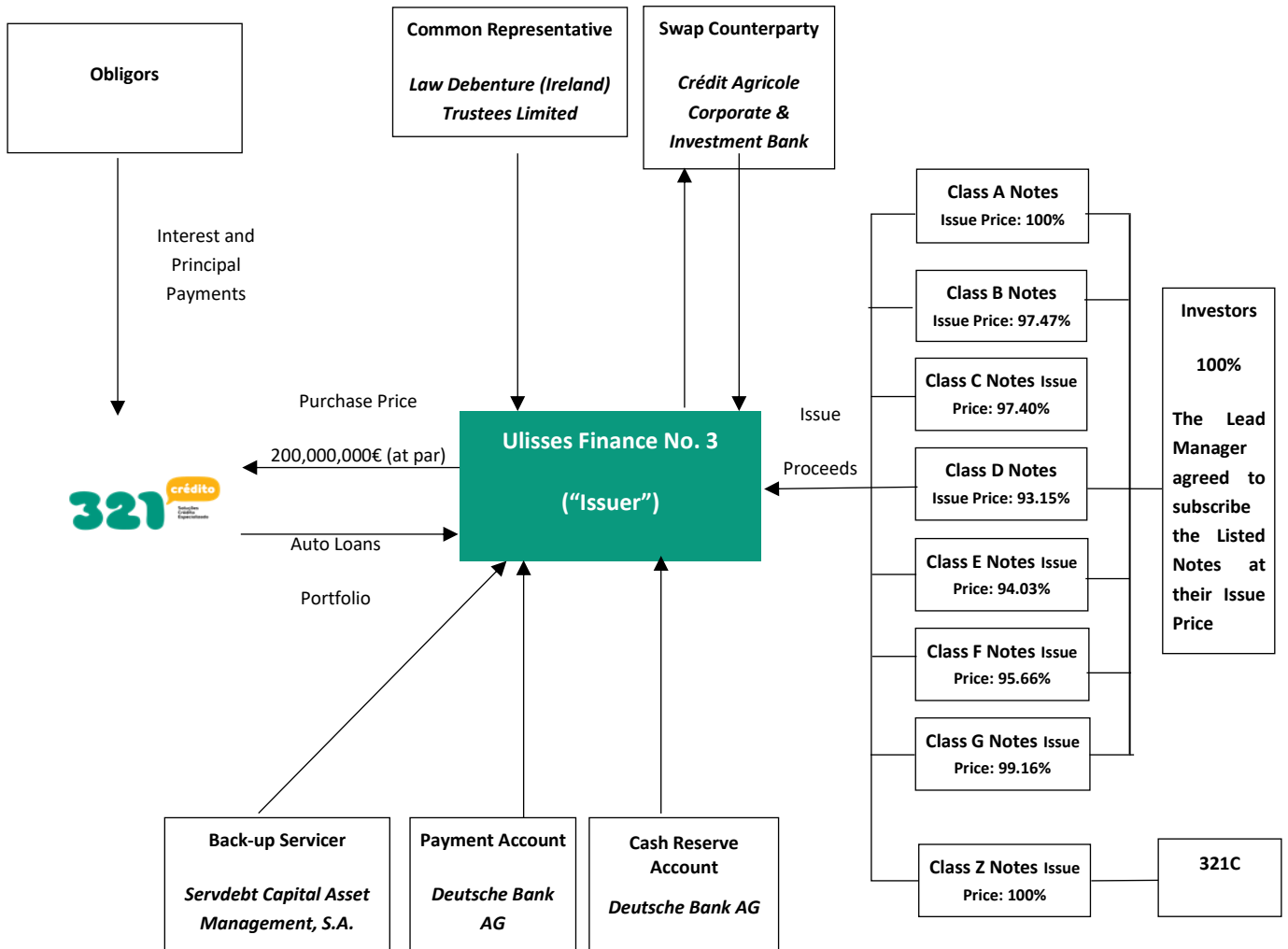
**Swap Transaction:**

Payments received by the Issuer under some of the Receivables in the Receivables Portfolio will be subject to fixed rates of interest. The interest amounts payable by the Issuer in respect of the Notes will be calculated by reference to EURIBOR for one-month euro deposits.

To hedge against the possible variance between the fixed rates of interest received on certain of the Receivables in the Receivables Portfolio and the rate of interest payable on the Notes, the Issuer will enter into the Swap Transaction with the Swap Counterparty under the Balance Guaranteed Swap Agreement on or around the Closing Date.

See “**Overview of Certain Transaction Documents – Swap Transaction**”.

## STRUCTURE AND CASH FLOW DIAGRAM OF TRANSACTION





#### **DOCUMENTS INCORPORATED BY REFERENCE**

The independent statutory auditor's report and audited annual financial statements of the Issuer for the financial years ended 31 December 2020 and 31 December 2021, which have been filed with the CMVM and are available at [www.cmvm.pt](http://www.cmvm.pt), shall be incorporated in, and form part of, this Prospectus.

## OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS

The description of certain Transaction Documents set out below is a summary of certain features of such documents and is qualified by reference to the detailed provisions thereof.

### Receivables Sale Agreement

#### *Purchase of Initial Receivables Portfolio*

Pursuant to the terms of the Receivables Sale Agreement dated on or about the Closing Date the Originator will sell and assign to the Issuer, on a non-recourse basis, the Initial Receivables Portfolio including the full unencumbered benefit of and right, title and interest to the Auto Loan Contracts, Receivables due thereunder and Related Security after selection and without undue delay for the purposes of Article 20(11) of the EU Securitisation Regulation.

On the Closing Date the Issuer will pay the Initial Purchase Price to accounts in the name of the Originator in relation to the Initial Receivables Portfolio.

#### *Additional Receivables Portfolios Sales*

During the Revolving Period, on each Additional Purchase Date, the Issuer will, subject to certain conditions described below and the Eligibility Criteria, purchase from the Originator Additional Receivables Portfolios, including, to the fullest extent possible under applicable law, the full unencumbered benefit of and right, title and interest of the Originator in the relevant Auto Loan Contracts, Receivables due thereunder and Related Security, as specified in and pursuant to the Additional Sale Notice relating to the relevant Additional Receivables Portfolio after selection and without undue delay for the purposes of Article 20(11) of the EU Securitisation Regulation.

On each Additional Purchase Date which is also an Interest Payment Date the Issuer shall, subject to, *inter alia*, the Issuer having sufficient Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Withholding Amount Payment Priorities on such Interest Payment Date, purchase Additional Receivables Portfolios and pay the relevant Additional Purchase Price to the Originator, as calculated at the applicable Additional Collateral Determination Date.

The following conditions shall be satisfied on each Additional Purchase Date prior to giving effect to any purchase:

- (A) the Additional Receivables comply with the Eligibility Criteria on each Additional Purchase Date or at the relevant Additional Collateral Determination Date;
- (B) the representations of the Originator made and repeated on the relevant Additional Purchase Date being true, accurate and correct;
- (C) no Revolving Period Termination Event has occurred or will have occurred on the relevant Additional Purchase Date;
- (D) no Enforcement Notice has been delivered or will have been delivered to the Issuer on or prior to the relevant Additional Purchase Date;
- (E) no Servicer Event has occurred and is continuing pursuant to the Servicing Agreement;
- (F) the balance standing to the credit of the Cash Reserve Account will be equal to the Cash Reserve Account Required Balance after giving effect to the Payment Priorities on such date;
- (G) the purchase of the Additional Receivables shall not cause any non-compliance of the Portfolio Limitation Tests on the relevant Additional Purchase Date (after giving effect to such purchase);
- (H) no material adverse change in the business of the Originator has occurred which, in the reasonable opinion of the Issuer, may impair due performance of their respective obligations under the Receivables Sale Agreement or the Servicing Agreement; and

- (I) the Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Payment Priorities on such Interest Payment Date being sufficient to satisfy the Additional Purchase Price on such Interest Payment Date.

*Portfolio Limitation Tests*

At any time, and for the purposes of the Portfolio Limitation Tests during the Revolving Period, a “**Portfolio Limitation**” occurs when:

- (A) the Aggregate Principal Outstanding Balance of a Receivable under the related Auto Loan Contract in relation to corporate activities is not more than 10.0% of the Aggregate Principal Outstanding Balance of all Receivables;
- (B) the percentage of Receivables where Obligors are not Portuguese citizens (but are residents in Portugal) is less than 5.0%;
- (C) the weighted average LTV of the Receivables included in the Receivables Portfolio is less than 97.5%;
- (D) the weighted average remaining term to maturity of the Receivables included in the Receivables Portfolio is less than 86.9 months;
- (E) the weighted average seasoning of the Receivables included in the Receivables Portfolio is greater than or equal to 12 months;
- (F) the weighted average interest rate of all Receivables in the Receivables Portfolio in respect of which a fixed rate of interest is payable is above 7.75%;
- (G) the weighted average interest rate of all Receivables in the Receivables Portfolio in respect of which a floating rate of interest is payable above the relevant index is above 8.25%;
- (H) the weighted average interest rate of Additional Receivables purchased during the Revolving Period in respect of which a fixed rate of interest is payable is above 6.5%;
- (I) the weighted average interest rate of Additional Receivables purchased during the Revolving Period in respect of which a floating rate of interest is payable above the relevant index is above 7.0%;
- (J) the Aggregate Principal Outstanding Balance of the Non-Defaulted Receivables in respect of which the related Obligors are residents in the same district (*distrito*) is not more than 35% of the Aggregate Principal Outstanding Balance of all Receivables;
- (K) the Aggregate Principal Outstanding Balance of the Non-Defaulted Receivables in respect of which the related Obligors are residents in any of the 3 districts (*distritos*) with a higher concentration of Obligors is not more than 70% of the Aggregate Principal Outstanding Balance of all Receivables;
- (L) no single Obligor represents 0.10% or more of the Aggregate Principal Outstanding Balance of all Receivables; and
- (M) the Aggregate Principal Outstanding Balance of Receivables under the related Receivables contracts in respect of which a floating rate of interest is payable is not more than 15% of the Aggregate Principal Outstanding Balance of the Receivables in the Initial Receivables Portfolio and in each Additional Receivables Portfolio,

in each case, as determined by the Servicer and notified to the Issuer, the Transaction Manager and the Common Representative.

### *Effectiveness of the Assignment*

The sale and assignment of the Initial Receivables Portfolio and any Additional Receivables Portfolio, together with the Related Security, by the Originator to the Issuer in accordance with the terms of the Receivables Sale Agreement will be effective to transfer the full, unencumbered benefit of and right, title and interest (present and future) in the Initial Receivables Portfolio and any Additional Receivables Portfolio, as applicable, to the Issuer and will be governed by the Securitisation Law (See ***“Selected Aspects of Portuguese law relevant to the Receivables and the transfer of the Receivables”***).

Paragraph 4 of Article 6 of the Securitisation Law facilitates the transfer of receivables by introducing an amendment to the general principles, provided by Article 583 of the Portuguese Civil Code, on the effectiveness of the transfer of receivables, *inter alia*, by a credit institution (acting as the Servicer), whereby the assignment becomes effective at the time of execution of the relevant sale agreement both between the parties thereto and against the Obligors. No notice to the Obligors is required to give effect to the assignment of the Purchased Receivables to the Issuer, however, if the Related Security is capable of registration with a public registry the assignment of the Related Security will only be effective against third parties acting in good faith upon registration of such assignment with the relevant public registry (see below ***“Notification Event”***).

### *Notification Event*

Following the occurrence of a Notification Event, the Originator will execute and deliver to, or to the order of, the Issuer: (a) all title deeds, application forms and all other documents evidencing the Assigned Rights; (b) an official application form duly filled in to be filed in the relevant public registry requesting registration of the assignment to the Issuer of each Related Security (if any) or, whenever possible, a set of Related Security; (c) Notification Event Notices addressed to the relevant Obligors and copied to the Issuer within 5 Business Days in respect of the assignment to the Issuer of each of the Assigned Rights included in the Receivables Portfolio; (d) notification addressed to the relevant insurance companies so that the Issuer becomes the beneficiary of the Insurance Policies; and (e) such other documents and provide such other assistance as is necessary in order to register any Related Security and, if applicable, notify the relevant Obligors.

The Notification Event Notice to be delivered within 5 Business Days will instruct the relevant Obligors, with effect from the date of receipt by the Obligors of the notice, to pay all sums due in respect of the relevant Auto Loan Contract into an account designated by the Issuer no later than 30 calendar days from receipt of such notice. In the event that the Originator cannot or will not effect such actions, the Issuer, is entitled under Portuguese Law: (a) to have delivered to it any such deeds and documents as referred to above; (b) to complete any such application forms as referred to above; and (c) to deliver any Notification Event Notices to Obligors as referred to above.

The Receivables Sale Agreement will be effective to transfer the Assigned Rights to the Issuer on the Closing Date and on any Additional Purchase Date.

No further act, condition or thing will be required to be done in connection with the assignment of the Assigned Rights to enable the Issuer to require payment of the Receivables arising under the Assigned Rights or to enforce any such rights in court other than the registration of any Related Security at the relevant public registry. Such action by the Issuer will only be effected following the occurrence of a Notification Event.

### *Representations and Warranties as to the Assigned Rights*

The Originator will make certain representations and warranties in favour of the Issuer in respect of the Assigned Rights included in the Initial Receivables Portfolio on the Closing Date, as at the Initial Collateral Determination Date, and in respect of the relevant Assigned Rights included in any Additional Receivables Portfolios on each Additional Purchase Date, as at the relevant Additional Collateral Determination Date, including statements to the following effect which together constitute the ***“Eligibility Criteria”*** in respect of the Assigned Rights.

At any time, an ***“Eligible Receivable”*** shall be a Receivable which:

- (A) can be segregated and identified for ownership purposes on the Closing Date or the relevant Additional Purchase Date, as the case may be, and on any day after the date of sale and is legally and beneficially wholly owned by the Originator at the time of sale;

- (B) is owing from an Eligible Obligor;
- (C) is not a Defaulted Receivable at the time of sale;
- (D) is a debt the rights in which can be transferred by way of assignment under the Securitisation Law to the Issuer as contemplated in the Receivables Sale Agreement and in the Servicing Agreement;
- (E) is freely assignable pursuant to the terms of the relevant Auto Loan Contract;
- (F) has been created in compliance with all applicable laws and is not in breach of Portuguese consumer legislation, including without limitation, Decree-Law no. 133/2009 of 2 June, as amended from time to time, and Decree-Law no. 24/96 of 31 July, is in compliance with the Bank of Portugal's requirements and regulations; none of the records, information or data pertaining thereto constitutes the creation, modification or maintenance of databases or computer files which is unlawful for the purposes of Law no. 58/2019 of 8 August; and all consents, approvals and authorisations required of or to be maintained by the Originator or the Servicer in respect thereof have been obtained and are in full force and effect and are not subject to any restriction that would be material to the origination, enforceability or assignability of such Receivable;
- (G) is legally and beneficially solely owned by the Originator free from any adverse claims in favour of any person other than the Originator (including, without limitation, has not been, in part or in whole, pledged, mortgaged, charged, assigned, discounted, subrogated or seized or attached or transferred in any way and is otherwise free and clear of any liens or other encumbrances exercisable against the Originator or the Issuer by any party (including any shareholders' subsidiary and/or affiliate of the Originator));
- (H) constitutes the legal, valid, binding and enforceable, unconditional and irrevocable obligation of the related Eligible Obligor (and any related guarantor) to pay the full sums of principle, interest, and other amounts stated on the respective Instalment Due Dates therefor and all amounts due and payable or to become due and payable under such Receivable, is collectable in accordance with Article 587, paragraph 1 of the Portuguese Civil Code and that is not subject to any defence, dispute, set-off or counterclaim or enforcement order;
- (I) is not a securitisation position or a transferable security as defined in Article 1(44) of MiFID II, nor a derivative instrument;
- (J) is not subject to withholding tax, stamp duty or any other tax if assigned to the Issuer as contemplated herein;
- (K) in respect of which Collections received can be identified no later than 2 Business Days after receipt thereof;
- (L) is an amortising, interest bearing receivable arising in connection with financing the acquisition of vehicles, originated and arising exclusively in the Originator's ordinary course of business pursuant to underwriting standards in respect of the acceptance of consumer loans that are no less stringent than those that the Originator applied at the time of origination to similar receivables that are not securitised;
- (M) is denominated and payable in Euro;
- (N) has not been refinanced or renegotiated and its respective Auto Loan Contract has not been replaced, substituted or novated, whether due to default on the part of the related Obligor or otherwise;
- (O) the Principal Outstanding Balance of the Auto Loan is between €500 and €75,000, both inclusive;
- (P) if it is a fixed rate Receivable, accrues interest at a rate which is not lower than 5.0%;
- (Q) if it is a floating rate Receivable, has a margin which is not lower than 5.5%;
- (R) has its final Instalment Due Date on or before the date falling 60 months prior to the Final Legal Maturity Date;
- (S) has an original term of not more than 120 months;

- (T) has a remaining term of not more than 120 months;
- (U) in respect of which, the maximum initial LTV<sup>1</sup> is 100%;
- (V) currently not under COVID-19 moratorium scheme;
- (W) is used to finance the purchase of auto vehicles;
- (X) retention of title recorded in vehicle title;
- (Y) has been originated fully in accordance with the Originator's normal underwriting and origination procedures and credit and collection policies and no material provision of the relevant Auto Loan Contract has been waived or changed due to default on the part of the related Obligor;
- (Z) is a Receivable which bears interest on the Principal Outstanding Balance thereof;
- (AA) in respect of which at least one instalment has been paid under the relevant Auto Loan Contract on or prior to the relevant Collateral Determination Date;
- (BB) its payment is required to be made under the French amortisation system, under the terms of the relevant Auto Loan Contract;
- (CC) payment of which is required under the terms of the relevant Auto Loan Contract to be in equal or variable instalments;
- (DD) in respect of which no single Obligor represents more than €150,000 of the portfolio Principal Outstanding Balance;
- (EE) does not arise under an Auto Loan Contract which includes the provision of any maintenance services, insurance, roadside assistance or other related services by the Originator to an Obligor; and
- (FF) is not in arrears.

At any time, an "**Eligible Obligor**" shall be an Obligor who:

- (A) is domiciled in Portugal at the time of execution of the relevant Auto Loan Contract;
- (B) is a customer of the Originator named in an Auto Loan Contract evidencing a Receivable and is granted credit in accordance with the credit and collection policies of the Originator;
- (C) is a private individual or corporate entity and is not a subsidiary of an affiliate of the Originator;
- (D) has not been declared bankrupt or insolvent and against whom no proceedings are pending under any insolvency legislation, including, without limitation, and if applicable, under Decree Law 199/2006, of 25 October 2006, as amended by Decree Law 31-A/2012 of 10 February, Decree Law 298/92 of 31 December and/or (if applicable) under Code for the Insolvency and Recovery of Companies introduced by Decree-Law 53/2004 of 18 March 2004 as amended and/or under Portuguese legislation governing the insolvency and recovery of companies and, at the time of the offer, such Obligor is not in bankruptcy or insolvency nor has any trustee or similar officer been appointed over such Obligor's assets or revenues;
- (E) the assessment of its creditworthiness was conducted in accordance with the requirements set out in Article 8 of Directive 2008/48/EC paragraphs 1 to 4, item (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU;
- (F) is not a credit-impaired Borrower or guarantor who, to the best of the relevant Originator's knowledge and on the basis of information obtained (i) from the relevant Obligor, (ii) in the course of the Originator's servicing of the Receivables or the Originator's risk management procedures, (iii) from a third party, or (iv) from accessing publicly available information or information on any entries in one or more credit registries of persons with adverse credit history at the time of origination of an underlying exposure, only to the extent that this information had already been taken into account in the context of (i), (ii) and (iii), and in accordance with the applicable regulatory and supervisory requirements,

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<sup>1</sup> Initial LTV is calculated as initial loan part to finance the purchase of the vehicle divided by vehicle price.

including with respect to sound credit granting criteria as specified in Article 9 of Regulation (EU) No. 2017/2402:

- (a) has been declared insolvent or had a court grant his creditors a final non appealable right of enforcement or material damages as a result of a missed payment within 3 years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 years prior to the Transfer Date on which the Receivable is to be transferred to the Issuer;
  - (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the relevant Originator; or
  - (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable Receivables held by the relevant Originator which are not sold to the Issuer;
- (G) against whom no recovery proceedings or court actions have been commenced in connection with the relevant Auto Loan Contract;
- (H) originates payments in respect of the relevant Auto Loan Contract in Portugal;
- (I) has complied with all applicable requirements of the Bank of Portugal and is not, and has not been, subject to any investigation or proceedings in connection with money laundering; and
- (J) is not an employee of the Originator.

#### *Breach of Receivables Warranties*

If there is a breach of any of the Receivables Warranties, then:

- (A) if such breach is, in the opinion of the Common Representative, capable of remedy, the Originator shall remedy such breach within 30 days after receipt of a written notice of such breach from the Common Representative or the Issuer; or
- (B) if, in the opinion of the Issuer, or the Common Representative (after the delivery of an Enforcement Notice), such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 30 day period, the Originator shall repurchase or cause a third party (the "**Third Party Purchaser**") to repurchase the relevant Assigned Right in accordance with Clause 10.3 (*Consideration for Re-assignment*) and the Issuer shall sell and re-transfer or re-assign to the Originator or the Third-Party Purchaser, as the case may be, and in any case to the extent permitted by the Securitisation Law, the EU Securitisation Regulation and the UK Securitisation Regulation (as in effect on the Closing Date).

The consideration payable by the Originator or a Third Party Purchaser, as the case may be, in relation to the repurchase of a relevant Assigned Right will be an amount equal to the aggregate of: (a) the Principal Outstanding Balance of the relevant Purchased Receivable as at the date of re-assignment of such Assigned Rights, (b) an amount equal to all other amounts due (including unpaid interest or finance charges accrued) on or before the date of re-assignment in respect of the relevant Assigned Rights and its related Auto Loan Contract, and (c) the properly incurred costs and expenses of the Issuer incurred in relation to such re-assignment, or, as applicable, the aggregate of the foregoing amounts which would have subsisted but for the breach of the Originator's Receivables Warranty after deducting an amount equal to any interest not yet accrued but paid in advance to the Issuer (which amount paid in advance the Issuer shall keep) (the "**Receivable Repurchase Price**").

The Issuer will undertake to never engage in any active portfolio management within the meaning of article 20(7) of the EU Securitisation Regulation, on a discretionary basis.

If an Assigned Right expressed to be included in the Receivables Portfolio has never existed or has ceased to exist so that it is not outstanding on the date on which it would be due to be re-assigned, the Originator shall, on demand, indemnify the Issuer against any and all liabilities suffered by the Issuer by reason of the breach of the relevant Assigned Rights Warranty.

If there is a breach of any other representations and warranties and the Issuer has suffered a loss, the Originator has an obligation to pay a compensation payment to the Issuer in respect of such loss.

#### *Applicable law and jurisdiction*

The Receivables Sale Agreement and all non-contractual obligations arising out or in connection therewith will be governed by and construed in accordance with the laws of the Portuguese Republic. The judicial courts of Lisbon will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

### **Servicing Agreement**

#### *Servicing and Collection of Receivables*

Pursuant to the terms of the Servicing Agreement, the Issuer will appoint the Servicer to provide certain services relating to the servicing of the Assigned Rights and the collection of the Receivables in respect of such Assigned Rights.

#### *Sub-Contractors*

The Servicer may appoint any of their Group companies as their sub-contractors and may appoint any other person as their sub-contractors to carry out certain of the services subject to certain conditions specified in the Servicing Agreement, but the Servicer shall remain fully liable for the acts or omissions of any such delegate. In certain circumstances the Issuer may require the Servicer to assign any rights which it may have against a sub-contractor.

#### *Servicer's Duties*

The duties of the Servicer will be set out in the Servicing Agreement, and will include, but not be limited to:

- (A) servicing and administering the Assigned Rights, including, but not limited to determining interest amounts and principal amounts of each Collection;
- (B) implementing the enforcement procedures in relation to defaulted Assigned Rights and undertaking enforcement proceedings in respect of any Obligors which may default on their obligations under the relevant Auto Loan Contract;
- (C) complying with its customary and usual servicing procedures for servicing comparable consumer loans, auto loans and auto leases in accordance with its policies and procedures relating to its consumer lending business;
- (D) servicing and administering the cash amounts received in respect of the Assigned Rights including transferring amounts to the Payment Account on the Collection Payment Date following the day on which such amounts are credited to the relevant Collections Account;
- (E) preparing periodic reports for submission to the Issuer and the Transaction Manager in relation to the Receivables Portfolio in an agreed form including reports on delinquency and default rates;
- (F) preparing, on a monthly basis, the Servicing Report;
- (G) collecting amounts due in respect of the Receivables Portfolio;
- (H) setting interest rates applicable to the Auto Loan Contracts; and
- (I) administering the Auto Loan Contracts.

#### *Servicing Report*

The Servicer will undertake to prepare and submit to the Issuer, the Transaction Manager, the Back-up Servicer, the Sole Arranger, the Lead Manager and the Rating Agencies within 7 Lisbon Business Days after the relevant Calculation Date at the end of such Collections Period in each calendar month, the Servicing Report containing information as to the Receivables Portfolio and Collections in respect of the preceding Collections Period.



#### *Loan-Level Report*

The Servicer shall prepare a Loan-Level Report and make it available, through the SR Repository, as soon as possible but no later than 1 month after each Interest Payment Date, in respect of the relevant Collections Period.

#### *Collections and Transfers to the Payment Account*

The Servicer has undertaken in the Servicing Agreement that it shall give instructions to the Collections Accounts Banks to ensure that monies received by the Collections Accounts Banks from Obligor in respect of the Receivables on any particular Lisbon Business Day are on such Lisbon Business Day of receipt paid into the relevant Collections Account if received prior to 3.00 p.m. (Lisbon time) or on the next Lisbon Business Day if received after 3.00 p.m. (Lisbon time), in accordance with the provisions of the Servicing Agreement.

On each Business Day following the Scheduled Payment Date, the Servicer will estimate, based on scheduled collections for such date, the aggregate amount that has been credited to the Collections Account on such day and determine the Estimated Principal Collections Proceeds, and the Estimated Interest Collections Proceeds.

On the Lisbon Business Day immediately following each Scheduled Payment Date, the Servicer will direct the Collections Accounts Banks to transfer the Estimated Collection Proceeds and the Non-Scheduled Proceeds from the preceding Scheduled Payment Date from the Collections Accounts to the Payment Account. If a Collections Accounts Bank fails to comply with such directions, the Servicer shall, so far as it is able, take all such reasonable administrative actions to ensure compliance by the relevant Collections Accounts Bank with its obligations under the Receivables Agreement and the Collections Accounts Mandate (to the extent applicable).

No later than the 8<sup>th</sup> (eighth) calendar day of each month, the Servicer shall determine in relation to each Collections Account, the amount by which the Estimated Collections Proceeds and the Non-Scheduled Proceeds transferred to the Payment Account on the Business Day following each Scheduled Payment Date in the preceding month was greater than, or less than the aggregate of the Actual Collections Proceeds in respect of those Business Days. Any shortfall shall be paid by the Servicer to the credit of the Payment Account on such day and any excess shall, upon notice to the Transaction Manager thereof, be paid by the Transaction Manager from the Payment Account to the Servicer on the following Lisbon Business Day.

If a Collections Account Bank fails to comply with such directions, the Servicer shall ensure compliance by the relevant Collections Account Bank with its obligations under the Servicing Agreement and the Collections Account Mandate (to the extent applicable).

#### *Servicer action upon termination of Collections Accounts Banks appointment*

The Servicer may (with the prior consent of the Issuer) terminate the appointment of the Collections Accounts Banks. If such appointment is so terminated, the Servicer shall (i) promptly notify the Issuer and the Rating Agencies; (ii) within 5 Business Days use its best effort to arrange, if applicable, for the relevant Collections Accounts to be transferred to a bank which is able to operate the Direct Debiting Scheme; (iii) if appropriate, arrange for any cash or investments standing to the credit of such Collections Account to be transferred to the new Collections Account; and (iv) use all reasonable endeavours to procure that the bank with which the Collections Account is then held shall enter into an agreement on similar terms to (and intended to achieve the same objectives as) those contained in the Servicing Agreement, provided that, at all times, at least one Collections Accounts Mandate is in place and at least one Collections Accounts is in operation.

#### *Permitted Variations of Auto Loan Contracts*

The Servicer covenants in the Servicing Agreement that it shall not agree to any amendment, variation or waiver of any Material Term in an Auto Loan Contract other than (i) a Permitted Variation, or (ii) a variation made while Enforcement Procedures are being taken against such Receivable.

In the event of amendment, variation or waiver in breach of Clause 9 of the Servicing Agreement, where the Servicer is the Originator, the Originator shall, within 30 calendar days of such amendment, variation or waiver being made the Originator or, if applicable, a Third-Party Purchaser, shall repurchase the Receivables in respect of such Auto Loan Contract and pay the relevant price therefor calculated in accordance with, *mutatis mutandis*, Clause 10.3 (*Consideration for Re-assignment*) of the Receivables Sale Agreement.

To the extent that the Servicer, where the Servicer is no longer the Originator, agrees, under the Servicing Agreement, to an amendment, variation or waiver to an Auto Loan Contract that is not a Permitted Variation, the Servicer shall, within 30 calendar days of such amendment, variation or waiver being made, compensate the Issuer from and against any and all properly incurred and duly documented for any Liabilities the Issuer suffered arising out of, or imposed upon any of such amendment, variation or waiver to a Loan Agreement.

#### *Servicing Fees*

The Servicer will, on each Interest Payment Date, receive a servicing fee monthly equal to 0.25% per annum in arrears from the Issuer calculated by reference to the Principal Outstanding Balance of the Purchased Receivables as at first day of the relevant Collections Period.

#### *Representations and Warranties*

The Servicer will make certain representations and warranties to the Issuer in accordance with the terms of the Servicing Agreement relating to itself, namely regarding to its expertise in servicing loans similar to those included in the Receivables Portfolio for more than 5 years and to its policies, procedures and risk management controls relating to the servicing of exposures which should be documented and adequate, and any subcontracted Servicer and its entering into the Transaction Documents to which it is a party.

#### *Covenants of the Servicer*

The Servicer will be required to make positive and negative covenants in favour of the Issuer in accordance with the terms of the Servicing Agreement relating to itself and any subcontracted Servicer and its entering into the relevant Transaction Documents to which they are a party.

#### *Servicer Event*

The occurrence of a Servicer Event leading to the replacement of the Servicer or a Notification Event will not, of itself, constitute an Event of Default under the Conditions.

The following events will be "**Servicer Events**" under the Servicing Agreement, the occurrence of which will entitle the Issuer, to serve a notice on the Servicer (a "**Servicer Event Notice**");

- (a) *Non-payment*: default is made by the Servicer in ensuring the payment on the due date of any amount required to be paid under the Servicing Agreement and such default continues unremedied for a period of 5 Business Days after the earlier of the Servicer becoming aware of the default or receipt by the Servicer of written notice from the Issuer requiring the default to be remedied; or
- (b) *Breach of other obligations*: without prejudice to paragraph (A) (*Non-payment*) above:
  - (i) default is made by the Servicer in the performance or observance of any of its other covenants and any obligations under the Servicing Agreement; or
  - (ii) any of the Servicer Warranties is untrue, incomplete or incorrect; or
  - (iii) any certification or statement made by the Servicer in any certificate or other document delivered pursuant to the Servicing Agreement proves to be untrue,and in each case (1) such default or such warranty, certification or statement is untrue, incomplete or incorrect and could reasonably be expected to have a Material Adverse Effect and (2) (if such default is capable of remedy) such default continues unremedied for a period of 10 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer requiring the same to be remedied; or
- (c) *Unlawfulness*: it is or will become unlawful for the Servicer to perform or comply with any of its material obligations under the Servicing Agreement; or
- (d) *Force Majeure*: if the Servicer is prevented or severely hindered for a period of 30 calendar days or more from complying with its material obligations under the Servicing Agreement as a result of a Force Majeure Event; or
- (e) *Insolvency Event*: any Insolvency Event occurs in relation to the Servicer; or

- (f) *Material Adverse Effect*: a Material Adverse Effect occurs in the financial condition of the Servicer since the date of the latest audited financial statements of the Servicer which impairs due performance of the obligations of the Servicer under the Servicing Agreement; and/or
- (g) *Withdrawal of the Servicer's authorisation to carry on its business*: the Bank of Portugal intervenes under Title VIII of Decree-Law no. 298/92, of 31 December (as amended) or Decree-Law 199/2006 of 25 October (as amended) into the regulatory affairs of the Servicer where such intervention could lead to the withdrawal by the Bank of Portugal of the Servicer's authorisation to carry on its business,  
  
then the Issuer may deliver a Servicer Event Notice to the Servicer (with a copy to the Back-up Servicer) immediately or at any time after the occurrence of a Servicer Event.

After receipt by the Servicer of a Servicer Event Notice but prior to the delivery of a notice terminating the appointment of the Servicer under the Servicing Agreement (the "**Servicer Termination Notice**"), the Servicer shall, *inter alia*:

- (A) hold to the order of the Issuer the Assigned Rights Records, the Servicer Records and the Transaction Documents held by the Servicer;
- (B) hold to the order of the Issuer any monies then held by the Servicer on behalf of the Issuer together with any other Assigned Rights of the Issuer;
- (C) other than as the Issuer may direct pursuant to Paragraph (E) below, continue to perform all of the services relating to the servicing of the Assigned Rights and the collection of the Receivables in respect of such Assigned Rights (unless prevented by any Portuguese law or any Applicable Law) until the Servicer Termination Date;
- (D) take such further action, in accordance with the terms of the Servicing Agreement, as the Issuer may reasonably direct in relation to the Servicer's obligations under the Servicing Agreement, including, if so requested, giving a Notification Event Notice to the Obligors and providing such assistance as may be necessary to enable the Services to be performed by a Successor Servicer; and
- (E) stop taking any such action under the terms of the Servicing Agreement as the Issuer may direct, including, the collection of the Receivables into the relevant Collections Account, communication with Obligors or dealing with the Assigned Rights.

At any time after the delivery of a Servicer Event Notice, the Issuer may deliver a Servicer Termination Notice to the Servicer, the effect of which will be to terminate the Servicer's appointment from the date specified in such notice and from such date, *inter alia*:

- (A) all authority and power of such retiring Servicer under the Servicing Agreement shall be terminated and shall be of no further effect;
- (B) such retiring Servicer shall no longer hold itself out in any way as the agent of the Issuer pursuant to the Servicing Agreement; and
- (C) the rights and obligations of such retiring Servicer and any obligations of the Issuer and the Originator to such retiring Servicer shall cease but such termination shall be without prejudice to, *inter alia*:
  - (i) any liabilities or obligations of such retiring Servicer to the Issuer or the Originator or any Successor Servicer incurred on or before such date;
  - (ii) any liabilities or obligations of the Issuer or the Originator to such retiring Servicer incurred before such date;
  - (iii) any obligations relating to computer systems referred to in Paragraph 29 (*Computer Systems*) of Schedule 1 (*Services to be provided by the Servicer*) of the Servicing Agreement;
  - (iv) such retiring Servicer's obligation to deliver documents and materials; and

- (v) the duty to provide assistance to the Successor Servicer as required to safeguard its interests or its interest in the Receivables.

Upon the delivery of a Servicer Event Notice to the Servicer following the occurrence of an Insolvency Event of the Servicer, a Servicer Termination Notice will be assumed to be delivered by the Issuer to the Servicer as of the date specified in the Servicer Event Notice, and the appointment of the Servicer will be terminated as of such date. In this case, the appointment of the Back-up Servicer shall be effective as of the date specified in the Servicer Event Notice.

#### *Notice of Breach*

The Servicer will, as soon as practicable, upon becoming aware of:

- (A) any breach of the Originator's Warranty;
  - (B) the occurrence of a Servicer Event; or
  - (C) any breach by a Sub-contractor pursuant to clause 6.3 (*Events requiring assignment of rights against Sub-contractor*) of the Servicing Agreement,
- notify the Issuer, the Common Representative and the Transaction Manager of the occurrence of any such event and do all other things and make all such arrangements as are permitted and necessary pursuant to such Transaction Document in relation to such event.

#### *Termination*

The appointment of the Servicer will continue (unless otherwise terminated earlier by the Issuer or by the Servicer through the delivery of a Servicer Resignation Notice) until the Final Discharge Date when the obligations of the Issuer under the Transaction Documents will be discharged in full. The Issuer may terminate the Servicer's appointment provided that it shall not have an adverse effect on the ratings of the Rated Notes then applicable, upon the occurrence of a Servicer Event by delivering a Servicer Termination Notice, which will give effectiveness to the appointment of the Back-up Servicer in accordance with the provisions of the Servicing Agreement.

To the extent permitted by the Securitisation Law, the Servicer may deliver a Servicer Resignation Notice to the Issuer (with a copy to the Rating Agencies), the effect of which shall be to terminate the Servicer's appointment under the Servicing Agreement, at no cost for the Issuer (but without affecting any accrued rights and Liabilities under this Agreement) from the Servicer resignation date, provided that (a) such Servicer Resignation Notice shall be given not less than 90 calendar days prior to a proposed Servicer Resignation Date; and (b) such termination shall only be effective if a Successor Servicer is appointed in accordance with this Agreement and subject to obtaining CMVM's approval. If such Successor Servicer has not been appointed by a proposed Servicer Resignation Date, the Servicer's appointment under this Agreement will only terminate on the date of appointment of a Successor Servicer (in any case after approval by the CMVM is obtained) and such date will be deemed a Servicer Resignation Date.

#### *Back-up Servicer*

As from the Closing Date, the Back-up Servicer will be appointed by the Issuer to, on an unconditional basis, undertake to perform the Services under and in accordance with the Transaction Documents and, subject to approval by the CMVM to be appointed as the Successor Servicer of the Servicer immediately upon the delivery of a Servicer Termination Notice.

Prior to the delivery of a Servicer Event Notice, the Back-up Servicer will be required to, while 321Crédito is still acting as Servicer:

- (A) establish preliminary procedures for the transfer of servicing functions and furnish a summarised description of such preliminary procedures to the Issuer up to the first anniversary date of the signature of the Servicing Agreement;

- (B) conduct initial and periodic (on a yearly basis, up to each anniversary date of the signature of the Servicing Agreement) onsite reviews of the Servicer's operations; and
- (C) conduct initial mapping and periodic (on a yearly basis, up to each anniversary date of the signature of the Servicing Agreement) updates of the Servicer's data systems.

After the delivery of a Servicer Event Notice (without prejudice to the functions to be carried out by the original Servicer until the delivery of a Servicer Termination Notice), the Back-up Servicer will be immediately required to perform the Services in accordance with the terms of all of the provisions of the Servicing Agreement (except clause 15 (*Servicing Fees*) thereof) and including the Services set out in Schedule 1 (*Services to be provided by the Servicer*) to the Servicing Agreement, providing a warm up period of 90 calendar days as from the Servicer Termination Notice is observed for the Back-up Servicer to fully undertake such functions and discharge the corresponding duties.

#### *Servicer indemnity*

The Servicer shall hold indemnified the Issuer against all Liabilities suffered or incurred by the Issuer arising as a result of any Breach of Duty by the Servicer or Sub-contractor appointed by the Servicer in relation to the performance of their obligations under the Servicing Agreement.

#### *Applicable law and jurisdiction*

The Servicing Agreement and all non-contractual obligations arising out or in connection therewith will be governed by and construed in accordance with the laws of the Portuguese Republic. The judicial courts of Lisbon will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Common Representative Appointment Agreement**

On the Closing Date, the Issuer and the Common Representative will enter into an agreement setting forth the form and Terms and Conditions of the Notes and providing for the appointment of the Common Representative as common representative of the Noteholders for the Notes pursuant to article 65 of the Securitisation Law and the subsidiary provisions of articles 357 to 359 of *Código das Sociedades Comerciais* (enacted by Decree-Law no. 262/86, as amended from time to time, the "**Portuguese Companies Code**").

Pursuant to the Common Representative Appointment Agreement, the Common Representative will agree to act as Common Representative of the Noteholders in accordance with the provisions set out therein and the terms of the Conditions. The Common Representative shall have among other things the power:

- (A) to exercise in the name and on behalf of the Noteholders all the rights, powers, authorities and discretions vested in the Noteholders or in it (in its capacity as the common representative of the Noteholders pursuant to Article 65 of the Securitisation Law and to Article 359 of the Portuguese Companies Code) at law, under the Common Representative Appointment Agreement or under any other Transaction Document to which the Common Representative is a party;
- (B) to start any action in the name and on behalf of the Noteholders in any Proceedings, in accordance with the Noteholders' instructions passed at a Meeting (including a Resolution approving the replacement of the Common Representative by a third party designated by the Noteholders through such Resolution to represent the Noteholders in such judicial proceedings);
- (C) to enforce or execute in the name and on behalf of the Noteholders any Resolution passed by a Meeting of the Noteholders;
- (D) to exercise, after the delivery of an Enforcement Notice, in its name and on behalf of the Issuer (but for the benefit of the Noteholders), the rights of the Issuer under the Transaction Documents pursuant to the terms of the Co-ordination Agreement; and
- (E) to pursue the remedies available under the applicable law, the Notes, the Common Representative Appointment Agreement or any other Transaction Document to enforce the rights of the Noteholders.

The rights and obligations of the Common Representative are set out in the Common Representative Appointment Agreement and include, but are not limited to:

- (A) determining whether any proposed modification to the Notes or the Transaction Documents is materially prejudicial to the interest of any of the Noteholders and the Transaction Creditors;
- (B) determining whether or not, as applicable, an Event of Default or a default in the performance by the Issuer or any Transaction Party of any obligation under the provisions of the Common Representative Appointment Agreement or contained in the Conditions or any other Transaction Document is capable of remedy and/or materially prejudicial to the interests of the Noteholders and the other Transaction Creditors;
- (C) giving any consent required to be given in accordance with the terms of the Transaction Documents;
- (D) waiving certain breaches of the terms of the Notes or the Transaction Documents on behalf of the holders of the Notes (other than in respect of a Reserved Matter or any provision of the Notes, the Common Representative Appointment Agreement or such other Transaction Document referred to in the definition of a Reserved Matter); and
- (E) determining certain matters specified in the Common Representative Appointment Agreement, including any questions in relation to any of the provisions therein.

In addition, the Common Representative may, at any time without the consent or sanction of the Noteholders or any other Transaction Creditor, concur with the Issuer and any other relevant Transaction Party in making (A) any modification to the Notes, the Conditions or the Transaction Documents in relation to which the consent of the Common Representative is required (other than in respect of a Reserved Matter or any provisions of the Notes, the Common Representative Appointment Agreement or any Transaction Document referred into the definition of Reserved Matter) which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that any such authorisation or waiver does not result in an adverse effect on the Ratings of the Most Senior Class of Rated Notes then outstanding), and (ii) any of the Transaction Creditors provided such Transaction Creditors have given their prior written consent to any such modification, and (B) any modification, other than a modification in respect of a Reserved Matter, to any provision of the Notes, the Conditions, the Common Representative Appointment Agreement or any of the Transaction Documents in relation to which the consent of the Common Representative is required, if, in the opinion of the Common Representative, such modification is of a formal, minor or technical nature, results from mandatory provisions of Portuguese Law or is made to correct a manifest error or an error which, in the reasonable opinion of the Common Representative, is proven or is necessary or desirable for the purpose of clarification, provided that such changes have always been previously notified to the Rating Agencies.

The Common Representative shall not make any amendment, modification or supplement to any Transaction Document without the Swap Counterparty having given its prior written consent (i) which, in the reasonable opinion of the Swap Counterparty, has a material adverse effect on the Swap Counterparty or (ii) the effect of which is to affect the amount payable to, or by, the Swap Counterparty or timing or the priority of payments of any amount payable to, or by, the Swap Counterparty under the Balance Guaranteed Swap Agreement.

The Issuer shall procure that any amendment proposed to be made to any Transaction Document is notified to the Swap Counterparty no later than 15 Business Days prior to such amendment being effective.

#### *Remuneration of the Common Representative*

The Issuer shall pay to the Common Representative remuneration for its services as Common Representative as from the date of the Common Representative Appointment Agreement, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Common Representative. Such remuneration shall accrue from day to day and be payable in advance and in accordance with the Payment Priorities until the powers, authorities and discretions of the Common Representative are discharged.

In the event of the occurrence of an Event of Default or Potential Event of Default, the Issuer hereby agrees that the Common Representative shall be entitled to be paid as an Issuer Expense and in accordance with the corresponding Payment Priorities additional remuneration calculated at its normal hourly rates in force from time to time. In any other case if the Common Representative considers it expedient or necessary or is requested by the Issuer to undertake duties which the Common Representative and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Common Representative under the Common Representative Appointment Agreement, the Issuer shall, in accordance with the Payment Priorities, considering such duties to be discharged, pay to the Common Representative such additional remuneration as shall be agreed between them (and which may be calculated by reference to the Common Representative's normal hourly rates in force from time to time).

#### *Retirement of the Common Representative*

The Common Representative may retire at any time upon giving not less than 2 calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. The retirement of the Common Representative shall not become effective until the appointment of a new Common Representative.

In the event of the Common Representative giving notice under the Common Representative Appointment Agreement, the Issuer shall use its best endeavours to find a substitute common representative to be appointed by the Noteholders, provided that if the Issuer has failed to do so within 60 calendar days of the Common Representative's notice having been given the Common Representative itself shall convene a Meeting of Noteholders, prior to the expiry of the 2 calendar months' notice period, for appointing such person as the new common representative.

#### *Termination of the Common Representative*

The Noteholders may at any time, by means of a Resolutions, remove the Common Representative and appoint a new Common Representative provided 60 days prior notice is given to the Common Representative, without the need to justify, and without incurring in any penalty for, such dismissal. In accordance with Article 65(3) of the Securitisation Law, the power of appointing new common representatives shall be vested in the Noteholders and no person shall be appointed who shall not previously have been approved by a Resolution. The removal of any Common Representative shall not become effective unless there shall be a Common Representative in office after such removal.

The retirement or replacement of the Common Representative shall not give rise to any costs, fees and/or expenses payable to the retiring Common Representative (other than the costs, fees and expenses already incurred by the date on which the replacement of the Common Representative becomes effective).

#### *Applicable law and jurisdiction*

The Common Representative Appointment Agreement and all non-contractual obligations arising out or in connection therewith will be governed by the laws of Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

#### **Accounts Bank Agreement**

On or about the Closing Date, the Issuer, the Common Representative, the Transaction Manager, the Accounts Bank Operator and the Accounts Bank will enter into an Accounts Bank Agreement pursuant to which the Accounts Bank will agree to open and maintain the Transaction Accounts which is held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the Transaction Accounts. The Accounts Bank will pay interest on the amounts standing to the credit of the Transaction Accounts. The Accounts Bank Operator will be responsible for executing payment and withdrawal instructions given in relation to the Transaction Accounts.

In the event that the Accounts Bank is no longer rated at least the Minimum Long-Term Rating, the Transaction Manager, acting on behalf of the Issuer, will make all reasonable efforts to, within 60 calendar days of the downgrade by any Rating Agency, procure a successor Accounts Bank rated at least the Minimum Long-Term Rating

in accordance with the provisions of the Transaction Management Agreement, and take such other reasonable action (acting on behalf of the Issuer and at the Issuer's expense) as the Rating Agencies confirm would not adversely affect the then rating of the Notes.

The Accounts Bank will agree to comply with any directions given by the Transaction Manager (acting on behalf of the Issuer), the Issuer or the Common Representative in relation to the management of the Transaction Accounts.

#### *Applicable law and jurisdiction*

The Accounts Bank Agreement and all non-contractual obligations arising out or in connection therewith will be governed by and construed in accordance with English law. The courts of England will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

#### **Co-ordination Agreement**

On the Closing Date, the Issuer, the Originator, the Servicer, the Back-up Servicer, the Transaction Manager, the Accounts Bank, the Paying Agent, the Agent Bank and the Common Representative will enter into the Co-ordination Agreement pursuant to which the parties (other than the Common Representative) will be required, subject to Portuguese law, to give certain information and notices to and give due consideration to any request from or opinion of the Common Representative in relation to certain matters regarding the Receivables Portfolio, the Originator and its obligations under the Receivables Sale Agreement, the Servicer and its obligations under the Servicing Agreement.

Pursuant to the terms of the Co-ordination Agreement, the Common Representative Appointment Agreement, the Terms and Conditions of the Notes and the relevant provisions of the Securitisation Law, the Common Representative shall, following the delivery of an Enforcement Notice, act in the name and on behalf of the Issuer in connection with the Transaction Documents and in accordance with the Co-ordination Agreement.

Pursuant to the terms of the Co-ordination Agreement, the Common Representative will have the benefit of the Originator's Warranties and the Servicer's Warranties made by the Originator and the Servicer in the Receivables Sale Agreement and the Servicing Agreement, respectively. The Issuer will authorise the Common Representative to exercise the rights provided for in the Co-ordination Agreement and the Originator and the Servicer will acknowledge such authorisation therein.

#### *Consultation with Common Representative*

Under the terms of the Co-ordination Agreement, the Issuer and the Servicer, when deciding on certain specified matters and following the occurrence of certain specified events, must consult with and give due and serious consideration to, any request made by the Common Representative.

#### *Applicable law and jurisdiction*

The Co-ordination Agreement and all non-contractual obligations arising out or in connection therewith will be governed by and construed in accordance with the laws of the Portuguese Republic. The Courts of Lisbon will have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

#### **Transaction Management Agreement**

On or about the Closing Date, the Issuer, the Transaction Manager, the Originator, the Accounts Bank and the Common Representative will enter into the Transaction Management Agreement pursuant to which each of the Issuer and the Common Representative (according to their respective interests) will appoint the Transaction Manager to perform transaction management duties, including but not limited to:

- (A) operating the Transaction Accounts in such a manner as to facilitate the Issuer's performance of its financial obligations pursuant to the Notes and the Transaction Documents;
- (B) providing the Issuer and the Common Representative with certain cash management, calculation, notification and reporting information in relation to the Transaction Accounts and the verification of any Principal Deficiency Amount, including preparing and making available the Investor Report;



- (C) maintaining adequate records to reflect all transactions carried out by or in respect of the Transaction Accounts; and
- (D) on the instruction of the Originator (acting on behalf of the Issuer), investing, on a non-discretionary basis, the funds credited to the Payment Account and the Cash Reserve Account in Authorised Investments in accordance with the terms and conditions of the Transaction Management Agreement. All references in this Prospectus to payments or other procedures to be made by the Issuer shall, whenever the same are obligations of the Transaction Manager under the Transaction Management Agreement, be understood as payments or procedures that shall be performed by the Transaction Manager on behalf of the Issuer.

The Transaction Manager will receive a fee to be paid on a monthly basis in arrears on each Interest Payment Date in accordance with the Pre-Enforcement Payment Priorities.

#### *Investor Report*

The Transaction Manager will have to, on behalf, at the request, and to the satisfaction of the Designated Reporting Entity, prepare and deliver to, *inter alios*, the Issuer, the Paying Agent, the Common Representative, the Servicer, the Accounts Bank, the Lead Manager, the Swap Counterparty and the Rating Agencies an Investor Report, not less than 5 Business Days prior to each Interest Payment Date, in relation to the immediately preceding Collections Period containing the information required under the ESMA regulatory technical standards published pursuant to Article 7(3) of the EU Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the EU Securitisation Regulation, incorporated through Commission Delegated Regulation (EU) 2020/1224, of 16 October 2019 ("**RTS**") and the (ii) ESMA implementing the technical standards published pursuant to Article 7(4) of the EU Securitisation Regulation, with regard to the format and standardised templates for making available the information and details under the EU Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the EU Securitisation Regulation, incorporated through Commission Implementing Regulation (EU) 2020/1225, of 29 October 2019 ("**ITS**"). On the date hereof, (A) the following RTS should be considered for the above purposes: Annexes XII (*Investor Report Information – Non-Asset Backed Commercial Paper Securitisation*) of Delegated Regulation 2020/1224; and (B) the following implementing technical standards should be considered for the above purposes: XII (*Investor Report Template – Non-asset backed commercial paper securitisation*) of Delegated Regulation 2020/1225 (the "**Investor Report**").

#### *Termination*

Any of the following events constitutes a "**Transaction Manager Event**" under the Transaction Management Agreement:

- (A) *Non-payment*: default by the Transaction Manager in ensuring the payment on the due date of any payment required to be made under the Transaction Management Agreement when the amount required for such payment is available in cleared funds in the relevant Transaction Account and such default continues unremedied for a period of 10 days after the earlier of (i) the Transaction Manager becoming aware of the default and (ii) receipt by the Transaction Manager of written notice from the Issuer or, following the delivery of an Enforcement Notice, the Common Representative requiring the default to be remedied; or
- (B) *Breach of other obligations*: without prejudice to paragraph (A) (*Non-payment*) above:
  - (i) default by the Transaction Manager in the performance or observance of any of its other covenants and warranties under the Transaction Management Agreement; any of the Transaction Manager Warranties proves to be untrue, incomplete or incorrect; or
  - (ii) any statement made by the Transaction Manager in any document delivered pursuant to the Transaction Management Agreement proves, as a result of the Transaction Manager's gross negligence, wilful default or fraud to be untrue, incomplete or incorrect, and in each case the Issuer or, following the delivery of an Enforcement Notice, the Common Representative

certifies that such default or such warranty, certification or statement proving to be untrue, incomplete or incorrect could reasonably be expected to have a material adverse effect in respect of the Transaction Accounts or the services the Transaction Manager undertakes to provide pursuant to the Transaction Management Agreement and (if such default is capable of remedy) such default continues unremedied for a period of thirty days after the earlier of the Transaction Manager becoming aware of such default and receipt by the Transaction Manager of written notice from the Issuer or, following the delivery of an Enforcement Notice, the Common Representative requiring the same to be remedied; or

- (C) *Unlawfulness*: it is or will become unlawful for the Transaction Manager to perform or comply with any of its material obligations under the Transaction Management Agreement; or
- (D) *Insolvency Event*: any Insolvency Event occurs in relation to the Transaction Manager, then the Issuer may, with the written consent of the Common Representative, or, following the delivery of an Enforcement Notice, the Common Representative may itself, deliver a Transaction Manager Event Notice to the Transaction Manager (with a copy to the Issuer or the Common Representative (as applicable)) at any time after the occurrence of a Transaction Manager Event.

After receipt by the Transaction Manager of a Transaction Manager Event Notice but prior to the delivery of a Transaction Manager Termination Notice, the Transaction Manager shall:

- (A) hold to the order of the Issuer or, following the delivery of an Enforcement Notice, the Common Representative the Transaction Manager Records and the Transaction Documents;
- (B) hold to the order of the Issuer or, following the delivery of an Enforcement Notice, the Common Representative any monies then held by the Transaction Manager on behalf of the Issuer together with any other assets of the Issuer then held by it;
- (C) other than as the Issuer or, following the delivery of an Enforcement Notice, the Common Representative may direct pursuant to Clause 16(d), continue to perform all of the services the Transaction Manager undertakes to provide pursuant to the Transaction Management Agreement (unless prevented by any Requirement of Law or any Regulatory Direction or a Force Majeure Event) until the Transaction Manager Termination Date;
- (D) take such further action in accordance with the terms of the Transaction Management Agreement as the Issuer or, following the delivery of an Enforcement Notice, the Common Representative may reasonably direct in relation to the Transaction Manager's obligations under the Transaction Management Agreement as may be necessary to enable the services to be performed by a successor Transaction Manager; and
- (E) stop taking any such action under the terms of the Transaction Management Agreement as the Issuer or, following the delivery of an Enforcement Notice, the Common Representative may direct.

In the event of the termination of the appointment of the Transaction Manager due to the occurrence of a Transaction Manager Event, the Issuer shall appoint a successor Transaction Manager with effect from the Transaction Manager Termination Date (as defined in the Master Framework Agreement) by entering into a replacement transaction management agreement with the successor Transaction Manager and the Common Representative in accordance with the provisions of the Transaction Management Agreement. The appointment of a successor transaction manager is subject to the condition that, inter alia, such substitute transaction manager is capable of administering the Transaction Accounts of the Issuer. The Issuer shall give prior notice to the Rating Agencies of the appointment of any successor Transaction Manager.

The Transaction Manager may resign its appointment upon not less than 3 months prior written notice to the Issuer (with a copy to the Common Representative), provided that if such resignation would otherwise take effect less than 5 Business Days before a date on which payments under or in redemption of the Notes are due, the resignation does not take effect until the 3<sup>rd</sup> Business Day following the payment date.

### *Applicable law and jurisdiction*

The Transaction Management Agreement and all non-contractual obligations arising out or in connection therewith will be governed by and construed in accordance with English law. The courts of England have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

### **Balance Guaranteed Swap Agreement**

#### *Swap Agreement*

On or about the Closing Date, the Issuer and the Swap Counterparty will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "**Balance Guaranteed Swap Agreement**").

#### *Swap Transaction*

Some of the Receivables in the Receivables Portfolio pay or will pay a fixed rate of interest. However, the Issuer's liabilities with respect to interest under the Notes are based on EURIBOR for one-month euro deposits.

To provide a hedge against the possible variance between:

- (A) the fixed rates of interest payable on the Receivables in the Receivables Portfolio; and
- (B) the rate of interest under the Notes being calculated by reference to EURIBOR for one-month euro deposits,

the Issuer will enter into the Swap Transaction with the Swap Counterparty under the Balance Guaranteed Swap Agreement on or around the Closing Date.

Under the Swap Transaction, for each Swap Calculation Period falling prior to the termination date of the Swap Transaction, the following amounts will be calculated:

- (A) the amount produced by applying EURIBOR for one-month euro deposits to the Notional Amount (as defined below) of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction (as defined below) as calculated in accordance with the terms of the Balance Guaranteed Swap Agreement (the "**Swap Counterparty Swap Amount**"); and
- (B) the amount produced by applying a Fixed Rate (as defined in the Balance Guaranteed Swap Agreement) to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction as calculated in accordance with the terms of the Balance Guaranteed Swap Agreement (the "**Issuer Swap Amount**").

After these two amounts are calculated in relation to a Swap Payment Date, and subject as provided below in relation to circumstances where the Swap Counterparty Swap Amount is negative for any Swap Calculation Period, the following payments will be made on that Swap Payment Date:

- (A) if the Swap Counterparty Swap Amount for that Swap Payment Date is greater than the Issuer Swap Amount for that Swap Payment Date, then the Swap Counterparty will pay an amount equal to the excess to the Issuer;
- (B) if the Issuer Swap Amount for that Swap Payment Date is greater than the Swap Counterparty Swap Amount for that Swap Payment Date, then the Issuer will pay an amount equal to the excess to the Swap Counterparty; and
- (C) if the two amounts are equal, neither party will make a payment to the other.

If for any Swap Calculation Period EURIBOR for one-month euro deposits is negative, the Issuer will be required to pay to the Swap Counterparty the absolute value of the relevant Swap Counterparty Swap Amount determined using the applicable negative EURIBOR for one-month euro deposits rate as calculated in accordance with the terms of the Balance Guaranteed Swap Agreement (the "**Issuer Swap Additional Amount**"). In this situation and

in respect of the relevant Swap Calculation Period, the Issuer will be required to pay to the Swap Counterparty the scheduled Issuer Swap Amount (subject to the terms of the Balance Guaranteed Swap Agreement) plus the Issuer Swap Additional Amount. The Swap Counterparty would not be required to make any payment to the Issuer in respect of the Swap Counterparty Swap Amount.

For the purposes of calculating both the Issuer Swap Amount and Swap Counterparty Swap Amount in respect of a Swap Calculation Period, the notional amount of the Swap Transaction (the "**Notional Amount**") will be, in respect of the first Swap Calculation Period, EUR 200,000,000.00 and in respect of each subsequent Swap Calculation Period, the Aggregate Principal Outstanding Balance of Performing Receivables on the immediately preceding Calculation Date.

For the purposes of determining the amounts payable under the Swap Transaction the following definitions apply:

**"Day Count Fraction"** means in respect of any Swap Calculation Period, the number of calendar days in that Swap Calculation Period divided by 360;

**"Swap Calculation Period"** means (other than the first Swap Calculation Period), each period that commences on (and includes) a Swap Payment Date and ends on (but excludes) the immediately following Swap Payment Date and in respect of the first Swap Calculation Period, means the period commencing on (and including) the Closing Date and ending on (but excluding) the Swap Payment Date falling in July 2022; and

**"Swap Payment Date"** means any Interest Payment Date on which a payment is made by either the Issuer or the Swap Counterparty in accordance with the Balance Guaranteed Swap Agreement.

The Swap Transaction may not fully hedge the Issuer's interest rate risk as discussed under the section entitled Risk Factors – Interest Rate Risk above. However, the Swap Transaction has been entered into with the aim of significantly mitigating the Issuer's exposure to increases in EURIBOR for one-month euro deposits.

Under the terms of the Balance Guaranteed Swap Agreement, in the event that the relevant rating(s) of the Swap Counterparty assigned by a Rating Agency falls below the Swap Counterparty Minimum Ratings, the Swap Counterparty will, in accordance with the Balance Guaranteed Swap Agreement, be required to take certain remedial measures within the timeframe stipulated in the Balance Guaranteed Swap Agreement and at its own cost which may include providing collateral for its obligations under the Swap Transaction, arranging for its obligations under the Swap Transaction to be transferred to an entity with the Swap Counterparty Minimum Ratings or procuring another eligible entity with the Swap Counterparty Minimum Ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Transaction. However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the Swap Counterparty for posting or that another entity with the Swap Counterparty Minimum Ratings will be available to become a replacement swap provider, co-obligor or guarantor or that the applicable Swap Counterparty will be able to take the requisite other action. If the remedial measures following a downgrade below the Swap Counterparty Minimum Ratings are not taken within the applicable time frames, this will in certain circumstances permit the Issuer to terminate the Balance Guaranteed Swap Agreement early.

#### *Early Termination*

The Balance Guaranteed Swap Agreement may be terminated early by the non-defaulting party or non-affected party in certain circumstances including, without limitation:

- (a) if an Enforcement Notice is delivered;
- (b) if certain amendments or supplements are made to (or any waiver is given in respect of) any of the Transaction Documents or the Conditions, without the prior written consent of the Swap Counterparty; and
- (c) upon the occurrence of certain rating triggers.

#### *Applicable law and jurisdiction*

The Balance Guaranteed Swap Agreement and all non-contractual obligations arising out or in connection therewith will be governed by and construed in accordance with English law. The courts of England have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

## **Paying Agency Agreement**

Pursuant to the Paying Agency Agreement, the Issuer and, in the case of delivery of an Enforcement Notice, the Common Representative will appoint the Agents (the Paying Agent and the Agent Bank) as its agent in relation to the Notes to perform various payments and other administrative functions in connection with the Notes and the other Transaction Documents. The obligations and duties of the Agents under the Paying Agency Agreement and the Conditions shall be several and not joint.

The Issuer may (with the prior written approval of the Common Representative) or each of the Agents may (in case of resignation, if no successor agent is appointed by the Issuer and following such consultation with the Issuer as is practicable in the circumstances and with the prior written approval of the Common Representative) appoint a successor Agent and shall forthwith give notice of any such appointment to the continuing Agent, the Noteholders, the Rating Agencies and the Common Representative. Any successor Agent appointed in accordance with the Paying Agency Agreement must be appointed prior to the termination of the appointment of the previous Agent and shall be a reputable and experienced financial institution provided such financial institution is capable of acting as a paying agent or agent bank (as applicable) pursuant to Interbolsa applicable regulations.

### *Resignation, Revocation and Automatic Termination*

The Paying Agent or the Agent Bank may resign its appointment upon not less than 30 days' notice to the Issuer (with a copy to the Common Representative and, in the case of the Agent Bank to the Paying Agent and to the Rating Agencies), provided that if such resignation would otherwise take effect less than 30 days before or after the Final Legal Maturity Date or other date for redemption of the Notes or any Interest Payment Date in relation to the Notes, such resignation shall not take effect until the 30<sup>th</sup> (thirtieth) day following such date and until a successor has been duly appointed in accordance with the terms set out in the Paying Agency Agreement.

The Issuer may also (with the prior written approval of the Common Representative) terminate the appointment of an Agent by giving not less than 30 days' notice to such Agent(s) (with a copy to the Common Representative), provided that such revocation shall not take effect until a successor or successors has/have been duly appointed in accordance with the terms set out in the Paying Agency Agreement.

The appointment of any of the Agents shall also terminate forthwith if an Insolvency Event occurs in relation to such Agent. If the appointment of the Paying Agent or the Agent Bank is terminated in accordance with such provision, the Issuer shall forthwith appoint a successor or successors in accordance with the terms set out in the Paying Agency Agreement.

### *Applicable law and jurisdiction*

The Paying Agency Agreement and all non-contractual obligations arising from or connected with it will be governed by the laws of the Portuguese Republic. The courts of Lisbon will have exclusive jurisdiction to settle any dispute in connection with the Paying Agency Agreement.

## WEIGHTED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

### General

The yields to maturity on the Notes will be affected by the amount and timing of delinquencies and default on the Receivables, prepayments and other events and factors.

### Weighted average lives of the Notes

Weighted average life of the Notes refers to the calculation, on the basis of certain assumptions, of the average amount of time that will elapse from the date of issuance of a Note to the date of distribution to the investor of amounts distributed in reduction of principal of such Note to zero, weighted by the principal amount distributed to the holder of such Note over time. The weighted average lives of the Notes will be influenced by, among other things, the rate at which the Principal Component of the Receivables is paid, which may be in the form of scheduled amortisation, prepayments, or enforcement proceeds.

The weighted average life of the Notes will be influenced by certain factors including the financial characteristics of the Purchased Receivables, and the rates of prepayments, delinquencies and defaults. Upon any early payment by the Obligor in respect of the Receivables, the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected by a higher or lower than anticipated rate of prepayment of the Receivables.

The model used for the purpose of calculating estimates presented in this Prospectus for the Receivables in the Receivables Portfolio uses an assumed constant *per annum* rate of prepayment ("**CPR**") each month relative to the then principal outstanding balance of a pool of receivables. The CPR is an assumed annual constant rate of prepayment, i.e. the rate of payment of principal not anticipated by the scheduled amortisation of the portfolio which, when applied monthly, allows to estimate the monthly amounts of principal prepaid over time. CPR does not purport to be either an historical description of the prepayment experience of any pool of receivables or a prediction of the expected rate of prepayment of any receivables, including the Receivables to be included in the Receivables Portfolio.

The following tables have been prepared on the basis of certain assumptions as described below regarding the characteristics of the Receivables in the Receivables Portfolio and the performance thereof. The tables assume, among other things, that:

- (A) as of the Initial Collateral Determination Date, the Receivables in the Initial Receivables Portfolio consist of 17,855 Purchased Receivables having a total Principal Outstanding Balance of €200,000,000.00;
- (B) the initial Principal Amount Outstanding of the Class A Notes is €168,000,000, the initial Principal Amount Outstanding of the Class B Notes is €8,000,000, the initial Principal Amount Outstanding of the Class C Notes is €12,000,000, the initial Principal Amount Outstanding of the Class D Notes is €6,000,000, the initial Principal Amount Outstanding of the Class E Notes is €5,000,000, the initial Principal Amount Outstanding of the Class F Notes is €1,000,000, the initial Principal Amount Outstanding of the Class G Notes is €1,500,000 and the initial Principal Amount Outstanding of the Class Z Notes is €1,800,000;
- (C) the characteristics of Additional Receivables transferred to the Issuer on each Interest Payment Date during the Revolving Period is identical to that of the Initial Receivables Portfolio;
- (D) the maximum amount of the Principal Outstanding Balance of the Performing Receivables is €200,000,000.00;
- (E) during the Revolving Period all principal collections are applied to the purchase of Additional Receivables and no Optional Redemption Event occurs;
- (F) the Originator does not repurchase any Receivables in the Receivables Portfolio;

- (G) the Euro Reference Rate of the Notes used is 1-Month Euribor, and it is equal to -0.538% (fixing rate published on 29 April 2022, rounded to 3 decimals);
- (H) interest on the Cash Reserve Account and Principal Account will be at ECB Deposit Rate -0.20%, where ECB Deposit Rate is assumed at -0.50% flat;
- (I) default (in arrears in excess of 3 months) rate of Receivables: 1.11% for a constant prepayment rate ("CPR") of 8.00%, with 40.00% being recovered within 30 months of becoming, default, resulting in a cumulative Default rate since the Initial Collateral Determination Date with respect to the initial outstanding balance of the loans of 4.00%. For a CPR of 10.00% and 12.00%, default rate of Receivables of 1.15% and 1.18% respectively which resulting in a cumulative Default rate, since the Initial Collateral Determination Date with respect to the initial outstanding balance of the loans of 4.00% for both;
- (J) delinquency (in arrears in excess of 1 month) rate of Receivables: 1.11% of the Receivables outstanding balance for an 8.00% CPR. The assumption is that the Receivable is not recovered and becoming Default. For a CPR of 10.00% and 12.00%, the delinquency rate of Receivables will be 1.15% and 1.18% respectively;
- (K) recovery Rate: 40.00% being recovered after 30 months of becoming Default;
- (L) no Receivables in the Receivables Portfolio is sold by the Issuer;
- (M) no Revolving Period Termination Event and no Sequential Redemption Event and no Event of Default occurs, since the Closing Date until the date in which the Clean-Up Call Option is exercised;
- (N) the Receivable prepayment rate remains constant throughout the life of the Notes;
- (O) the instalments of all floating rate Receivables will be re-calculated based on its current interest rate;
- (P) the Receivables Portfolio is purchased by the Issuer and the Notes are issued by the Issuer on the Closing Date;
- (Q) Closing Date is on 1 June 2022;
- (R) Interest Payment Date is on the 23<sup>rd</sup> of each calendar month; and
- (S) the weighted average life is estimated based on the actual number of days in the relevant Interest Period divided by 365.

The actual characteristics and performance of the Receivables in the Receivables Portfolio will differ from the assumptions used in constructing the tables set forth below. The tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Receivables in the Receivables Portfolio will prepay at a constant rate until maturity, that all of the Receivables in the Receivables Portfolio will prepay at the same rate, that interest rates will remain constant or that there will be no delinquencies or losses on the Receivables in the Receivables Portfolio. Moreover, the diverse remaining terms to maturity of the Purchased Receivables could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining of the Purchased Receivables is as assumed. Any difference between such assumptions and the actual characteristics and performance of the Receivables in the Receivables Portfolio, or actual prepayment or loss experience, will affect the percentages of the initial amount outstanding over time and the weighted average life of the Rated Notes.

The weighted average lives shown below were determined by (i) multiplying the net reduction, if any, of the Principal Amount Outstanding of the Rated Notes by the number of years from the date of issuance of the Rated Notes to the related Interest Payment Date, (ii) adding the results and (iii) dividing the sum by the aggregate of the net reductions of the Principal Amount Outstanding described in (i) above.

Subject to the foregoing discussion and assumptions, the following chart indicates the weighted average life of the Rated Notes and the percentages of the initial Principal Amount Outstanding of the Rated Notes after each Interest Payment Date at the specified CPR percentages:

The average lives of each class of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

The tables contained in the section headed “***Weighted Average Life of the Notes and Assumptions***” have been prepared by the Sole Arranger.



**Percentage of Original Principal Amount Outstanding**  
**of the Rated Notes at the Specified CPR Percentages**  
**(With/ Without Optional Redemption on the Clean-Up Call Date)**

		8CPR	10CPR	12CPR
<b>With clean-up call</b>	Class A Weighted Average Life (in years)	3,8	3,7	3,6
	Class A Expected Maturity	jul/29	abr/29	fev/29
	Class B Weighted Average Life (in years)	3,8	3,7	3,6
	Class B Expected Maturity	jul/29	abr/29	fev/29
	Class C Weighted Average Life (in years)	3,8	3,7	3,6
	Class C Expected Maturity	jul/29	abr/29	fev/29
	Class D Weighted Average Life (in years)	3,8	3,7	3,6
	Class D Expected Maturity	jul/29	abr/29	fev/29
	Class E Weighted Average Life (in years)	3,8	3,7	3,6
	Class E Expected Maturity	jul/29	abr/29	fev/29
	Class F Weighted Average Life (in years)	3,8	3,7	3,6
	Class F Expected Maturity	jul/29	abr/29	fev/29
	Class G Weighted Average Life (in years)	0,5	0,5	0,5
	Class G Expected Maturity	abr/23	abr/23	abr/23

<b>Without clean-up call</b>	Class A Weighted Average Life (in years)	3,9	3,8	3,7
	Class A Expected Maturity	mai/31	abr/31	mar/31
	Class B Weighted Average Life (in years)	4,0	3,9	3,8
	Class B Expected Maturity	jul/31	jun/31	mai/31
	Class C Weighted Average Life (in years)	4,0	3,9	3,8
	Class C Expected Maturity	out/31	out/31	set/31
	Class D Weighted Average Life (in years)	4,1	3,9	3,8
	Class D Expected Maturity	jan/32	dez/31	dez/31
	Class E Weighted Average Life (in years)	4,1	4,0	3,9
	Class E Expected Maturity	set/32	ago/32	ago/32
	Class F Weighted Average Life (in years)	4,2	4,1	3,9
	Class F Expected Maturity	abr/33	abr/33	abr/33
	Class G Weighted Average Life (in years)	0,5	0,5	0,5
	Class G Expected Maturity	abr/23	abr/23	abr/23

## USE OF PROCEEDS

### Proceeds of the Notes

The gross of the issue of the Notes will amount to €203,300,000. The net proceeds of the issue of the Notes will amount to €202,020,100.

On or about the Closing Date, the Issuer will apply the full net proceeds of the issue of the Notes (such proceeds being equal to €202,020,100) as follows:

- (A) payment of the component of the Initial Purchase Price relating to the Principal Outstanding Balance of the Receivables included in the Initial Receivables Portfolio will be made with the proceeds of the issue of the Asset-Backed Notes and of the Class Z Notes to the extent not covered by the issue of the Asset-Backed Notes;
- (B) the funding of the Initial Cash Reserve Amount will be made with the proceeds of the issue of the Class G Notes and of the Class Z Notes to the extent not covered by the issue of the Class G Notes;
- (C) payment of the up-front Issuer Expenses will be made with the proceeds of the issue of the Class Z Notes;
- (D) any excess amount will be transferred to the Payment Account.

The direct cost of the admission to trading of the Listed Notes on the Stock Exchange's regulated market and the admission to trading on the Stock Exchange will amount to €13,185.00.

## CHARACTERISTICS OF THE RECEIVABLES

The information set out below has been prepared on the basis of a pool of the Receivables as at the Initial Collateral Determination Date.

### The Receivables Portfolio

The Initial Receivables Portfolio as at the Initial Collateral Determination Date corresponds to a randomly selected pool of Auto Loans owned by the Originator which has the characteristics indicated in the tables below. The securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the securities. The Initial Receivables Portfolio has been selected so that it complies with the Assigned Rights Warranties set out in the Receivables Sale Agreement.

The Initial Receivables Portfolio comprises 17,855 Receivables complying with the Eligibility Criteria, corresponding to an Aggregate Principal Outstanding Balance of €200,000,000.00 as at the Initial Collateral Determination Date. There will be no material changes in the Auto Loans transferred to the Issuer on the Closing Date in relation to the Receivables Portfolio determined as at the Initial Collateral Determination Date.

The interest rate (whether express or implied) in respect of each Purchased Receivable comprised in the Initial Receivables Portfolio is a variable rate of interest indexed to EURIBOR or a fixed rate. The Receivables comprised in the Initial Receivables Portfolio arise under amortising loans with instalments of both principal and interest (whether express or implied) payable monthly and interest payable is calculated on the basis of a 360-day year at a variable or fixed rate.

### Characteristics of the Initial Receivables Portfolio

As of *Initial Collateral Determination Date*, the following information was available in respect of the Initial Receivables Portfolio (figures presented in €):

General overview:

Total Financed Amount (incl. Stamp Duty + Expenses)	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
3,000-6,000	1,299	7.28%	4,159,942	2.08%
6,000-9,000	3,272	18.33%	18,677,953	9.34%
9,000-12,000	3,798	21.27%	32,150,251	16.08%
12,000-15,000	3,660	20.50%	40,811,871	20.41%
15,000-18,000	2,550	14.28%	35,372,156	17.69%
18,000-21,000	1,278	7.16%	21,489,884	10.74%
21,000-24,000	768	4.30%	15,107,044	7.55%
24,000-27,000	568	3.18%	12,918,797	6.46%
27,000-30,000	286	1.60%	7,225,345	3.61%
>=30,000	376	2.11%	12,086,757	6.04%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Minimum	Maximum	Average
3,541	75,903	13,474

The Receivables contract with one instalment in arrears included in the Initial Receivables Portfolio, as of the Initial Collateral Determination Date, are as follows:

Outstanding Amount	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
0-2,000	504	2.82%	676,824	0.34%
2,000-4,000	1,252	7.01%	3,858,727	1.93%
4,000-6,000	1,934	10.83%	9,804,153	4.90%
6,000-8,000	2,383	13.35%	16,731,946	8.37%
8,000-10,000	2,508	14.05%	22,615,782	11.31%
10,000-12,000	2,450	13.72%	26,856,336	13.43%
12,000-14,000	2,021	11.32%	26,166,712	13.08%
14,000-16,000	1,553	8.70%	23,177,473	11.59%
16,000-18,000	935	5.24%	15,841,627	7.92%
18,000-20,000	678	3.80%	12,864,785	6.43%
>20,000	1,637	9.17%	41,405,634	20.70%
<b>Grand Total</b>	<b>17, 855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Minimum	Maximum	Average
512	60,715	11,201

The Initial Receivables Portfolio had the aggregate characteristics indicated in Tables 1 to 20 below as at the Initial Collateral Determination Date. Except where expressly indicated, amounts are rounded to the nearest €1 with 50 cents being rounded upwards. This gives rise to some rounding differences in the tables.

For reference, the intervals in each table will include minimum interval limits and exclude maximum interval limits.

**TABLE 1. SINGLE BORROWER CONCENTRATION**

Obligor	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
Obligor 1	1	0.01%	60,715	0.03%
Obligor 2	1	0.01%	56,311	0.03%
Obligor 3	1	0.01%	56,062	0.03%
Obligor 4	1	0.01%	54,777	0.03%
Obligor 5	1	0.01%	54,452	0.03%
Obligor 6	1	0.01%	54,219	0.03%
Obligor 7	1	0.01%	53,298	0.03%
Obligor 8	1	0.01%	53,245	0.03%
Obligor 9	1	0.01%	53,014	0.03%
Obligor 10	2	0.01%	52,500	0.03%
Other Obligors	17,844	99.94%	199,451,408	99.73%
<b>Grand Total</b>	<b>17,855</b>	<b>100.0%</b>	<b>200,000,000</b>	<b>100.0%</b>

**TABLE 2. BREAKDOWN BY ORIGINAL TERM TO MATURITY<sup>2</sup>**

Updated Original Term (Months)	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
1-12	1	0.01%	3,330	0.00%
13-24	13	0.07%	47,500	0.02%
25-36	144	0.81%	760,760	0.38%
37-48	666	3.73%	3,758,853	1.88%
49-60	1,765	9.89%	10,927,464	5.46%
61-72	1,539	8.62%	11,086,071	5.54%
73-84	3,270	18.31%	27,221,497	13.61%
85-96	2,168	12.14%	23,082,722	11.54%
97-108	1,059	5.93%	12,657,187	6.33%
109-120	6,719	37.63%	102,974,946	51.49%
>121	511	2.86%	7,479,670	3.74%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Minimum	Maximum	Weighted Average	Average
12.00	131.00	103.59	95.58

<sup>2</sup> Receivables' total term in months calculated between receivables' origination date and receivables' maturity date that is in force at the portfolios' cut-off date.

**TABLE 3. BREAKDOWN BY REMAINING TERM TO MATURITY<sup>3</sup>**

Current Remaining Term (Months)	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
1-12	396	2.22%	609,757	0.30%
13-24	702	3.93%	2,236,867	1.12%
25-36	1,137	6.37%	5,974,578	2.99%
37-48	1,598	8.95%	10,976,929	5.49%
49-60	2,109	11.81%	17,429,517	8.71%
61-72	2,131	11.94%	20,964,685	10.48%
73-84	2,381	13.34%	26,664,867	13.33%
85-96	2,041	11.43%	28,530,401	14.27%
97-108	1,468	8.22%	22,590,699	11.30%
109-120	3,892	21.80%	64,021,699	32.01%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Minimum	Maximum	Weighted Average	Average
4.00	118.00	86.53	74.93

<sup>3</sup> Receivables' remaining term to maturity in months calculated between portfolio's cut-off date and the receivables' maturity date.

**TABLE 4. BREAKDOWN BY SEASONING<sup>4</sup>**

Seasoning	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
1-6	3,534	19.79%	50,871,572	25.44%
7-12	4,818	26.98%	62,612,565	31.31%
13-18	1,361	7.62%	15,806,938	7.90%
19-24	1,350	7.56%	14,060,508	7.03%
25-30	1,815	10.17%	18,152,578	9.08%
31-36	1,507	8.44%	13,540,061	6.77%
>37	3,470	19.43%	24,955,778	12.48%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Minimum	Maximum	Weighted Average	Average
2.00	86.00	17.06	20.64

<sup>4</sup> Receivables' elapsed term in months calculated between receivables' origination date and portfolio's cut-off date.



**TABLE 5. BREAKDOWN BY YEAR OF ORIGINATION**

<b>Origination Date</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
2014	1	0.01%	2,586	0.00%
2015	20	0.11%	79,306	0.04%
2016	79	0.44%	506,494	0.25%
2017	768	4.30%	4,815,308	2.41%
2018	2,155	12.07%	15,747,786	7.87%
2019	3,220	18.03%	30,032,146	15.02%
2020	2,945	16.49%	31,589,730	15.79%
2021	8,288	46.42%	111,892,952	55.95%
2022	379	2.12%	5,333,692	2.67%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

TABLE 6. BREAKDOWN BY LTV

LTV (%)	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
<50	229	1.28%	1,745,440	0.87%
50-55	138	0.77%	1,190,118	0.60%
55-60	149	0.83%	1,367,719	0.68%
60-65	198	1.11%	2,049,490	1.02%
65-70	227	1.27%	2,433,280	1.22%
70-75	307	1.72%	3,346,897	1.67%
75-80	391	2.19%	4,665,407	2.33%
80-85	577	3.23%	7,350,439	3.68%
85-90	744	4.17%	9,349,868	4.67%
90-95	880	4.93%	11,817,729	5.91%
95-100	14,015	78.49%	154,683,611	77.34%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Minimum	Maximum	Weighted Average	Average
20.00	100.00	95.42	95.23

**TABLE 7. BREAKDOWN BY TYPE OF INTEREST RATE**

Type of interest rate	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)	Weighted Average Current Interest Rate	Weighted Average Margin
Fixed	16,304	91.31%	186,525,769	93.26%	8,317	0,000
3 Month Euribor	1,551	8.69%	13,474,231	6.74%	8,169	8,701
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>	<b>8,307</b>	<b>8,701</b>

**TABLE 8. BREAKDOWN BY INTEREST RATE**

Interest Rate (Fixed Rate Loans)	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)	Weighted Average Current Interest Rate
5-6	650	3.99%	6,923,760	3.71%	5.810
6-7	1,539	9.44%	20,023,602	10.74%	6.567
7-8	3,481	21.35%	44,249,101	23.72%	7.530
8-9	4,994	30.63%	57,820,555	31.00%	8.541
9-10	4,508	27.65%	45,619,020	24.46%	9.429
10-11	1,032	6.33%	10,997,036	5.90%	10.172
11-12	66	0.40%	609,812	0.33%	11.479
12-13	24	0.15%	207,391	0.11%	12.352
13-14	4	0.02%	27,342	0.01%	13.503
14-15	4	0.02%	41,305	0.02%	14.272
>=15	2	0.01%	6,844	0.00%	15.672
<b>Grand Total</b>	<b>16,304</b>	<b>100.00%</b>	<b>186,525,769</b>	<b>100.00%</b>	<b>8.317</b>

Minimum	Maximum	Weighted Average	Average
5,049	16.619	8,317	8,405

**TABLE 9. BREAKDOWN BY MARGIN**

Margin (Floating Rate Loans)	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)	Weighted Average Current Interest Rate	Weighted Average Margin
6-7	148	9.54%	2,058,269	15.28%	5,947	6,479
7-8	149	9.61%	1,805,813	13.40%	7,048	7,580
8-9	423	27.27%	3,462,628	25.70%	8,039	8,571
9-10	533	34.36%	3,794,824	28.16%	8,942	9,474
10-11	282	18.18%	2,247,557	16.68%	9,850	10,382
>=11	16	1.03%	105,140	0.78%	11,319	11,851
<b>Grand Total</b>	<b>1,551</b>	<b>100.00%</b>	<b>13,474,231</b>	<b>100.00%</b>	<b>8,169</b>	<b>8,701</b>

Minimum	Maximum	Weighted Average	Average
6,033	13,599	8,701	8,963

**TABLE 10. BRAND CONCENTRATION**

<b>Maker</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
BMW	2,119	11.87%	30,818,250	15.41%
RENAULT	2,956	16.56%	29,167,644	14.58%
PEUGEOT	2,447	13.70%	27,486,547	13.74%
MERCEDES-BENZ	1,572	8.80%	25,729,671	12.86%
AUDI	958	5.37%	12,084,068	6.04%
VOLKSWAGEN	1,078	6.04%	10,941,786	5.47%
CITROEN	1,059	5.93%	9,492,350	4.75%
NISSAN	594	3.33%	7,304,184	3.65%
SEAT	739	4.14%	6,906,427	3.45%
FORD	740	4.14%	6,511,033	3.26%
OPEL	812	4.55%	5,980,808	2.99%
FIAT	576	3.23%	4,773,166	2.39%
VOLVO	407	2.28%	4,679,372	2.34%
MINI	310	1.74%	3,270,854	1.64%
TOYOTA	258	1.44%	2,181,647	1.09%
JAGUAR	60	0.34%	1,291,540	0.65%
MITSUBISHI	122	0.68%	1,166,814	0.58%
ALFA ROMEO	138	0.77%	1,147,313	0.57%
SMART	172	0.96%	1,035,641	0.52%
LAND ROVER	48	0.27%	894,698	0.45%
Other	690	3.86%	7,136,187	3.57%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

TABLE 11. BREAKDOWN BY REGION OF RESIDENCE

Region	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
Porto	4,697	26.31%	54,538,290	27.27%
Lisboa	2,970	16.63%	33,697,224	16.85%
Braga	1,918	10.74%	22,414,342	11.21%
Aveiro	1,696	9.50%	17,668,751	8.83%
Setúbal	1,308	7.33%	15,305,445	7.65%
Leiria	834	4.67%	8,619,274	4.31%
Faro	711	3.98%	7,476,050	3.74%
Coimbra	675	3.78%	7,145,902	3.57%
Santarém	697	3.90%	7,041,181	3.52%
Vila Real	540	3.02%	5,893,917	2.95%
Viseu	360	2.02%	4,197,151	2.10%
Viana do Castelo	277	1.55%	3,021,229	1.51%
Bragança	258	1.44%	2,996,332	1.50%
Beja	280	1.57%	2,976,581	1.49%
Évora	193	1.08%	2,209,999	1.10%
Portalegre	143	0.80%	1,462,847	0.73%
Castelo Branco	138	0.77%	1,286,734	0.64%
Guarda	82	0.46%	1,067,152	0.53%
Ilha da Madeira	36	0.20%	451,531	0.23%
Ilha de São Miguel	19	0.11%	229,370	0.11%
Ilha Terceira	9	0.05%	131,123	0.07%
Ilha de Santa Maria	4	0.02%	43,904	0.02%
Ilha do Pico	2	0.01%	31,826	0.02%
Ilha do Faial	2	0.01%	30,710	0.02%
Ilha das Flores	2	0.01%	25,886	0.01%
Ilha da Graciosa	2	0.01%	19,656	0.01%
Ilha de Porto Santo	1	0.01%	11,179	0.01%
Ilha de São Jorge	1	0.01%	6,414	0.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**TABLE 12. BREAKDOWN BY BORROWER TYPE**

Individual / Company	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
Individual	17,202	96.34%	191,300,058	95.65%
Company	646	3.62%	8,614,147	4.31%
Self Employed	5	0.03%	69,060	0.03%
Small Medium Enterprise	2	0.01%	16,735	0.01%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>



**TABLE 13. BREAKDOWN BY BORROWER NATIONALITY**

<b>Borrower Nationality</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
Portugal	17,426	97.60%	195,458,145	97.73%
Other	429	2.40%	4,541,855	2.27%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**TABLE 14. BREAKDOWN BY VEHICLE TYPE**

Type of Vehicle	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
Auto	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

New/Used	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
Used	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

Energy Type	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
Diesel	15,090	84.51%	171,300,057	85.65%
Gas	2,379	13.32%	22,603,624	11.30%
Hybrid	232	1.30%	3,932,568	1.97%
Electrical	152	0.85%	2,139,981	1.07%
Gas and GPL	2	0.01%	23,771	0.01%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**TABLE 15. BREAKDOWN BY TYPE OF INSURANCE**

<b>Insurance S/N</b>	<b>Type of Insurance</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
<b>Y</b>	Simple Protection <sup>5</sup>	3,916	21.93%	42,815,018	21.41%
	Super Protection <sup>6</sup>	1,271	7.12%	11,772,171	5.89%
	GAP Insurance <sup>7</sup>	2	0.01%	13,231	0.01%
<b>N</b>	No Insurance <sup>8</sup>	12,666	70.94%	145,399,580	72.70%
<b>Grand Total</b>		<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

<sup>5</sup> "Simple Protection" means credit insurance mainly covering death or permanent disability of the borrower.

<sup>6</sup> "Super Protection" means credit insurance covering the same risks of Simple Protection plus accident, disease or involuntary unemployment.

<sup>7</sup> "GAP Insurance" means insurance against loss of vehicle, with 321Crédito as beneficiary and co-insured.

<sup>8</sup> "No Insurance" means that no insurance is included.

**TABLE 16. RELATED GUARANTEES**

<b>Property Reserve Clause</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
Y	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

<b>Guarantor</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
N	16,172	90.57%	178,418,159	89.21%
Y	1,683	9.43%	21,581,841	10.79%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

<b>Broker</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
N	16,457	92.17%	181,322,995	90.66%
Y	1,398	7.83%	18,677,005	9.34%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

TABLE 17. ACTIVE MORATORIA

Active Moratoria	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
N	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**TABLE 18. BREAKDOWN BY TYPE OF AMORTISATION**

Type of Amortization	# of loans	% by # of loans	Outstanding Amount (EUR)	% by Outstanding Amount (EUR)
French	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**TABLE 19. BREAKDOWN BY PERIODICITY**

<b>Periodicity</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
Monthly	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**TABLE 20. BREAKDOWN BY DAYS OVERDUE**

<b>Days Overdue</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
0	17,855	100.00%	200,000,000	100.00%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>



**TABLE 21. BREAKDOWN BY EMPLOYMENT TYPE**

<b>Employment Type</b>	<b># of loans</b>	<b>% by # of loans</b>	<b>Outstanding Amount (EUR)</b>	<b>% by Outstanding Amount (EUR)</b>
Full-Time	12,875	72.11%	146,929,766	73.46%
Fixed Term	2,227	12.47%	22,777,057	11.39%
Self-Employed	1,048	5.87%	11,805,395	5.90%
n/a	506	2.83%	7,141,207	3.57%
Retired	738	4.13%	6,747,574	3.37%
Other	385	2.16%	3,731,250	1.87%
Domestic	53	0.30%	561,723	0.28%
Temporary Worker	23	0.13%	306,028	0.15%
<b>Grand Total</b>	<b>17,855</b>	<b>100.00%</b>	<b>200,000,000</b>	<b>100.00%</b>

**Verification of data**

For the purposes of compliance with Article 22(2) of the EU Securitisation Regulation, an appropriate and independent third party was appointed by the Originator to externally verify a representative sample of the provisional portfolio of Receivables as at 28 February 2022 from which the Initial Receivables Portfolio is extracted. Such verification was completed on 26 April 2022 with a confidence level of at least 95%. Such independent third party has also reviewed on or about 14 April 2022 the conformity of the Initial Receivables Portfolio with the Receivables Warranties. No significant adverse findings arose from such review. Such independent third party has also performed agreed upon procedures in order to verify that the stratification tables disclosed in respect of the underlying exposures are accurate. The third party undertaking the review has reported the factual findings to the parties to the engagement letters and only has obligations to the parties to the engagement letters governing the performance of the agreed upon procedures subject to the limitations and exclusions contained therein.

**Environmental performance of the Receivables**

321Crédito does not collect information relating to the environmental performance of the Receivables in the Initial Receivables Portfolio. For the sake of clarity, no environmental data will be produced and disclosed in the format to be reported pursuant to Article 22(4) of the EU Securitisation Regulation.

**Other characteristics**

The Receivables are homogeneous for the purposes of Article 20(8) of the EU Securitisation Regulation, on the basis that all Receivables in the Initial Receivables Portfolio: (i) have been underwritten by the Originator in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential Obligor's credit risk; (ii) are entered into substantially on the terms of similar standard documentation for auto loans; (iii) are serviced by the Servicer pursuant to the Servicing Agreement in accordance with the same servicing procedures with respect to monitoring, collections and administration of cash receivables generated from the loans; and (iv) form one asset category, namely auto loans granted to Obligors with residence in Portugal.

## HISTORICAL PERFORMANCE OF THE AUTO LOANS RECEIVABLES

The following graphics show historical performance of past credits with similar features to the Receivables Portfolio which have been originated by 321Crédito.

The graphics of this section were prepared on the basis of the internal records of 321Crédito.

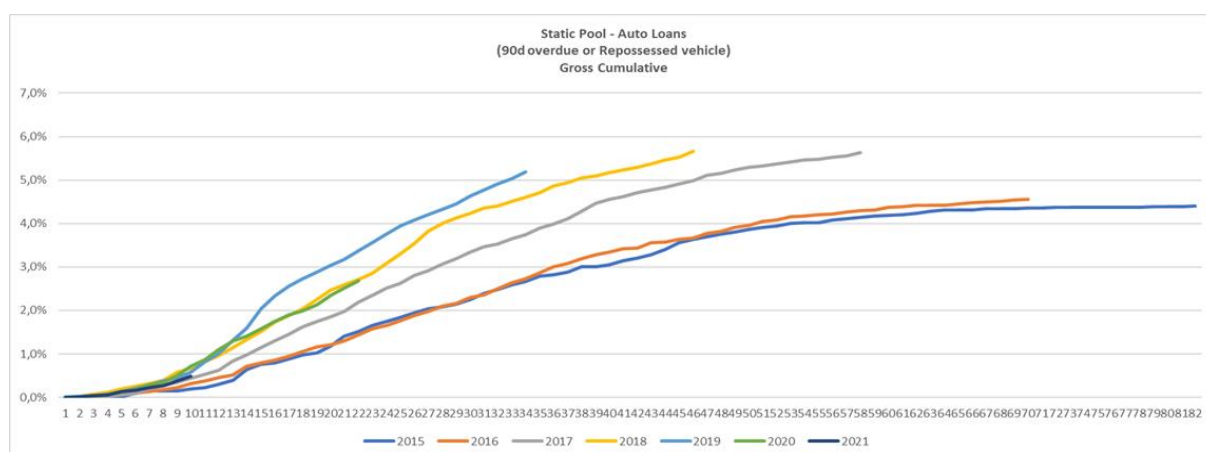
Actual performance may be influenced by a variety of economic, social, geographic and other factors beyond the control of 321Crédito. It may also be influenced by changes in the 321Crédito origination and servicing policies.

There can be no assurance that the future performance of the Purchased Receivables will be similar to the historical performance of similar receivables originated by 321Crédito as set out in the graphics below.

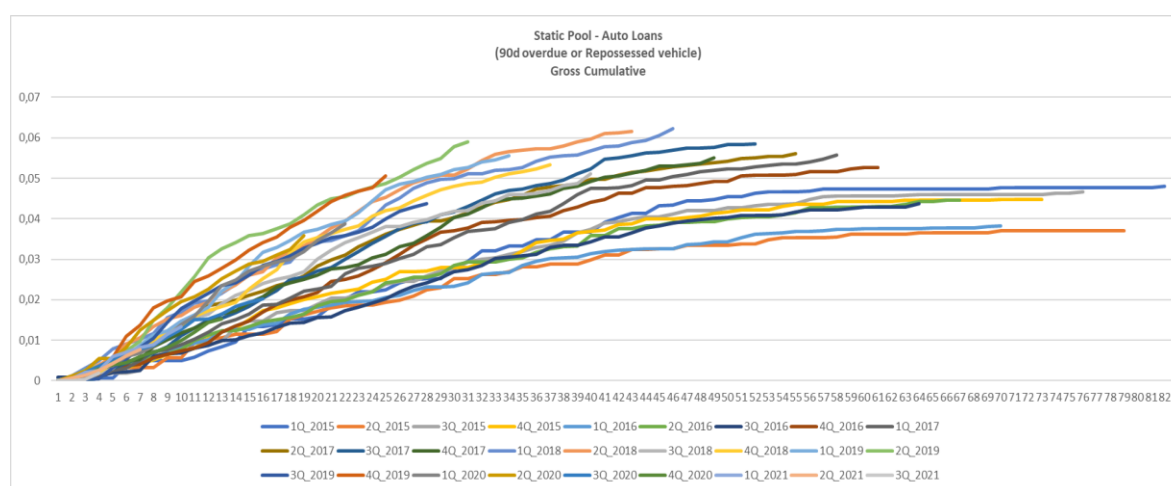
Characteristics and product mix of the securitised portfolio may differ from the portfolio from which the historical performance information is drawn.

### Static Data

On the following graphs is shown the 90 days cumulative gross defaults of 321Crédito's portfolio originated from 2015 to 2022 with values referencing to January 2022. First graph presents the data by yearly vintages while the second graph presents the data by quarterly vintages.

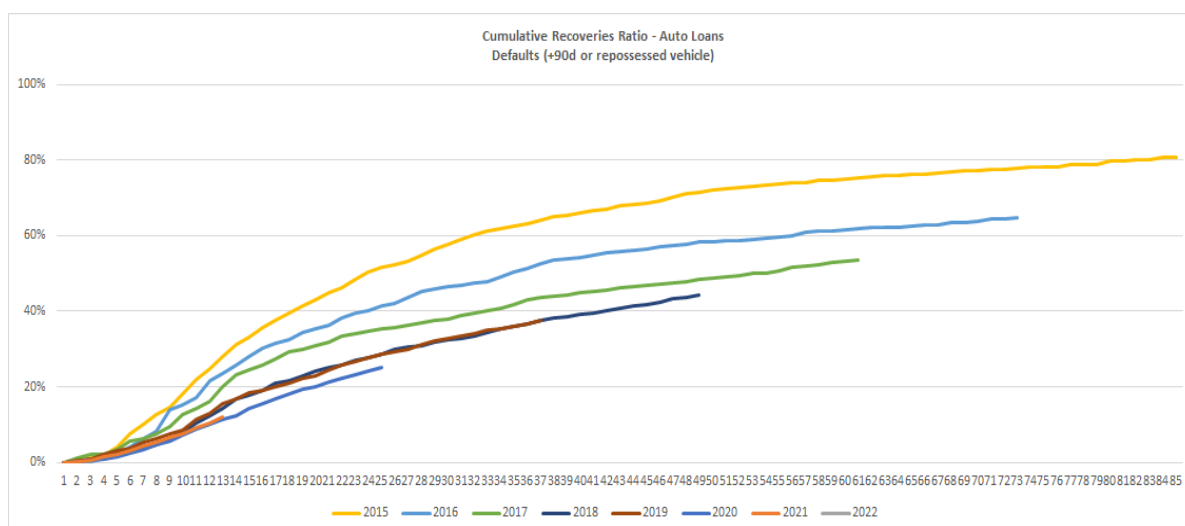


Date of reference: January 2022

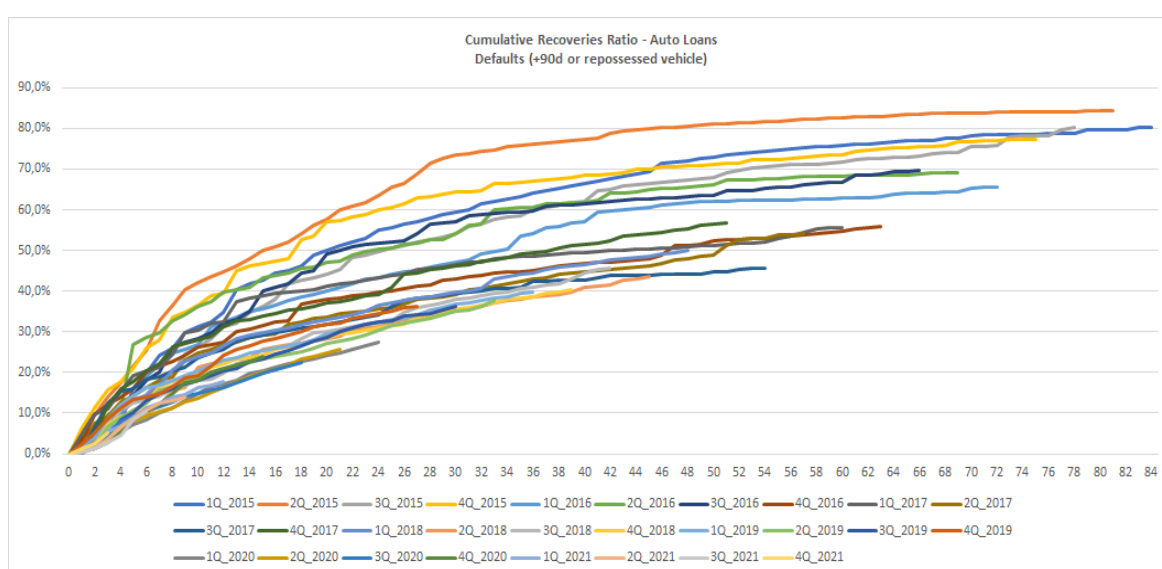


Date of reference: January 2022

On the following graphs are shown the cumulative recoveries ratios after default from 321C's portfolio between 2015 and 2022 with values referencing to January 2022. First graph presents the data by yearly vintages while the second graph presents the data by quarterly vintages.



Date of reference: January 2022



Date of reference: January 2022

## Dynamic Data

321Crédito, previously operating in the market under the designation of BPN Crédito S.A., was nationalised together with the BPN Group in 2008 and was under state management until December 2014 when it was reprivated. In that period of state management, more concretely in 2012, 321Crédito sold a performing portfolio of around €200 million. Later, in 2014, during the last stage of the negotiations for reprivatisation, 321Crédito did not originate new loans until the process was concluded and 321Crédito was reprivated in 2015, when they resumed to their activities.

These events explain the higher weight of the delinquent and defaulted portfolios in 2015, which can be considered an atypical stage of the company's history, as it is shown by the figures of the years that followed.

In fact, as it demonstrated in the table below, this trend has been improving continuously and dramatically from 2016 up to today to more expected levels. These developments can be justified by the following reasons:

- By the end of 2016, the tax authority clarified certain existing doubts about the tax treatment for write-off of credit contracts, which made 321Crédito writing-off a substantial part of loans amounting to €44 million;
- As time elapses, the figures get less distorted by the €200 million performing loan sale; and

- 321Crédito has been experiencing a gradual but strong improvement on the origination levels.

Month	Delinquent Rate (30+days)
201501	51,98%
201502	52,17%
201503	51,74%
201504	51,42%
201505	50,42%
201506	49,04%
201507	48,17%
201508	47,55%
201509	46,40%
201510	45,77%
201511	44,94%
201512	43,39%
201601	42,55%
201602	41,71%
201603	40,50%
201604	39,92%
201605	38,97%
201606	37,96%
201607	36,77%
201608	35,83%
201609	34,82%
201610	33,88%
201611	12,23%
201612	11,58%
201701	10,99%
201702	10,65%
201703	10,24%
201704	10,15%
201705	9,70%
201706	9,34%
201707	9,07%
201708	8,72%
201709	8,58%
201710	8,44%
201711	8,04%
201712	7,96%
201801	7,66%
201802	7,70%
201803	7,56%
201804	7,55%
201805	7,34%

201806	7,26%
201807	7,30%
201808	7,15%
201809	7,20%
201810	7,01%
201811	7,25%
201812	4,72%
201901	5,33%
201902	4,43%
201903	4,46%
201904	4,58%
201905	4,53%
201906	4,58%
201907	4,55%
201908	4,49%
201909	4,76%
201910	4,76%
201911	4,67%
201912	4,47%
202001	4,44%
202002	4,73%
202003	5,19%
202004	5,90%
202005	6,01%
202006	5,75%
202007	5,29%
202008	5,16%
202009	5,04%
202010	5,15%
202011	5,31%
202012	5,27%
202101	5,76%
202102	5,94%
202103	5,81%
202104	5,70%
202105	5,57%
202106	5,66%
202107	5,91%
202108	5,85%
202109	6,01%
202110	6,20%
202111	5,67%
202112	5,63%
202201	5,71%

## ORIGINATOR'S STANDARD BUSINESS PRACTICES, SERVICING AND CREDIT ASSESSMENT

321Crédito's (the "**Originator**" and the "**Company**") business is built upon 4 pillars:

- Dealer management;
- Sound Credit policies and processes;
- Collections and recoveries;
- Sound Corporate Governance and Compliance.

### 1. Dealer Management

#### 1.1 Onboarding and Risk Management

The Originator has relationships with over 1,400 used car dealers in Portugal, 1,200 of which actively submit used car finance proposals to 321Crédito on a regular basis (i.e. several times per month).

Each relationship is subject to screening, rating and approval of application in accordance with a strict, fully documented Dealer Risk Management framework, designed to evaluate the financial condition of its business partners, assess their business practices and monitor their performance on an ongoing basis:

#### Dealers Risk Management

Goals	Information Sources	Classification	Monitoring
<ul style="list-style-type: none"><li>• Provide the adequate policies to have full control over the entry of new dealers</li><li>• Ensure a dealer's portfolio within accepted credit risk levels</li><li>• Contribute to a higher portfolio's performance</li></ul>	<ul style="list-style-type: none"><li>• Negative information in the BoP database</li><li>• Iberinform report analysis</li><li>• Citius Database</li><li>• Commercial track record</li><li>• Account track record</li></ul>	<ul style="list-style-type: none"><li>• Dealers codes assigned accordingly to risk assessment<ul style="list-style-type: none"><li>• Standard authorization</li><li>• Rigorous analysis</li><li>• Restarted Relationship</li></ul></li><li>• Cancellation of the relationship</li></ul>	<ul style="list-style-type: none"><li>• Monthly assessment</li><li>• Semi-annual full review through BoP Database Information</li><li>• Anomalies management as a daily routine</li></ul>

Once the risk associated with working with a used car dealer is deemed acceptable to 321Crédito, the Dealer Risk Management framework is complemented by a dynamic Dealer Segmentation framework, which essentially rates Dealers in accordance with volume, profitability of the business originated by them and efficiency criteria.

All dealers are evaluated at least twice a year and their activity and business practices are monitored on an ongoing basis.

321Crédito regularly sponsors the dealers it works with to attend training programs, delivered by the Financial Services Companies Association (ASFAC) on matters such as credit intermediaries' regulation, money laundering, fraud prevention and terrorism finance.

#### 1.2 Credit Intermediaries

A new regulation came into force as of 1st January of 2018, bringing additional control and supervision over the credit intermediaries' activity. From that point on, and after a transition period, all credit intermediaries, to be able to operate in this market, are subject to authorization and registration at Bank of Portugal. Also this supervisory entity will be responsible for monitor credit intermediaries internal procedures and if needed to sanction those market participants.

321Crédito responded very quickly to this new regulation, anticipating the strong impact of these rules, and providing, free of charge, assistance to all of its dealer network in the process of submission to Bank of Portugal, capitalizing not only the benefits that these rules brought to the market, but also reinforcing the partnership with its network.

Additionally, the company has set an internal area fully dedicated to monitor and give continuous support to the credit intermediaries' network on these matters.

This strategy has led 321Crédito to be the second company in the market with the highest number of registered credit intermediaries.

## **2. Credit Assessment**

Credit procedures are all fully documented in the Company's Credit Procedures Manual, which is reviewed, at least, on an annual basis.

Loan applications are either submitted online via a dedicated secure portal installed at the dealers the company works with, or via phone to a team of in-house sales and service assistants who input proposals manually in the portal. Currently the proposals sent through the dealers' portal represent around 80% of all received proposals.

Applications submitted by individual consumers are processed and analysed by the company's automated scoring system, which, associated with the application of internal business rules and with recourse to web services such as the Bank of Portugal's individual credit exposure database, Lexis Nexis and Eurotax, inter alia, automatically scores each transaction.

The company's automated scoring system consider, among other things, an Obligor's credit history, employment history and status, repayment ability, debt-to-income ratio and the presence of any guarantees or other collateral.

The main discriminatory variables considered by the model are:

- Negative information on Bank of Portugal Database (of applicants and guarantors)
- Loan-To-Value
- Utilisation levels of revolving credit (% of used credit limits)
- Age of vehicle
- Original Term
- Debt-to-Income Ratio

The proposals for individuals will pass through the scoring model and a score level will be generated. 321Crédito has in place a score model that ranks the applications from score 1 to 11.

Over this score 321Crédito will apply the business rules in place to, through a decision matrix, giving the following decisions:

- Automatic approval – Typically for applications ranking from score 1 to score 7
- Automatic refusal – Typically for applications ranking from score 10 to score 11
- Manual analysis – Typically for applications ranking from score 8 to score 9

Both the score model and business rules are frequently reviewed under the Underwriting Committee held on a monthly basis.

Any applications submitted and scored by the scoring model, that for some reason has a change of any relevant data will be re-submitted to the scoring model, ensuring the consistency of the final score level of each application.



Currently, approximately 45% of individual proposals submitted to the scoring are currently decided upon automatically.

Applications submitted by business customers are not submitted to scoring and are always analysed manually by one of the Company's Credit Analysts.

The company currently employs 10 Credit Analysts with an average time in service of 16 years.

Manual analysis often results in further requests for information by the relevant analyst and/or the conditioning of the approval to further credit enhancements.

Any such enhancements or any further information received at this stage results in the re-scoring of the revised proposal.

The approval rate of proposals submitted to manual analysis is around 45% and the current approval rate of all proposals submitted is around 55%.

### **3. Operations**

From the insertion of a proposal in the portal up to the eventual approval of the transaction, all matters relating to each individual proposal are recorded in a proprietary workflow system - Accipiens, former iCredito system from which the contract is originated.

At this point the client is asked to sign the contract, which is returned to the Operations team.

In the past, all relevant operational data was transposed in real time from iCredito to an AS400 contract management application and currently these is stored in Accipiens databases.

The data contained therein is submitted to a rigorous verification and certification process carried out by the Operations team.

This includes consistency checks between original proposal, approval terms and contracts, anti-money laundering, fraud prevention and terrorism finance checks as well as a final personal contact with each individual customer to verify all data prior to releasing the relevant contract and authorising payment.

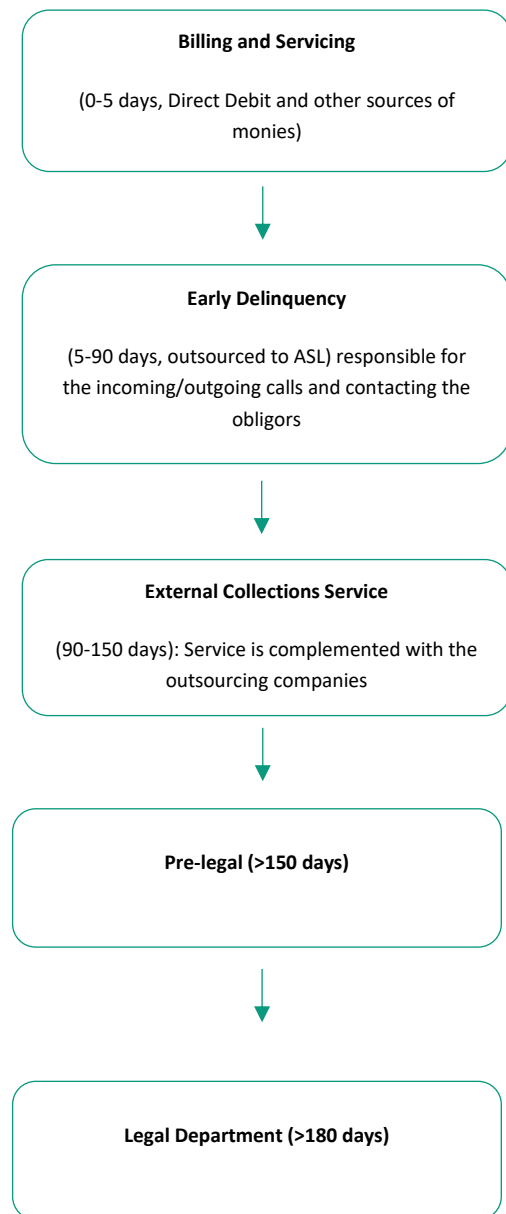
An important evolution on this market has occurred with the online access to the social security database which allows 321Crédito to fully validate the professional status of its clients providing a solid shield against fraud attempts.

Payments are processed by the Accounts Department, all by bank transfer to the dealer's account.

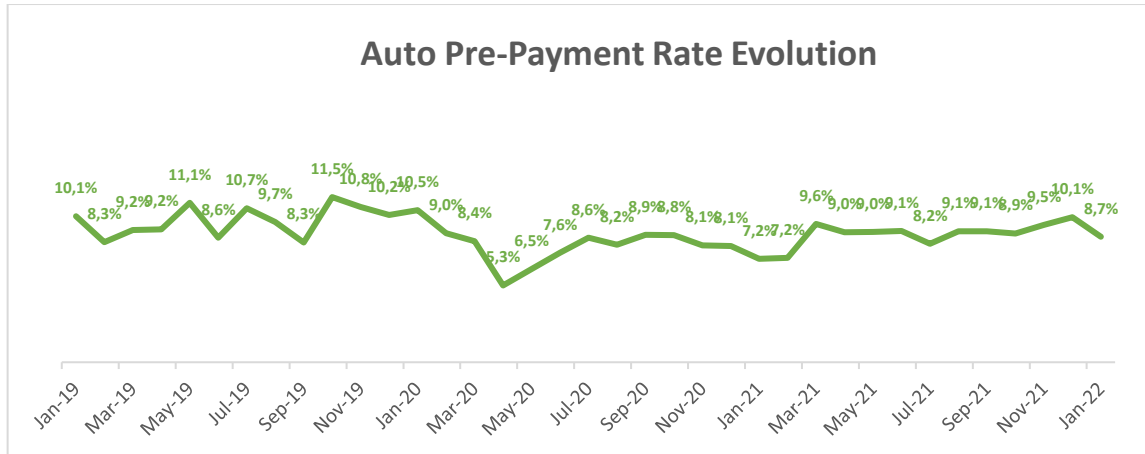
Once payment is made the Operations Department performs all car registration formalities to ensure proper title and most importantly to ensure that the Originator's property reserve rights are duly registered with the Vehicle Licensing Authorities.

#### 4. Collections and Recoveries

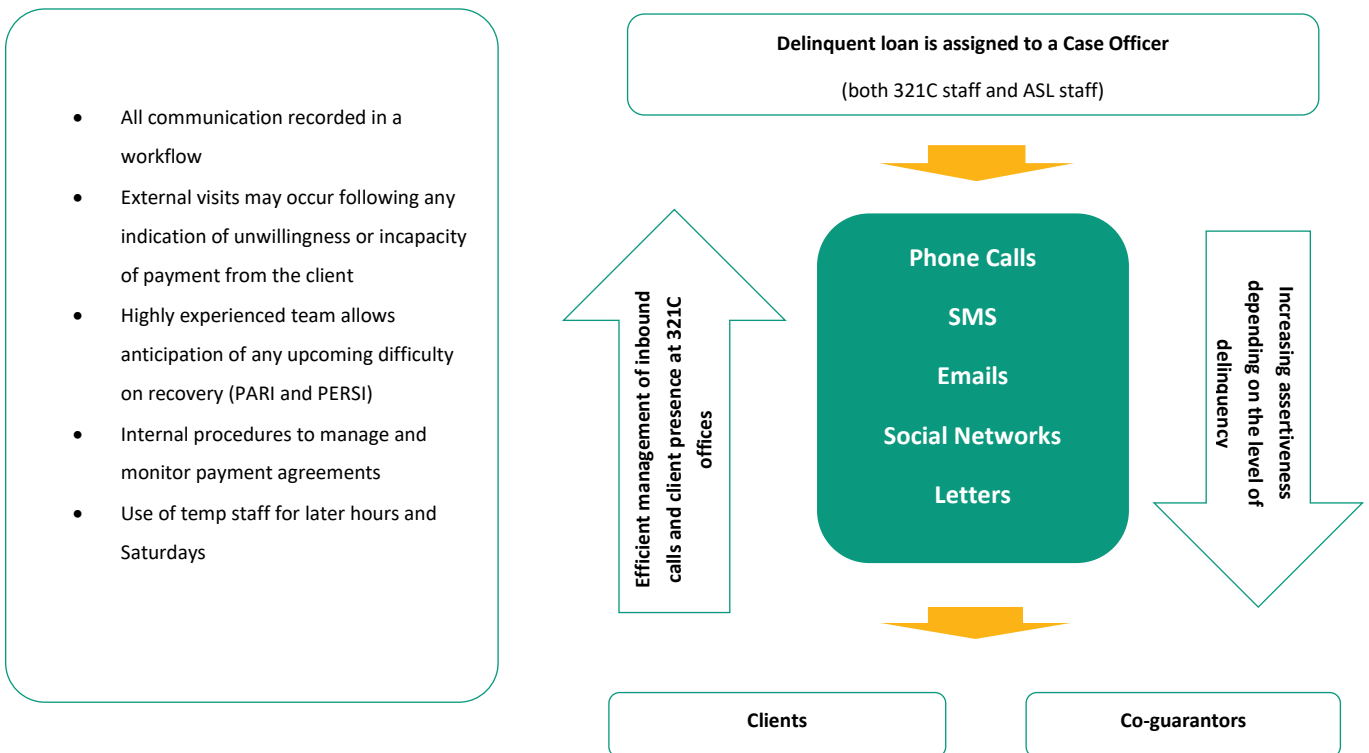
The Originator's collection and recoveries process can be summarised as follows:



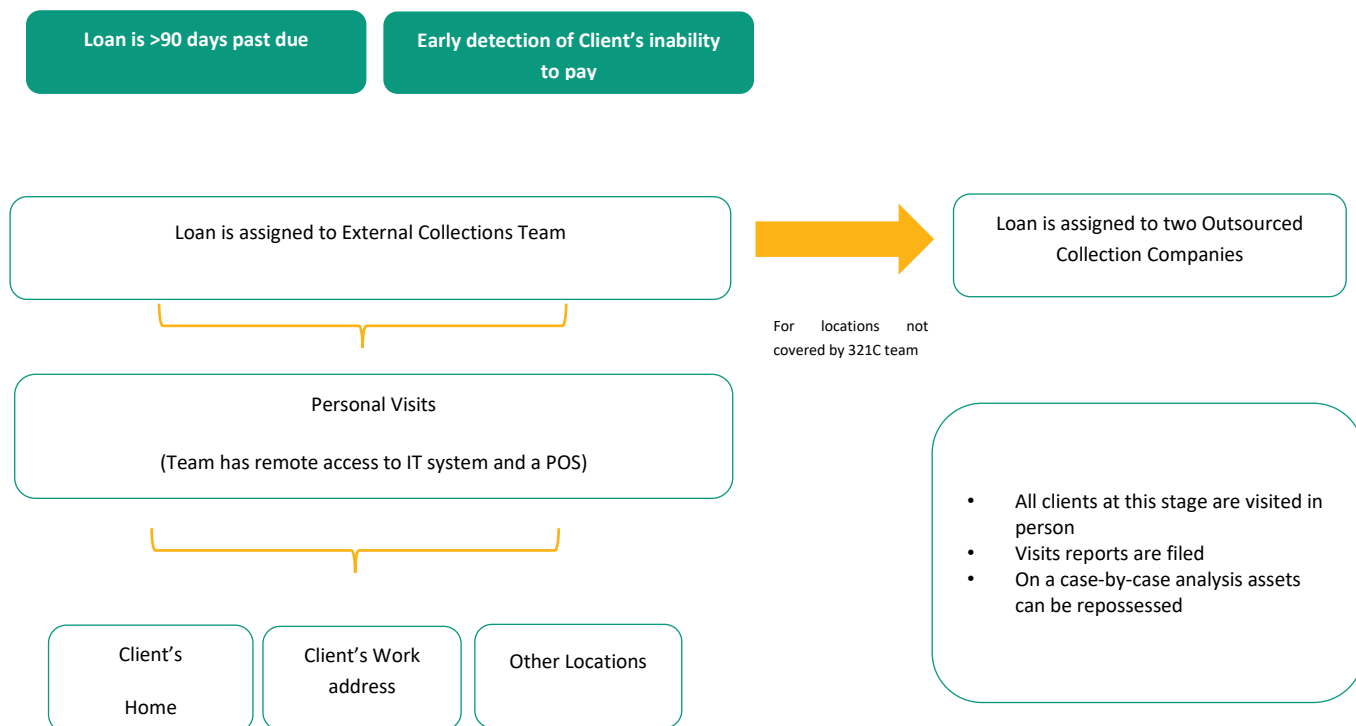
Pre-payment requests must be submitted in writing. Pre-payments are currently running at an average 9% gross.



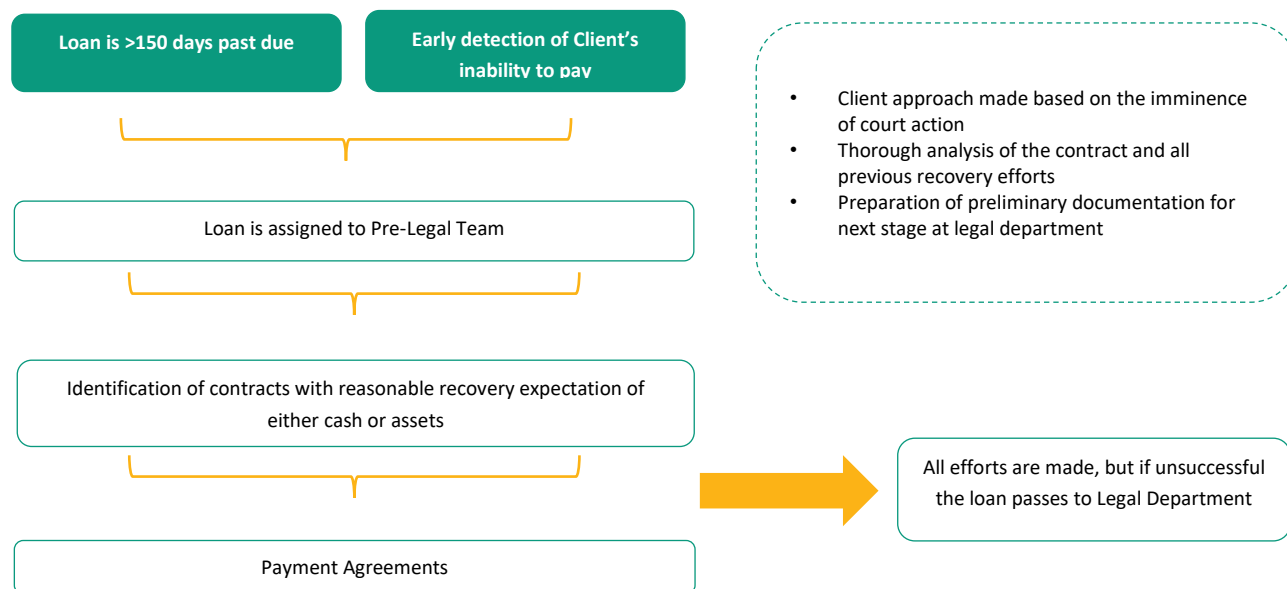
The Company pays particular attention to the recovery of monies due during the early stages (up to 90 days) of delinquency, through a comprehensive process performed at its own call center staffed by a combination of 321Crédito personnel and personnel from ASL, an outsourcer who operates exclusively for the Company, in its own premises and in compliance with 321Crédito's collection processes.



Files past due between 90 and 150 days are assigned to external collection officers (or outsourced to external collection firms for the most remote areas of the country).



Files with monies over 150 days past due are transferred to the pre-legal stage with a view to achieve an amicable settlement:



## 5. Judicial Recovery

In most of the cases, when a loan has 7 to 8 instalments in arrears, it is generally transferred to the litigation area of the Legal and Recoveries Department and legal proceedings regarding such defaulted loan commence. The loan is then accelerated, and all amounts become immediately due and payable.

The purpose of the judicial recovery phase is to enforce the debt through legal proceedings.

321Crédito's in house lawyers as well as bailiffs and external lawyers work in close cooperation with 321Crédito carry out enforcement.

Following acceleration of the loan, the relevant lawyer entrusts the collection process to a bailiff, who has discretion as to which course of action to pursue within the general framework specified by the Company.

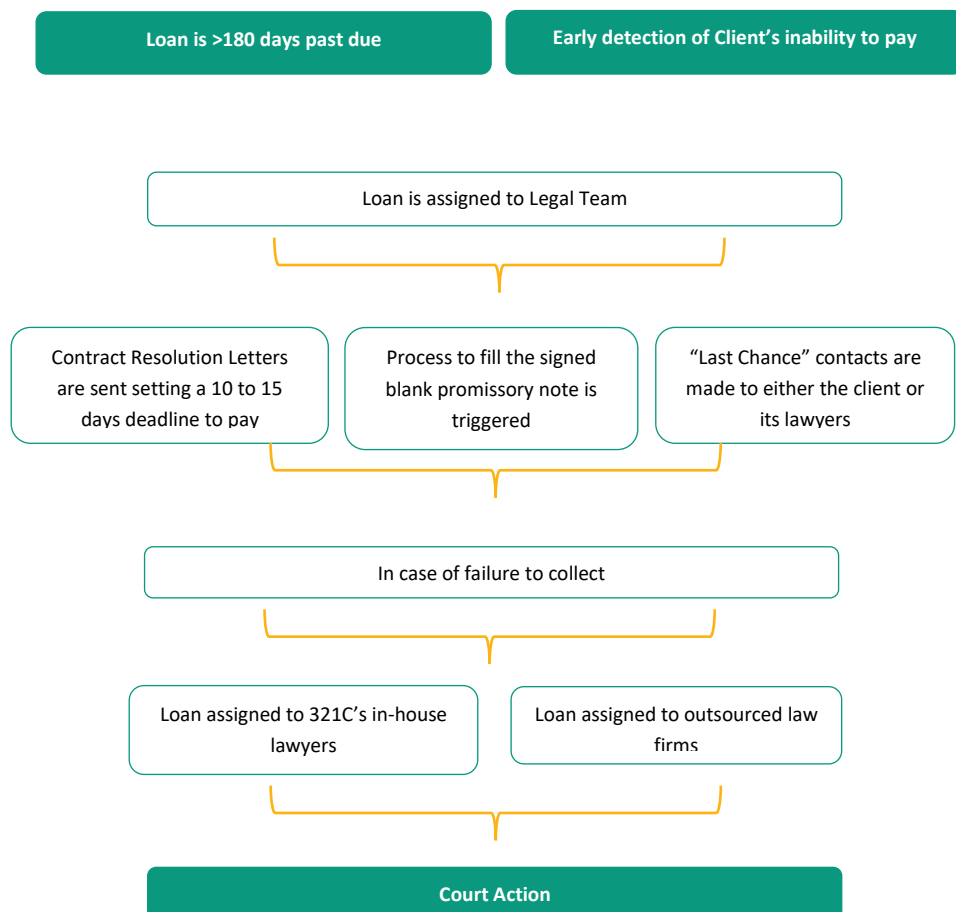
As all loans are supported by a promissory note, the litigation process essentially consists in registering the claim through the Citius web site of the Justice Ministry in order to get the court order for payment.

At all stages of the recovery processes (pre legal or legal), repossessed vehicles are generally sold via public auctions. 321Crédito has a team of professionals dedicated to the sale of recovered vehicles and works in close collaboration with two auctioneers.

If the parties fail to come to an amicable settlement and all available legal remedies are exhausted, the Company may determine that the debtor is unlikely to repay the outstanding debt. In such event, the Originator may deem the outstanding debt to be irrecoverable and write it off and reported to the Bank of Portugal as such.

Notwithstanding the company continues to monitor written off amounts which it tries to collect as soon as it identifies changes in the relevant debtors' situation.

The judicial recoveries process can be summarised as follows:



## DESCRIPTION OF THE ISSUER

### 1. Legal and Commercial name of the Issuer

The legal name of the Issuer is Tagus – Sociedade de Titularização de Créditos, S.A. and the most frequent commercial name is TAGUS STC.

### 2. Incorporation, registration, legal form, head-office and contacts of the Issuer and legislation that governs the Issuer's activity

The Issuer was incorporated on 11 November 2004 as a limited liability company by shares registered and incorporated under the laws of Portugal on 11 November 2004 as a special purpose vehicle (known as “**Securitisation Company**” or “**STC**”) with the legal and corporate name “Tagus – Sociedade de Titularização de Créditos, S.A.” for the purpose of issuing asset-backed securities under the Securitisation Law and has been duly authorised by the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários, the “**CMVM**”) through a resolution of the Board of Directors of the CMVM for an unlimited period of time, with CMVM registration number 9114.

The Issuer is registered with the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 507 130 820.

The Legal Entity Identifier (LEI) code of the Issuer is 213800D3OXAL3N7T1S19.

The Issuer has no subsidiaries.

The registered office of the Issuer is at Rua Castilho, 20, 1250-069 Lisbon, Portugal. The contact details of the Issuer are as follows: telephone number (+351) 21 311 1200; fax number (+351) 21 352 6334.

### 3. Main activities

The principal corporate purposes of the Issuer are set out in its articles of association (*Estatutos* or *Contrato de Sociedade*) and permit, *inter alia*, the purchase of a number of portfolios of assets from public and private entities and the issue of notes in series to fund the purchase of such assets and the entry into the relevant transaction documents to effect the necessary arrangements for such purchase and issuance including making appropriate filings with Portuguese regulatory bodies and any other competent authority and any relevant stock exchange.

### 4. Corporate bodies

#### *Board of Directors*

The current board of directors of the Issuer appointed for the term 2019/2021, their respective business addresses are:

Name	Function	Business Address	Principal activities outside of the Issuer
Catarina Isabel Lopes Antunes Ribeiro Gil Mata*	President	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Representative of Deutsche Bank Aktiengesellschaft
Rui Paulo Menezes Carvalho	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Representative of Deutsche Bank Aktiengesellschaft
Rafe Nicholas Morton* <sup>2</sup>	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Officer of Deutsche Bank Aktiengesellschaft

\* Mr. José Francisco Gonçalves de Arantes e Oliveira was originally appointed for this mandate, but resigned, with effective date 17 September 2020, when Mrs. Catarina Isabel Lopes Antunes Ribeiro Gil Mata was appointed as new board member.

\*<sup>2</sup> Mr. Rafe Nicholas Morton was originally appointed for this mandate, but resigned, with effective date 31 December 2021.

On 31 March 2022, the General Meeting of the Issuer approved the election of corporate officers for the 2022-2024 term of office, re-appointing Mrs. Catarina Isabel Lopes Antunes Ribeiro Gil Mata and Mr. Rui Paulo Menezes Carvalho and appointing Mr. David Richard Contino as board member. This has been submitted to the CMVM for non-opposition and accordingly the board members in effective exercise of their functions are Mrs. Catarina Isabel Lopes Antunes Ribeiro Gil Mata and Mr. Rui Paulo Menezes Carvalho under their earlier appointment.

Name	Function	Business Address	Principal activities outside of the Issuer
Catarina Isabel Lopes Antunes Ribeiro Gil Mata	President	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Representative of Deutsche Bank Aktiengesellschaft
Rui Paulo Menezes Carvalho	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Representative of Deutsche Bank Aktiengesellschaft
David Richard Contino	Member	Winchester House, 1, Great Winchester, London EC2N 2DB	Head of Debt & Agency EMEA and Director of Deutsche Bank London

There are no potential conflicts of interest between any duties of the persons listed above to the Issuer and their private interests.

#### *Supervisory Board*

The members of the supervisory board of the Issuer, appointed for the term 2019/2021, their principal activities outside of the Issuer and their respective business addresses are:

Name	Function	Business Address	Principal activities outside of the Issuer
Leonardo Bandeira de Melo Mathias	Chairman	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Member of the Advisory Board da Strategic Value Partners SVP Global; Vice-president of Cascais – Invest - Association for investment and economic development of Cascais Municipality; Managing Partner of Ombú Capital, Lda.

Pedro António Barata Noronha de Paiva Couceiro	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Director of–Sugal - Alimentos, S.A., Tomates del Sur, S.L.U. and Docelicia, SL
João Alexandre Marques de Castro Moutinho Barbosa	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Chief Executive Officer of Grande Enseada Capital, Sociedade de Capital de Risco, S.A.
João Miguel Leitão Henriques	Alternate	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Central Director of DLC, Logistics and Procurement Division of Banco Comercial e de Investimentos, S.A. (Mozambique)

On 31 March 2022, the General Meeting of the Issuer approved the election of corporate officers for the 2022-2024 term of office, re-appointing Mr. Leonardo Bandeira de Melo Mathias, Mr. Pedro António Barata Noronha de Paiva Couceiro as supervisory members and appointing Mr. João Miguel Leitão Henriques as member and Mr. Francisco Miguel Pinheiro Catalão as alternate member of the Supervisory Board. This has been submitted to the CMVM for non-opposition and accordingly the board members in effective exercise of their functions are the ones appointed for the term 2019/2021.

Name	Function	Business Address	Principal activities outside of the Issuer
Leonardo Bandeira de Melo Mathias	Chairman	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Member of the Advisory Board da Strategic Value Partners SVP Global; Vice-president of Cascais – Invest - Association for investment and economic development of Cascais Municipality; Managing Partner of Ombú Capital, Lda.
Pedro António Barata Noronha de Paiva Couceiro	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Director of–Sugal - Alimentos, S.A., Tomates del Sur, S.L.U. and Docelicia, SL
João Miguel Leitão Henriques	Member	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Central Director of DLC, Logistics and Procurement Division of Banco Comercial e de Investimentos, S.A. (Mozambique)
Francisco Miguel Pinheiro Catalão	Alternate	Rua Castilho, 20, 1250-069 Lisbon, Portugal	Director of the Treasury Department at Novabase



The members of the supervisory board were appointed by the Shareholders General Meeting and the relevant term of office is of 3 years.

#### *Independent statutory auditor*

The Issuer's independent statutory auditor (*revisor oficial de contas*) and external auditor for the year ended on 31 December 2020 and on 31 December 2021 was **Mazars & Associados, Sociedade de Revisores Oficiais de Contas, SA** ("**Mazars**"), which is registered with the Chartered Accountants Bar under number 51 (and registered auditor with CMVM under number 20161394) and is represented by Fernando Jorge Marques Vieira, ROC no. 564. The registered office of Mazars is Rua Tomás da Fonseca, Centro Empresarial Torres de Lisboa, Torre G, 5th floor, 1600-209 Lisbon, Portugal. Mazars has taxpayer number 502 107 251.

Mazars (represented by Fernando Jorge Marques Vieira) was appointed by resolution of the Issuer's Shareholder General Meeting, dated 13 February 2020, and the relevant term of office is 2 years.

#### *Shareholders General Meeting*

The chairman of the Issuer's Shareholder General Meeting is Hugo Moredo Santos and the secretary of the Issuer's Shareholder General Meeting is Tiago Correia Moreira.

The Issuer has no employees. The secretary of the company of the Issuer is Helena Lopes, with offices at Rua Castilho, 20, 1250-069 Lisbon, Portugal.

### **5. Legislation governing the Issuer's activities**

The Issuer's activities are governed by the Securitisation Law and supervised by the CMVM.

### **6. Insolvency of the Issuer**

The Issuer is a special purpose vehicle and as such it is not permitted to carry out any activity other than the issue of securitisation notes and certain activities ancillary thereto including, but not limited to, the borrowing of funds in order to ensure that securitisation notes have the necessary liquidity support and the entering into of documentation in connection with each such issue of securitisation notes.

Accordingly, the Issuer will not have any creditors other than the Portuguese Republic in respect of tax liabilities, if any, the Noteholders and the Transaction Creditors, third parties which are creditors for Issuer Expenses, and noteholders and other creditors in relation to other series of securitisation notes issued or to be issued in the future by the Issuer from time to time.

The segregation principle imposed by the Securitisation Law and the related privileged nature of the noteholders' entitlements, on the one hand, together with the own funds requirements and the limited number of general creditors an STC may have, on the other, makes the insolvency of the Issuer a remote possibility. In any case, under the terms of the Securitisation Law, such remote insolvency would not prevent Noteholders from enjoying privileged entitlements to the Receivables Portfolio.

### **7. Capital Requirements**

The Securitisation Law imposes on the Issuer certain capitalisation requirements for supervisory purposes.

Apart from the minimum share capital, a securitisation company ("**STC**" or *sociedade de titularização de créditos*) must also meet certain own funds levels. Under Article 43 of the Securitisation Law (by reference to Article 19 of the Securitisation Law, which in turn refers to Article 71-M of Law 16/2015 of 24 February, as amended from time to time), STC own funds levels must at all times be equal to or higher than the highest of the following amounts: (1) the amount based on general fixed costs of the STC calculated in accordance with Article 97(1) to Article 97(3) of the CRR, (2) the minimum initial capital (*capital inicial mínimo*) of €125,000.00, and (3) the amount under (b) below.

If an STC's total net asset value exceeds €250,000,000.00 (as is the case of the Issuer on the date hereof), and without prejudice to the above paragraph, its own funds shall not be lower than the sum of the following (subject to a maximum amount of own funds hereunder of €10,000,000.00):

- a) the Issuer's minimum initial capital (*capital inicial mínimo*) of €125,000,00; and
- b) 0.02% of the amount in which the total net asset value exceeds €250,000,000.

If the STC benefits from a guarantee by a credit institution or insurance undertaking with head office in the EU of the same amount as the amount under (b) above, the amount required under (b) above may be reduced to 50% for the purposes of calculating the STC's level of own funds.

An STC can use its own funds to pursue its activities. However, if at any time the STC's own funds fall below the percentages referred to above the STC must, within 3 months, ensure that such percentages are met. CMVM will supervise the Issuer in order to ensure that it complies with the relevant capitalisation requirements.

The required level of capitalisation can be met, *inter alia*, through share capital, ancillary contributions (*prestações acessórias*), and reserves as adjusted by profit and losses, subject to the applicable legal requirements, including the CRR.

The entire authorised share capital of the Issuer corresponds to €888,585.00 and comprises 177,717 issued and fully paid shares of €5.00 each.

The amount of supplementary capital contributions (*prestações acessórias*) compliant with Tier 2 requirements under the CRR made by Deutsche Bank Aktiengesellschaft (the "**Shareholder**") amount to €880,000.00 and they relate to, and form part of, the Issuer's regulatory own funds.

## 8. The Shareholder

All of the shares of the Issuer are held directly by the Shareholder. There are not any special mechanisms in place to ensure that control is not abusively exercised. Risk of control abuse is mitigated by the provisions of the Securitisation Law and the remainder applicable legal and regulatory provisions and the supervision of the Issuer by the CMVM.

## 9. Capitalisation and indebtedness of the Issuer

The following table and financial information set out the capitalisation and indebtedness of the Issuer, adjusted to give effect to the issue of the Notes on the Closing Date:

Capitalisation and indebtedness of the Issuer	As at 31 March
<b>Indebtedness</b>	
<b>Ulisses Finance No. 3</b>	<b>€203,300,000</b>
Class A Notes	€168,000,000
Class B Notes	€8,000,000
Class C Notes	€12,000,000
Class D Notes	€6,000,000
Class E Notes	€5,000,000

Class F Notes	€1,000,000
Class G Notes	€1,500,000
Class Z Notes	€1,800,000
<b>Other Securitisation Transactions</b>	<b>€5,864,932,362.39</b>
<b>Total Securitisation Transactions</b>	<b>€6.068.232.362,39</b>
Share capital (Authorised €888,585.00; Issued 177,717.00 ordinary shares with a par value of €5.00 each)	€888,585.00
Ancillary Capital Contributions	€880,000.00
Reserves and Retained Earnings	€657,661.07
<b>Total Capitalisation</b>	<b>€2,426,246.07</b>

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#### **10. Other securities of the Issuer**

The Issuer has not issued any convertible or exchangeable securities/notes.

#### **11. Financial statements**

Audited (non-consolidated) financial statements of the Issuer are to be published on an annual basis and are certified by an auditor registered with the CMVM. The first audited (non-consolidated) financial statement is for the period starting on the date of incorporation and ending on 31 December 2005.

## OVERVIEW OF THE ORIGINATOR

321Crédito - Instituição Financeira de Crédito, S.A. ("**321Crédito**" or the "**Originator**" and the "**Company**") is a company that was incorporated in 2003 under Portuguese law as BPN Crédito S.A. and with the tax identification number 502488468. The company as financial entity is fully regulated by Bank of Portugal.

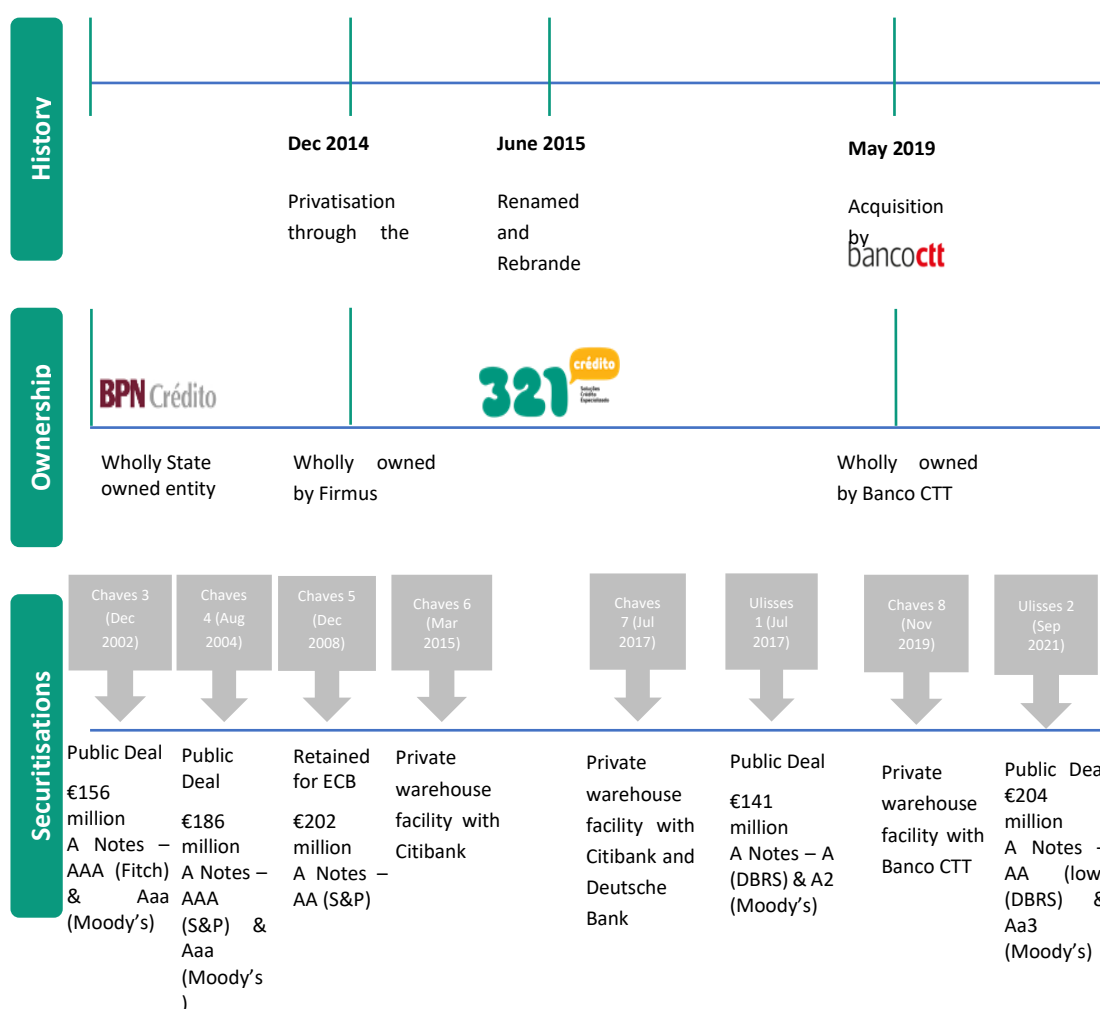
Headquartered in Lisbon and with offices in Porto and Leiria, the Company was rebranded as 321Crédito in 2015.

In May 2019 the company was acquired by Banco CTT S.A. ("**Banco CTT**"), a Portuguese licensed bank.

### 1. History and organisation

Throughout its history the Company became a reference in consumer lending in Portugal and particularly in the financing of used vehicles purchased by individuals and to a much lesser extent small owner managed companies and maintained a regular presence in the capital markets.

Since 2015 the Company operates exclusively in the financing of the purchase of used cars, fully secured by a property reserve clause on the vehicles financed.



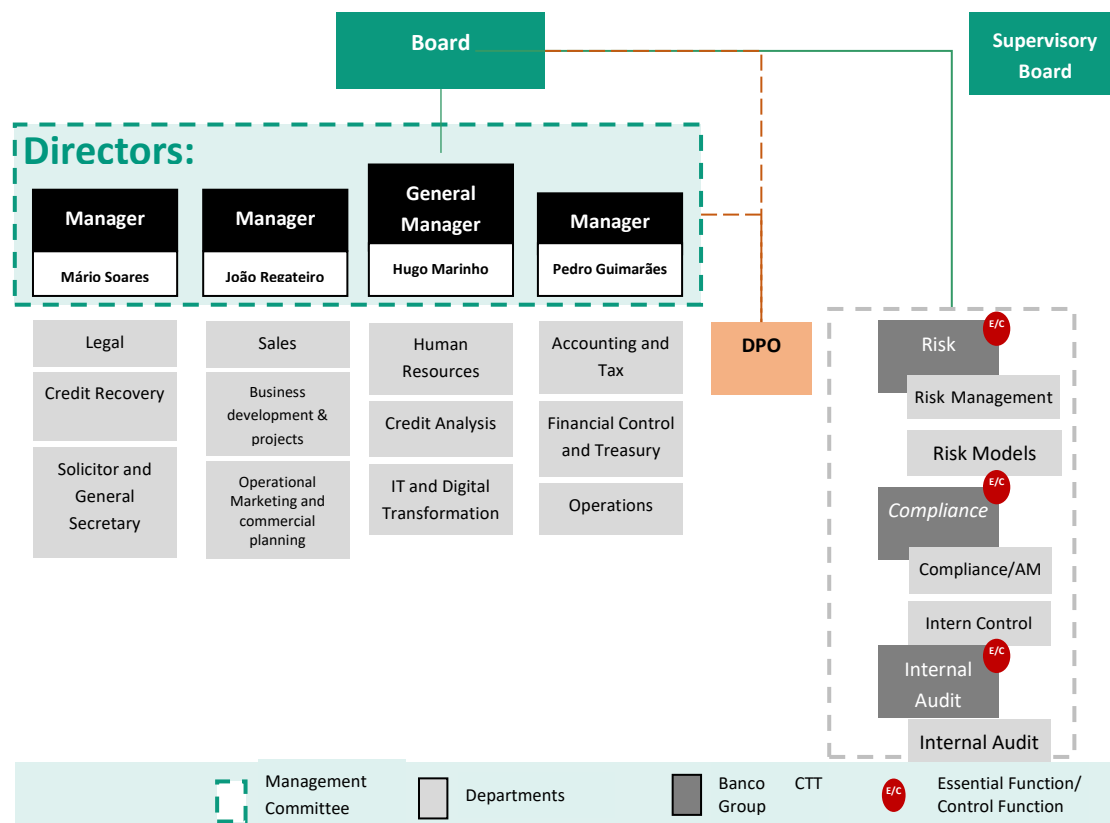
### 2. Shareholder structure

321Crédito is a wholly owned subsidiary of Banco CTT which is wholly owned by CTT – Correios de Portugal, S.A. ("**CTT**").

Banco CTT is a fully licensed Bank regulated by Bank of Portugal, incorporated in 2015.

CTT is the Portuguese Postal Company, a listed company and a brand with 500 years of history.

### 3. Corporate structure and management



#### Board of Directors

The Board of Directors has the overall responsibility for the Company, including approving and overseeing the definition and the implementation of the business strategy and risk strategy.

The Board of Directors approves and monitors monthly the execution of the policies for risk, risk management and compliance, internal control system, corporate governance framework, principles and corporate values and the financial soundness of the Company.

Currently the three members of the Board of Directors are also members of the Board of Directors of the sole shareholder Banco CTT.

#### Management Committee

Day to day management is entrusted to an experienced team of executives, with an average seniority in the Company of over 15 years and overseen by a Management Committee comprising the General Manager, the Commercial Manager, the Financial Manager and the Legal Manager.

The Management Committee meets formally on a weekly basis.

#### Supervisory Board

A Supervisory Board (*Conselho Fiscal*) of three independent members, that cannot belong to the Board of Directors and were selected for their relevant professional experience and their corporate governance skills, supervises the business of the Company.

### *Control Functions*

In compliance with the applicable Bank of Portugal regulations, three officers perform the duties of Compliance, Internal Audit and Risk Management, deemed by the supervisory authority as Essential Functions.

Since Banco CTT's acquisition in 2019 these positions are performed at a group level and the holders of these positions act in a totally independent manner, with full autonomy and are accountable to the Board of Directors only.

### *Other*

The Company's accounts up to 2020 were audited by KPMG & Associados, Sociedade de Revisores Oficiais de Contas, SA (CMVM number: 20161489), and since 2021 are audited by Ernst & Young Audit & Associados, SROC, SA. (CMVM number: 20161480).

## **4. Corporate governance and Compliance**

In addition to the work performed by the group's and Company's Compliance and Internal Audit Units, 321Crédito invests heavily in the training of all its personnel in key areas such as supervisory and regulatory matters, fraud prevention, money laundering and terrorism finance as well as data protection.

The Compliance and Internal Audit Units, who formally report progress on a quarterly basis, submit annual Action Plans to the Board's approval.

At a higher level, the Company has appointed a Supervisory Board charged, inter alia, with the oversight of the adequacy of the Company's Corporate Governance and Compliance framework.

Finally, the Company subscribes to an environmental, social and governance policy.

## **5. Personnel**

As of January 2022, the Company employed 142 people, broken down as follows (Tenure means time at the service of the 321Crédito):

Department	Number of Employees	Seniority (Avg)
Executive Committee	4	15
Internal Audit	1	1
Risk Management	1	4
Risk Models	4	9
Compliance / AML	3	20
Internal Control	1	22
Human Resources	2	13
Sales	26	17
Operational Marketing	11	10
Credit Analysis	10	16
Underwriting	4	10
Operations	34	13
Credit Recovery	12	17
Legal	6	18
Solicitor and Gen. Secretary	3	21
Accounting and Tax	8	22
Financial Control and Treasury	5	13

IT and Coms	5	15
Digital Transformation	2	1

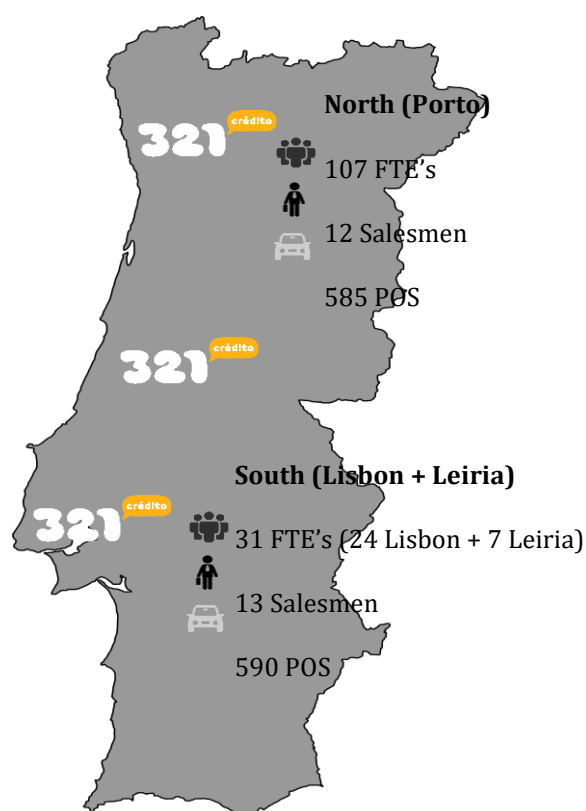
## 6. Sales and Service

The extensive experience of the management team combined with the Board's hands on approach and support and the Company's high levels of service quality, have potentiated 321Crédito's strategy aiming to become a relevant provider of simple, competitive, clear to understand and fully secured used car finance solutions.

In addition to the sales force of 26 people, 321Crédito employs a further 11 officers dedicated to tasks such as Marketing (3), POS service (4) and customer service (4). A further 34 people team perform operational duties primarily in the contracting area.

### National Coverage (as of Dec 2021)

HQ in Lisbon and Offices in Porto and Leiria



## 7. Underwriting

As detailed elsewhere in "Originator's Standard Business Practices, Servicing and Credit Assessment" Section, underwriting at 321Crédito comprises the management of the scoring framework performed by Risk Models department and the manual analysis performed by Credit Analysis department.

Underwriting is totally segregated from the Sales Department.

All loans relating to individual consumers are submitted to a scoring process and eventually, if circumstances so require, sent for further manual analysis by the Credit Analysis Department.

Loans relating to non-individual consumers (typically small owner managed companies) are always analysed manually.

All loans approved by the Originator are secured by a property reserve clause on the vehicle financed, registered with the Vehicle Licensing Authority.

Approval is always subject to the verification of all relevant documentation and it is subject to contract.

## **8. Operations**

Once the end consumer signs the contract, the Operations Department checks the completeness of the documents submitted by the borrower(s) and the guarantors (if applicable) as well as to their veracity and accuracy.

All steps from the initial proposal to the issuing of the final contract are performed and recorded in the Company's workflow and core system (Accipiens).

Finally, and after all checks have come back positive, the Operations Department authorises the Accounting Department to pay the dealer concerned.

## **9. Accounting, Tax, Financial Control**

Accounting and Financial Control of the Company are performed by highly experienced teams headed by the Financial Manager. In addition to payments, this includes all accounting and tax duties as well as the management of the Company's MIS, the preparation of the annual accounts, financial forecasts, submission of all regulatory reports and the management and reporting of the financial KPI's and their submission to the Board of Directors.

The department is also responsible for the management of the Company's liabilities and treasury and in particular the preparation and servicing of the securitisation facilities central to the funding of the business.

## **10. IT**

Staffed by 7 people the IT Unit is responsible to the maintenance and performance of the IT platform, including the maintenance of the Company's core software, Accipiens, as well as for the communications infrastructure used by the company.

Accipiens is a well-known credit business core system, widely used nationally and internationally by other competitors. Its inception in 2020, concluded the desired step up of the company technological framework opening new and bright perspectives on the future business development.

321Crédito outsources the hosting of its core IT infrastructure to Kyndryl (former IBM), under SLA's, thus ensuring best in class disaster recovery, back up and redundancy. Back-ups are performed daily and stored offsite.

The Company's IT architecture includes both internal and external platforms. External platform includes all applications and services of 321Crédito used by external users like the Dealers Portal and simulator, Customer Portal and Lawyer Portal. It also includes 3<sup>rd</sup> party services as access Bank of Portugal database, Eurotax database, etc

Internal platform means Core system application, Accipiens, DataWarehouse and Business Intelligence, and other internal services and applications (Scoring Model, Impairment Model).

From a cybersecurity perspective please find on the below table the main features.



Hardware	<ul style="list-style-type: none"> <li>• All servers, central machines and computers network are stored and managed by IBM</li> </ul>
Firewalls	<ul style="list-style-type: none"> <li>• First Level with 2 Fortigates (Intrusion Prevention, Packet Filtering, Anti-Viruses and VPN Access)</li> <li>• Second Level with 2 checkpoints (internal and external traffic analysis, Internet traffic, Anti-viruses, URL filtering)</li> </ul>
Systems Backups	<ul style="list-style-type: none"> <li>• Performed by IBM on a daily basis in duplicated tapes. One tape is stored in Lisbon and another in Oporto</li> </ul>
Disaster Recovery and Business Continuity Plans	<ul style="list-style-type: none"> <li>• Designed by 321C and IBM, defines all needed procedures to ensure business continuity in a post disaster event. Compliant with all best practices and regulations.</li> </ul>

## 11. Legal and Recoveries

Staffed by 21 people, including 4 lawyers, the department is responsible to ensure that monies due are collected and guarantees are enforced.

The department also manages 321Crédito's relationships with a selected number of law firms, remunerated on a success fee basis only and who assist the company in the legal proceedings regarding the recovery of monies due.

Finally, the Legal and Recoveries Department also reviews and approves all contracts entered into by the Company including, but not limited to supplier contracts, rental agreements, recruitment contracts.

Please refer to section headed "**Originator's Standard Business Practices, Servicing and Credit Assessment**" for a detailed description of 321Crédito's Legal and Recoveries framework and processes.

#### **DESCRIPTION OF THE ACCOUNTS BANK**

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German banking law. Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin).

#### **DESCRIPTION OF THE SWAP COUNTERPARTY**

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK is a company incorporated as a French société anonyme having its registered office at 12 place des Etats-Unis - CS 70052, 92547 Montrouge Cedex and registered with number 304 187 701 RCS Nanterre.

Crédit Agricole Corporate and Investment Bank is a credit institution approved in France and authorised to conduct all banking operations and provide all investment and related services referred to in the French Monetary and Financial Code (Code Monétaire et Financier). In this respect, Crédit Agricole CIB is subject to oversight of the European and French responsible supervisory authorities, particularly the European Central Bank and the French Prudential and Resolution Supervisory Authority (ACPR). In its capacity as a credit institution authorised to provide investment services, it is subject to the French Monetary and Financial Code (Code Monétaire et Financier), particularly the provisions relating to the activity and control of credit institutions and investment service providers.

## SELECTED ASPECTS OF PORTUGUESE LAW RELEVANT TO THE RECEIVABLES AND THE TRANSFER OF THE RECEIVABLES

### Securitisation Legal Framework

#### General

The Securitisation Law has implemented a specific securitisation legal framework in Portugal, which contains the process for the assignment of credits for securitisation purposes. The Securitisation Law regulates, amongst other things: (a) the establishment and activity of Portuguese securitisation vehicles (i.e. entities capable of acquiring credits from originators for securitisation purposes), (b) the type of credits that may be securitised, and (c) the entities which may assign credit for Securitisation purposes and (d) the conditions under which credits may be assigned for securitisation purposes. It expressly implements the EU Securitisation Regulation and the concept of STS Securitisation into Portuguese law.

Some of the most important aspects of the Securitisation Law include:

- a) the establishment of special rules facilitating the assignment of credits in the context of securitisation transactions;
- b) the establishment of the types of entities (referred to as originators) which may assign their credits pursuant to the Securitisation Law;
- c) the establishment of the types of credits that may be assigned for non-STs securitisation purposes and the legal eligibility criteria that they have to comply with (bearing in mind the EU Securitisation Regulation sets these out for STS securitisation purposes);
- d) the creation of two different types of securitisation vehicles: (i) credit securitisation funds (*Fundos de Titularização de Créditos* – “FTC”) and (ii) credit securitisation companies (*Sociedades de Titularização de Créditos* – “STC”).

#### STC Securitisation Companies

STCs are established for the exclusive purpose of carrying out securitisation transactions in accordance with the Securitisation Law. The following is a description of the main features of an STC.

##### *Corporate Structure*

STCs are commercial companies incorporated with limited liability (*sociedades anónimas*), having a minimum initial capital (*capital inicial mínimo*) of €125,000. The shares representing the share capital of an STC can be held by one or more shareholders. STCs are subject to the supervision of the CMVM and their incorporation is subject to the prior authorisation of the CMVM. STCs are subject to ownership requirements. A prospective shareholder must obtain authorisation from the CMVM in order to establish an STC. CMVM authorisation depends upon the verification of certain conditions as set out in Article 17-D of the Securitisation Law. These include (i) requirements related to minimum initial capital, share capital structure, and own funds, among others, as set out in Article 17 and in Article 19 of the Securitisation Law, and (ii) compliance with soundness and prudence requirements applicable to management and supervisory bodies as set out in Articles 17-H and 17-I of the Securitisation Law.

If a qualifying holding in shares of an STC is to be transferred to another shareholder or shareholders, prior authorisation of the CMVM of the prospective shareholder must be obtained, with the prospective shareholder being required to demonstrate that it can provide the company with a sound and prudent management in accordance with the requirements set out in the Securitisation Law. The qualifying holding interest of the new shareholder in the STC must be registered within 15 days of the purchase.

### *Regulatory Compliance*

To ensure the sound and prudent management of STCs, the Securitisation Law provides that the members of the board of directors and the members of the supervisory audit board meet high standards of professional qualification and personal reputation.

The members of the board of directors and the members of the supervisory board must be notified in advance to CMVM.

### *Corporate Object*

STCs can only be incorporated for the purpose of carrying out one or more securitisation transactions by means of the acquisition, management and transfer of receivables and the issue of securitisation notes for payment of the purchase price for the acquired receivables.

An STC may primarily finance its activities with its own funds and by issuing notes.

Without prejudice to the above, pursuant to the Securitisation Law, STCs are permitted to carry out certain financial activities, but only to the extent that such financial activities are (i) ancillary to the issuance of the securitisation notes, and (ii) aimed at ensuring that the appropriate levels of liquidity funds are available to the STC.

### *Types of credits which may be securitised and types of assignors*

The Securitisation Law sets out details of the types of credits that may be securitised for non-STs securitisation purposes and specific legal eligibility criteria requirements which have to be met in order to allow such credits to be securitised. For STS securitisation purposes, these requirements are set out in the EU Securitisation Regulation.

The Securitisation Law allows a wide range of entities (referred to as originators) to assign their credits for securitisation purposes, including the Portuguese Republic, public entities, credit institutions, financial companies, insurance companies, pension funds, pension fund management companies and other corporate entities whose accounts have been audited for the last 3 years by an auditor registered with the CMVM.

### *Assignment of credits*

Under the Securitisation Law, the sale of credits for securitisation is carried out by way of assignment of credits. In this context, the following should be noted:

#### *a) Notice to Debtors*

In general, and as provided in the Portuguese Civil Code (Código Civil), an assignment of credits is effective against the relevant debtor after notification of assignment is made to such debtor or in cases where the assignment is accepted by the debtor. The Portuguese Civil Code does not require any specific formality for such notification to be made to the debtor.

An exception to this general rule applies when the assignment of credits is made under the Securitisation Law, as the assignment will become effective vis-à-vis the respective debtors, once it is effective between the assignor and assignee, if the assignor is either the Portuguese State, the Social Security, a credit institution, a financial company, an insurance company, a pension fund or pension fund manager.

Additionally, the CMVM may authorise the extension of the aforementioned rule in certain duly justified cases, when the entity that has a relationship with the debtors is also the servicer of the credits. In those cases, there is no requirement to notify the relevant debtor since such assignment is effective in relation to any third party from the moment it becomes effective between assignor and assignee.

Accordingly, in the situation set out in the preceding paragraph, any payments made by the debtor to its original creditor after an assignment of credits made pursuant to the Securitisation Law will effectively belong to the

assignee who may, at any time and even in the context of the insolvency of the assignor, claim such payments from the assignor.

b) Assignment Formalities

There are no specific formality requirements for an assignment of credits under the Securitisation Law. A written private agreement between the parties is sufficient for a valid assignment to occur. Transfer by means of a public deed is not required. In the case of an assignment of loans with underlying mortgages or other guarantees subject to registration under Portuguese law, the signatures to the assignment contract must be certified by a notary public or by the company secretary of each party (when the parties have appointed such a person).

However, to perfect an assignment of Related Security that is subject to registration at a public registry (as is the case of mortgages over vehicles (*hipotecas sobre veículos automóveis*)), the assignment must be followed by the corresponding registration (as described in the paragraph below) of the transfer of the Related Security. The assignment of any security which is subject to registration is only effective against third parties acting in good faith further to registration of such assignment with the competent registry by or on behalf of the assignee. The Issuer is entitled under the Securitisation Law to carry out such registration. No such registration will be made until the occurrence of a Notification Event. Where the Related Security is taken over a Vehicle, equipment or any type of property, this shall not be assigned nor registered in relation therewith to the Issuer, prior to the delivery of an Enforcement Notice.

The Securitisation Law provides for the assignment of credits to be effective between the parties upon execution of the relevant assignment agreement. This means that in the event of insolvency of the assignor prior to registration of the assignment of credits where the assignment of credits becomes effective between the parties upon execution of the relevant assignment agreement, the credits will not form part of the insolvent estate of the assignor, even if the assignee may have to claim its entitlement to the assigned credits before a competent court.

c) Assignment and Insolvency

Unless an assignment of credits is effected in bad faith or entails wilful misconduct with a view to hampering the interests of creditors that fulfil the criteria set in Articles 610 and 612 of the Portuguese Civil Code (*impugnação pauliana*), such assignment under the Securitisation Law cannot be challenged for the benefit of the assignor's insolvency estate and any payments made to the assignor in respect of credits assigned prior to a declaration of insolvency will not form part of the assignor's insolvency estate even when the term of the credits falls after the date of declaration of insolvency of the assignor. In addition, any amounts held by the servicer as a result of its collection of payments in respect of the credits assigned under the Securitisation Law will not form part of the servicer's insolvency estate.

*Risk of Set-off by Obligors*

a) General

The Securitisation Law does not contain any specific provisions in respect of set-off. Accordingly, Articles 847 to 856 of the Portuguese Civil Code are applicable. The Securitisation Law has an impact on set-off risk to the extent that, by virtue of establishing that the assignment of credits by the Portuguese State, the Social Security, a credit institution, a financial company, an insurance company, a pension fund or a pension fund manager is effective against the debtor on the date of assignment of such credits without notification to the debtor being required, it effectively prevents a debtor from exercising any right of set-off against an assignee if such right did not exist against the assignor prior to the date of assignment.

b) Set-off on insolvency

Under Article 99 of the Code for the Insolvency and Recovery of Companies, applicable to insolvency proceedings commenced on or after 15 September 2004, a debtor will only be able to exercise any right of set-off against a creditor after a declaration of insolvency of such creditor provided that, prior to the declaration of insolvency, (i) such set-off right existed, and (ii) the circumstances allowing set-off as described in Article 847 of the Portuguese Civil Code were met.

### *Relationship with Obligors*

Where the assignor of the credits is a credit institution, a financial company, an insurance company, a pension fund or a pension fund manager, the Securitisation Law establishes an obligation that the assignor must enter into a servicing agreement with the assignee for the servicing of the respective credits, simultaneously with the execution of the respective sale agreement. Notwithstanding, in certain duly justified cases, the CMVM may authorise the servicing of these credits to be made by a different entity from the assignor.

### *Retention of Title*

Some of the Receivables have the benefit of retention of title (*reserva de propriedade*). Under Portuguese Law it is debatable whether a retention of title (*reserva de propriedade*) is a form of collateral, it is market practice for lenders to grant an auto loan with the benefit of a retention of title (*reserva de propriedade*) of the vehicle. Consequently, provided that the lender has registered the vehicle in its name and, in such capacity, registered the retention of title in its name, immediately prior to the acquisition registration in the borrower's name, the lender (and seller of the relevant vehicle) has a property right over the vehicle until the loan is entirely repaid, and shall thus have the right to, in case the loan is not fully paid, take possession of the vehicle in case of default by the borrower since the lender is still the owner of the vehicle and would only cease to be so (with the ownership of the vehicle being transferred to the borrower) once the loan has been fully paid. After full payment of the vehicle, the relevant borrower shall request the extinction of the retention of title by presenting at the Portuguese Register and Notary Institute a requirement to register the vehicle (*Requerimento de Registo Automóvel*) and the document issued by the lender evidencing the repayment of the loan in full.

In light of the above, in the case of vehicles with the benefit of a retention of title (*reserva de propriedade*), the retention of title over the vehicle, equipment and/or any type of property will not be transferred and re-registered, but will instead remain registered in the name of the lender, without prejudice to the transfer of the entitlement to rights and benefits resulting therefrom to the extent permitted by law. Once the loan is fully repaid, the lender shall be bound to issue a document evidencing the payment of all contractual obligations which should allow the relevant Obligor to have the full and unencumbered title over the vehicle.

In the event of the insolvency of the lender, and under the Portuguese Securitisation Law, the benefit of the retention of title, together with other rights aimed at ensuring the repayment of the assigned receivables, would not form part of the Originator's general insolvency estate. Under the Portuguese Securitisation Law, the Related Security would not be included in insolvency estate of the lender and would be exclusively allocated to ensuring any payments due under the securitisation transaction. Only once all payments due thereunder have been fully satisfied, the remaining amounts and assets may be allocated to the satisfaction of other credit entitlements by other creditors of the lender.

### **Data Protection Law**

The legal framework on data protection results from Regulation No. 2016/679 of the European Parliament and of the Council (the "**General Data Protection Regulation**" or "**GDPR**"), of 27 April 2016 and Law no. 58/2019, of 8 August ("**Data Protection Law**") that supplements the GDPR, as a result of some GDPR opening clauses that allow the adoption of supplementary EU Data protection provisions. Both the GDPR and the Data Protection Law are applicable in Portugal.

The GDPR has a far-reaching scope and, besides few exceptions (such as household purposes) it applies each time a natural or legal person processes personal data. Since the key concepts of personal data and processing are broad, the GDPR is triggered each time data from natural persons is at stake (either by collecting, recording, storing, consulting, or other operations).

In any case, the GDPR introduced a paradigm shift as far as data protection rules and the rapport with the Portuguese Data Protection Authority ("**CNPD**") are concerned. In this respect, now the compliance onus is placed on data controllers and data processors, that must be able to demonstrate their compliance with the GDPR, i.e. the GDPR aims to foster self-regulation and accountability by organisations.

The assignment of credits to a third party in the context of this transaction does not result in a transfer of personal data and/or of the status/identity of the data controller. Moreover, notification of the abovementioned assignment is expressly noted as unnecessary under Portuguese civil law. Also, this operation falls into the typical activities to be developed by 321Crédito.

In the case of an Event of Default that results in the replacement of the entity acting as Servicer, and this entity is located outside the European Union or is an entity that is not subject to an adequacy decision issued by the Commission, the transfer of personal data shall be subject to the adoption of appropriate safeguards by the data controller

Note that, should any data processors be employed specifically in the context of given transaction (for example, in the context of IT services), it is necessary to ensure that a written contract is entered into with these entities, stating, among other mandatory references under the terms of the GDPR, that the processor shall process the personal data in the context of the execution of its services, on behalf of controller and exclusively for the services agreed between the parties. The processor undertakes to implement appropriate technical and organisational measures to protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, and against all other unlawful forms of processing.

#### **Portuguese Securitisation Tax Law**

Under the Portuguese Securitisation Tax Law, there is no withholding tax on the payments made by the Issuer to the Originator in respect of the purchase by the Issuer of the Receivables. Furthermore, the payment of Collections made in respect of the Receivables by the Servicer to the Issuer is not subject to withholding tax.

The Securitisation Tax Law allows for a neutral fiscal treatment of securitisation vehicles as well as tax exemptions regarding the amounts paid by the securitisation vehicles to non-resident entities without a permanent establishment in Portuguese territory. In addition, Article 4(1) of Securitisation Tax Law and Circular no. 4/2014 foresee that the income tax exemptions foreseen in Decree-Law 193/2005 may also be applicable on the Notes in the context of securitisation transactions if the requirements (including the evidence of non-residence status) set out in Decree-Law 193/2005 are met. Failure to evidence non-residence status by Noteholders will result in the application of the general Portuguese withholding tax rules, such as the application of a final withholding tax of 35% in the event that such non-resident entity is domiciled in a country or territory included in the list of countries pursuant to Ministerial Order no. 150/2004, of 13 February, as amended. A final withholding tax of 35% also becomes due if investment income payment is made to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties.

Other Portuguese tax issues relating to withholding tax, corporate tax, income tax, stamp duty, value added tax as regards the Notes are described in the section headed “**Taxation**”.



## OVERVIEW OF PROVISIONS RELATING TO THE NOTES CLEARED THROUGH INTERBOLSA

Interbolsa manages a centralised system (*sistema centralizado*) composed of interconnected securities accounts, through which such securities (and inherent rights) are held and transferred, and which allows Interbolsa to control at all times the amount of securities so held and transferred. Issuers of securities, financial intermediaries, the Bank of Portugal and Interbolsa, as the controlling entity, all participate in such centralised system.

The centralised securities system of Interbolsa provides for all the procedures required for the exercise of ownership rights inherent in notes held through Interbolsa.

In relation to each issue of securities, Interbolsa's centralised system comprises, inter alia, (i) the issue account, opened by the relevant issuer in the centralised system and which reflects the full amount of issued securities; and (ii) the control accounts opened by each of the financial intermediaries which participate in Interbolsa's centralised system, and which reflect the securities held by such participant on behalf of its customers in accordance with its individual securities accounts.

Securities held through Interbolsa will be attributed an International Securities Identification Number ("ISIN") code through the codification system of Interbolsa and will be accepted for clearing through LCH.Clearnet, S.A. as well as through the clearing systems operated by Euroclear and Clearstream, Luxembourg and settled by Interbolsa's settlement system. Under the procedures of Interbolsa's settlement system, settlement of trades executed through the Stock Exchange takes place on the second Business Day after the trade date and is provisional until the financial settlement that takes place through TARGET 2 on the settlement date.

### **Form of the Notes**

The Notes will be in book-entry (*forma escritural*) and nominative (*nominativa*) form and title to the Notes will be evidenced by book entries in accordance with the provisions of the Portuguese Securities Code and the applicable CMVM regulations. No physical document of title will be issued in respect of Notes held through Interbolsa.

The Notes will be registered in the relevant issue account opened by the Issuer with Interbolsa and will be held in control accounts by each Affiliate Member of Interbolsa on behalf of the holders of the Notes. Such control accounts reflect at all times the aggregate of Notes held in individual securities accounts opened by holders of the Notes with each of the Affiliate Member of Interbolsa. The expression "Affiliate Member of Interbolsa" means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and Clearstream, Luxembourg.

Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded therein.

One or more certificates of ownership in relation to the Notes (each a "Certificate") will be delivered by the relevant Affiliate Member of Interbolsa in respect of its registered holding of Notes upon the request by the relevant Noteholder and in accordance with that affiliated member's procedures and pursuant to Article 78 of the Portuguese Securities Code.

Any Noteholder will (except as otherwise required by law) be treated as its absolute owner for all purposes regardless of the theft or loss of the Certificate issued in respect of it and no person will be liable for so treating any relevant Noteholder.

### **Payment of principal and interest in respect of Notes**

Whilst the Notes are held through CVM, payment of principal and interest in respect of the Notes will be (a) credited, according to the procedures and regulations of Interbolsa, to TARGET 2 System payment current-accounts held in the payment system of TARGET 2 by Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter (b) credited by such Affiliate Member of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear

and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer must provide Interbolsa with a prior notice of all payments in relation to the Notes and all necessary information for that purpose. In particular, such notice must contain:

- (i) the identity of the Paying Agent responsible for the relevant payment; and
- (ii) a statement of acceptance of such responsibility by the Paying Agent.

The Paying Agent notifies Interbolsa of the amounts to be paid and Interbolsa calculates the amounts to be transferred to each Affiliate Member of Interbolsa on the basis of the balances of the accounts of the relevant Affiliate Member of Interbolsa.

In the case of a partial payment, the amount held in the TARGET 2 System current account of the Paying Agent must be apportioned pro-rata between the accounts of the Affiliate Members of Interbolsa. After a payment has been processed, following the information sent by Interbolsa to the Bank of Portugal whether in full or in part, such entity will confirm that fact to Interbolsa.

#### ***Transfer of Notes***

Notes held through Interbolsa may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Notes. No owner of a Note will be able to transfer such Note, except in accordance with Portuguese law and the applicable procedures of Interbolsa.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Conditions which will be incorporated by reference into each Note registered in Central de Valores Mobiliários, the central securities clearing system managed by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários S.A.*

### 1. General

- 1.1 The Issuer has agreed to issue the Notes subject to the terms of the Common Representative Appointment Agreement and these Conditions.
- 1.2 The Paying Agency Agreement records certain arrangements in relation to the payment of interest and principal in respect of the Notes.
- 1.3 Certain provisions of these Conditions are summaries of the Transaction Documents and are subject to their detailed provisions.
- 1.4 The Noteholders are bound by the terms of the Common Representative Appointment Agreement and are deemed to have notice of all the provisions of the Transaction Documents.
- 1.5 Copies of the Transaction Documents are available for inspection on <https://eurodw.eu/>.

### 2. Definitions

In these Conditions the defined terms have the meanings set out in Condition 21 (*Definitions*) and are subject to the principles of interpretation and construction set out in Paragraph 2 (*Principles of Interpretation and Construction*) of Schedule 1 (*Master Definitions Schedule*) of the Master Framework Agreement.

### 3. Form, denomination and title

#### 3.1 Form and Denomination

The Notes are in dematerialised book-entry (*forma escritural*) and registered (*nominativas*) form in denominations of €100,000 each. Title to the Notes will pass by registration in the corresponding securities account.

#### 3.2 Title

The registered holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of any payment) whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such holder. Proof of such registration is made by means of a Certificate of Ownership.

### 4. Status and Ranking

#### 4.1 Status

The Notes constitute direct limited recourse secured obligations of the Issuer and benefit from the statutory segregation provided for in the Securitisation Law.

#### 4.2 Ranking

The Notes in each Class will at all times rank *pari passu* amongst themselves without preference or priority. The Class A Notes rank senior to the Class B Notes, which rank senior to the Class B Notes, which rank senior to the Class C Notes, which rank senior to the Class D Notes, which rank senior to the Class E Notes, which rank senior to the Class F Notes, which rank senior to the Class G Notes, which rank senior to the Class Z Notes, except in the case of payments thereunder after the end of the

Revolving Period, but prior to the delivery of an Enforcement Notice or to the occurrence of an Optional Redemption Event, but prior to the occurrence of a Sequential Amortisation Event, during which period, principal in all Classes of Notes will be paid on a *pari passu* and *pro rata* basis.

#### **4.3 Sole obligations**

The Notes are obligations solely of the Issuer limited to the segregated Receivables Portfolio corresponding to this transaction (as identified by the corresponding asset code awarded by the CMVM pursuant to article 62 of the Securitisation Law) and the Transaction Assets and without recourse to any other receivables or assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, managers or shareholders and are not obligations of, or guaranteed by, any of the other Transaction Parties.

#### **4.4 Payments Priorities**

On any Interest Payment Date prior to the delivery of an Enforcement Notice or the occurrence of an Optional Redemption Event, the Issuer is required to apply the Available Distribution Amount in accordance with the Pre-Enforcement Payment Priorities and, thereafter, all amounts received or recovered by the Issuer and/or the Common Representative in respect of the Receivables Portfolio will be applied in accordance with the Post-Enforcement Payment Priorities.

### **5. Statutory segregation**

#### **5.1 Segregation under the Securitisation Law**

The Notes and any Issuer Obligations have the benefit of the statutory segregation under the Securitisation Law.

### **6. Issuer Covenants**

#### **6.1 Issuer Covenants**

So long as any Note remains outstanding, the Issuer shall comply with all the covenants of the Issuer, as set out in the Transaction Documents, including but not limited to those covenants set out in Schedule 4 (*Issuer Covenants*) to the Master Framework Agreement.

#### **6.2 Investor Report**

The Transaction Manager undertakes to provide to the Issuer, the Paying Agent, the Common Representative, the Servicer, the Accounts Bank, the Lead Manager, the Swap Counterparty and the Rating Agencies, or to procure that such parties are provided with the Investor Report.

### **7. Interest and Class Z Distribution Amount**

#### **7.1 Accrual**

Each of the Notes issued on the Closing Date bears interest on its Principal Amount Outstanding from the Closing Date. The Class Z Notes bear an entitlement to receive the Class Z Distribution Amount (if any), to the extent of available funds and subject to the Pre-Enforcement Interest Payment Priorities.

#### **7.2 Cessation of Interest**

Each of the Notes shall cease to bear interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) from the date on which the Notes will be redeemed in accordance with these Conditions unless, upon due presentation, payment of the principal is improperly withheld or refused, in which case, it will continue to entitle its corresponding noteholder to interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) in accordance with this Condition (both before and after judgment) until whichever is the earlier of:

- (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (B) the day which is 7 days after the date on which the Paying Agent or the Common Representative has notified the Noteholders of such Class that it has received all sums due in respect of the Notes of such Class up to such 7<sup>th</sup> day (except to the extent that there is any subsequent default in payment).

**7.3 Collections Period of less than 1 year**

Whenever it is necessary to compute an amount of interest in respect of any Note for a period of less than a full year, such interest shall be calculated on the basis of the applicable Day Count Fraction.

**7.4 Interest Payments**

Interest on each Note is payable in euro in arrears on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Interest Payment Date.

**7.5 Class Z Distribution Amount Payments**

Payment of any Class Z Distribution Amount in relation to the Class Z Notes is payable, *pari passu* on all Class Z Notes, in euro in arrears on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Class Z Distribution Amount calculated as at the Calculation Date immediately preceding such Interest Payment Date and notified to the Class Z Noteholders, in accordance with the Notices Condition.

**7.6 Calculation of Interest Amount**

Upon or as soon as practicable after each Interest Determination Date, the Transaction Manager on behalf of the Issuer shall calculate (or shall cause the Agent Bank to calculate) the Interest Amount payable on each Note for the relevant Interest Period.

**7.7 Calculation of Class Z Distribution Amount**

Upon or as soon as practicable after each Interest Determination Date, the Issuer shall calculate (or shall cause the Transaction Manager to calculate) the Class Z Distribution Amount payable on each Class Z Note for the relevant Interest Period, and for it to be included in the Investor Report to be delivered under Condition 6.2.

**7.8 Notification of Note Rate, Interest Amount and Interest Payment Date**

As soon as practicable after each Interest Determination Date, the Agent Bank will cause:

- (A) the Note Rate for the related Interest Period;
- (B) the Interest Amount for each Class of Notes for the related Interest Period; and
- (C) the Interest Payment Date next following the related Interest Period,

to be notified to the Issuer, the Transaction Manager, the Common Representative and the Paying Agent and, for so long as the Notes are listed on any stock exchange, such stock exchange no later than the first day of the relevant Interest Period.

The Transaction Manager will then (on behalf of the Issuer) include these determinations in the Investor Report to be delivered under Condition 6.2 (*Investor Report*).

**7.9 Notification of Class Z Distribution Amount**

As soon as practicable after each Calculation Date, the Transaction Manager will cause the Class Z Distribution Amount to be notified to the Issuer, the Agent Bank, the Common Representative, the Paying Agent.

**7.10 Publication of Note Rate, Interest Amount and Interest Payment Date**

As soon as practicable after receiving each notification of the Note Rate, the Interest Amount and the Interest Payment Date in accordance with Condition 7.8 (*Notification of Note Rate, Interest Amount and Interest Payment Date*) the Issuer will cause such Note Rate and Interest Amount for each of Class of Notes, and the next following Interest Payment Date (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) to be published in accordance with the Notices Condition.

**7.11 Amendments to publications**

The Note Rate and Interest Amount for each Class of Notes (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable), and the Interest Payment Date so published or notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

**7.12 Determination or Calculation by Common Representative**

If the Agent Bank does not at any time for any reason determine the Interest Amount for each Class of the Notes in accordance with this Condition, or if the Transaction Manager does not at any time for any reason determine the Class Z Distribution Amount for the Class Z Notes in accordance with this Condition, the Common Representative may (but without any liability accruing to the Common Representative as a result):

- (A) determine the Note Rate at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Condition), it shall deem fair and reasonable in all the circumstances; and/or
- (B) calculate the Interest Amount for each Class of Notes in the manner specified in this Condition; and/or
- (C) calculate the Class Z Distribution Amount for the Class Z Notes in the manner specified in this Condition; and/or
- (D) appoint a third party (as its own expenses, if deem applicable) to calculate such amounts in the manner specified in this Condition (based on information supplied to it by the Issuer or the Transaction Manager), provided however that the rationale to arrive at the aforementioned amounts must always be disclosed to the Common Representative by such third party,

and any such determination and/or calculation shall be deemed to have been made by the Transaction Manager.

**7.13 Deferral of Interest Amounts in Arrears**

If there are any Deferred Interest Amount Arrears in respect of any Class of Asset-Backed Notes other than the Most Senior Class on any Interest Payment Date (other than the Final Legal Maturity Date), such amounts shall not be regarded as due on such date.

## 8. Redemption

### 8.1 Final Redemption

Unless previously redeemed as provided in this Condition, the Issuer shall redeem the Notes in each Class at their Principal Amount Outstanding, together with accrued interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) on the Final Legal Maturity Date. If as a result of the Issuer having insufficient amounts of Available Distribution Amount, any of the Notes cannot be redeemed in full or interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount) due paid in full in respect of such Note, respectively, the amount of any principal and/or interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount) then unpaid shall be cancelled and no further amounts shall be due in respect of the Notes by the Issuer.

### 8.2 Mandatory Redemption in part of Asset-Backed Notes

During the Revolving Period and prior to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, no principal will be payable under the Asset-Backed Notes.

After the end of the Revolving Period, but prior to the occurrence of a Sequential Redemption Event or to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, on each Interest Payment Date the Issuer will cause any Principal Available Funds available for this purpose on such Interest Payment Date to be applied in the redemption in part of the Principal Amount Outstanding of each Class of the Asset-Backed Notes determined as at the related Calculation Date in the following amounts and in the following order of priority, in each case the relevant amount being applied to each Class divided by the number of Asset-Backed Notes outstanding in such Class, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, until all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes have been redeemed in full.

Following the occurrence of a Sequential Redemption Event, provided that no Enforcement Notice has been delivered by the Common Representative to the Issuer, unless the Asset-Backed Notes have been previously redeemed in full, the Principal Available Funds will be allocated on each Interest Payment Date as follows by order of priority:

- (A) *firstly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class A Notes until the Class A Notes are repaid in full;
- (B) *secondly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class B Notes until the Class B Notes are repaid in full;
- (C) *thirdly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class C Notes until the Class C Notes are repaid in full;
- (D) *fourthly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class D Notes until the Class D Notes are repaid in full;
- (E) *fifthly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class E Notes until the Class E Notes are repaid in full; and
- (F) *sixthly*, to redeem on a *pari passu* and *pro rata* basis the Principal Amount Outstanding of the Class F Notes until the Class F Notes are repaid in full.

in each case in an amount rounded down to the nearest 0.01 euro, in accordance with the Pre-Enforcement Principal Withholding Amount Payment Priorities.

**8.3 Mandatory Redemption in part of the Class G Notes and the Class Z Notes**

On each Interest Payment Date, prior to the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, the Issuer will cause the Class G Notes to be redeemed on a *pari passu* and *pro rata* basis up to the Class G Amortisation Amount and will cause the Class Z Notes to be redeemed on a *pari passu* and *pro rata* basis in an amount up to up to €1,000, in accordance with the Pre-Enforcement Payment Priorities.

**8.4 Mandatory Redemption in whole of the Class Z Notes**

On the last Interest Payment Date (after redemption in full of all the Listed Notes) on which any Class Z Distribution Amount is to be paid by the Issuer in accordance with Condition 7.5 (*Class Z Distribution Amount Payments*), the Issuer will cause the Class Z Notes to be redeemed in full from such Class Z Distribution Amount.

**8.5 Mandatory Redemption following the occurrence of an Enforcement Event**

Following the delivery of an Enforcement Notice by the Common Representative to the Issuer or the occurrence of an Optional Redemption Event, the Issuer will redeem in full the Notes in each Class at their Principal Amount Outstanding together with accrued interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) on any Interest Payment Date in accordance with the Post-Enforcement Payment Priorities (subject, for the avoidance of doubt, of the terms of Condition 8.1 above).

**8.6 Calculation of Note Principal Payments and Principal Amount Outstanding**

The Transaction Manager shall calculate, on behalf of the Issuer, and include on the Investor Report delivered under Condition 6.2 (*Investor Report*):

- (A) the aggregate of any Note Principal Payments due in relation to each Class on the Interest Payment Date immediately succeeding such Calculation Date;
- (B) the Principal Amount Outstanding of each Note in each Class on the Interest Payment Date immediately succeeding such Calculation Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such Class).

**8.7 Calculations final and binding**

Each calculation by or on behalf of the Issuer of any Note Principal Payment or the Class Z Distribution Amount or the Principal Amount Outstanding of a Note of each Class shall in each case (in the absence of any Breach of Duty and any manifest or proven error) be final and binding on all persons.

**8.8 Common Representative to determine amounts in the case of a default by the Issuer**

If the Issuer does not at any time for any reason calculate (or cause the Transaction Manager to calculate) any Note Principal Payment or the Principal Amount Outstanding in relation to each Class in accordance with this Condition, the Common Representative may (without any liability accruing to the Common Representative as a result) (i) calculate such amounts in with the manner specified in this Condition (based on information supplied to it by the Issuer or the Transaction Manager) or (ii) appoint a third party to calculate such amounts in the manner specified in this Condition (based on information supplied to it by the Issuer or the Transaction Manager), provided however that the rationale to arrive at the aforementioned amounts must always be disclosed to the Common Representative by such third party.

**8.9 Optional Redemption in whole**

The Issuer shall redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest (and, in the case of the Class Z Notes, the Class Z



Distribution Amount, if applicable) on any Interest Payment Date, upon the occurrence of (a) a Regulatory Change Event or (b) a Clean-Up Call Option, in each case subject to the following:

- (A) the Originator having delivered a Call Option Event Notice, as applicable, not more than 60 nor less than 30 days' notice to the Issuer, the Common Representative, the Paying Agent and the Noteholders in accordance with the Notices Condition; and
- (B) together with giving any such notice, the Originator shall have provided to the Issuer and to the Common Representative a certificate signed by two directors of the Originator to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to acquire the Receivables Portfolio on the relevant Interest Payment Date,
- (C) the sale of the Receivables Portfolio shall be at a price equal to the Portfolio Valuation, and
- (D) the funds standing to the credit of the Transaction Accounts, are sufficient to pay items (A) to (R) of the Post-Enforcement Payment Priorities in full,

provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class Z Notes at their Principal Amount Outstanding, the Class Z Notes shall be redeemed in full and all the claims of the Class Z Noteholders for any shortfall in the Principal Amount Outstanding of the Class Z Notes, the Interest Amount in respect of the Class Z Notes and the Class Z Distribution Amount shall be extinguished.

#### 8.10 **Optional Redemption in whole for taxation reasons**

The Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) on any Interest Payment Date following the occurrence of the following event ("**Tax Events**"):

- (A) after the date on which, by virtue of a change in Tax law in the Issuer's Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would be required to make a Tax Deduction from any payment in respect of the Notes (other than by reason of the relevant Noteholder having some connection with the Portuguese Republic, other than the holding of the Notes); or
- (B) after the date on which, by virtue of a change in the Tax law in the Issuer's Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would not be entitled to relief for the purposes of such Tax law for any material amount which it is obliged to pay, or the Issuer would be treated as receiving for the purposes of such Tax law any material amount which it is not entitled to receive, under the Transaction Documents; or
- (C) after the date of a change in the Tax law in the Issuer's Jurisdiction (or the application or official interpretation of such Tax law) which would cause the total amount payable in respect of any Note to cease to be receivable by the Noteholders including as a result of any of the Obligors being obliged to make a Tax Deduction in respect of any payment in relation to any Assigned Right or the Issuer being obliged to make a Tax Deduction in respect of any payment in relation to any Note, subject to the following:
  - (i) that the Issuer has given not more than 60 nor less than 30 days' notice to the Common Representative, the Transaction Manager, the Paying Agent and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each Class; and
  - (ii) that the Issuer has provided to the Common Representative, prior to the notice under paragraph above:
    - (a) a legal opinion (in form and substance satisfactory to the Common Representative) from a firm of lawyers in the Issuer's Jurisdiction (approved in

writing by the Common Representative), opining on the relevant change in Tax law; and

- (b) a certificate signed by two directors of the Issuer to the effect that the obligation to make a Tax Deduction cannot be avoided; and
  - (c) a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Payment Priorities;
- (iii) that the sale of the Receivables Portfolio will be carried out in compliance with Article 45(1) of the Securitisation Law,

provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class Z Notes at their Principal Amount Outstanding, the Class Z Notes shall be redeemed in full and all the claims of the Class Z Noteholders for any shortfall in the Principal Amount Outstanding of the Class Z Notes, the Interest Amount in respect of the Class Z Notes and the Class Z Distribution Amount shall be extinguished.

#### **8.11 Conclusiveness of certificates and legal opinions**

Any certificate or legal opinion given by or on behalf of the Issuer or to the Issuer pursuant to Condition 8.9 (*Optional Redemption in whole*) and Condition 8.10 (*Optional Redemption in whole for taxation reasons*) may be relied upon by the Common Representative or the Issuer, as applicable, without further investigation and shall be conclusive and binding on the Common Representative, the Noteholders and on the Transaction Creditors. All certificates required to be signed by the Issuer will be signed by the Issuer's directors without personal liability.

#### **8.12 Notice of calculation**

The Issuer will cause the Transaction Manager to notify the Common Representative and the Agents of a Note Principal Payment and the Principal Amount Outstanding in relation to each Class of Notes immediately after calculation and, for so long as the Listed Notes are listed on the Stock Exchange, the Stock Exchange will immediately cause details of each calculation of a Note Principal Payment and a Principal Amount Outstanding in relation to each Class of Notes to be published in accordance with the Notices Condition by not later than 5 Business Days prior to each Interest Payment Date, through the publication of the Investor Report.

#### **8.13 Notice of no Note Principal Payment**

If no Note Principal Payment is due to be made on the Notes in relation to any Class on any Interest Payment Date, a notice to this effect will be given to the Noteholders in accordance with the Notices Condition by not later than 5 Business Days prior to such Interest Payment Date.

#### **8.14 Notice irrevocable**

Any such notice as is referred to in Condition 8.9 (*Optional Redemption in whole*) or Condition 8.10 (*Optional Redemption in whole for taxation reasons*) or Condition 8.11 (*Notice of calculation*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding and in an amount equal to the Note Principal Payment calculated as at the related Calculation Date.

#### **8.15 No purchase**

The Issuer may not at any time purchase any of the Notes.

9. **Limited recourse**

Each of the Noteholders will be deemed to have agreed with the Issuer that notwithstanding any other provisions of these Conditions or the Transaction Documents, all obligations of the Issuer to the Noteholders, including, without limitation, the Issuer Obligations, are limited in recourse as set out below:

- (A) notwithstanding any other provision of any Transaction Document, all obligations of the Issuer to each Noteholder, including, without limitation, the Obligations, are limited in recourse as set out below;
- (B) it will have a claim only in respect of the Transaction Assets and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other receivables, assets or its contributed capital;
- (C) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Transaction Assets (whether arising from an enforcement of the Security or otherwise), net of any sums which are payable by the Issuer in accordance with the Payment Priorities in priority to or *pari passu* with sums payable to such Noteholder in accordance with the Payment Priorities; and
- (D) on the Final Legal Maturity Date or after the conclusion of Proceedings instituted by the Common Representative pursuant to Condition 13.1 (*Proceedings*), following an Event of Default and (i) the Servicer having certified to the Common Representative, that there is no reasonable likelihood of there being any further realisations in respect of the Transaction Assets (other than the Transaction Accounts), and (ii) the Transaction Manager has determined that there is no reasonable likelihood of there being any further realisations in respect of Transaction Accounts which would be available to pay in full the amounts outstanding under the Transaction Documents, the Transaction Manager certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuers' obligations to such Transaction Party, then such Transaction Party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

10. **Payments**

10.1 **Principal and interest**

Payments of principal and interest in respect of the Notes (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) may only be made in euro. Payment in respect of the Notes of principal and interest (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) will, in accordance with the applicable rules and procedures of Interbolsa, be (a) credited by the Paying Agent (acting on behalf of the Issuer) to the TARGET 2 System relevant current held by Affiliate Members of Interbolsa (whose control accounts with Interbolsa are credited with such Notes) and (b) thereafter credited by such Affiliate Member of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

10.2 **Payments subject to fiscal laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged by the Issuer to the holder of any Note.

10.3 **Payments on Business Days**

If the due date for payment of any amount in respect of any Notes is not a business day, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in the place of presentation on which banks are open for business in such place of presentation and shall not be entitled to any further interest or other payment in respect of any such delay.

10.4 **Notifications to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Paying Agent, the Transaction Manager, the Agent Bank, or the Common Representative shall - in the absence of any gross negligence ("*negligência grosseira*"), wilful default ("*dolo*"), fraud ("*burla*") or manifest error ("*erro manifesto*") - be binding on the Issuer and Transaction Creditors and - in the absence of any gross negligence ("*negligência grosseira*"), wilful default ("*dolo*") or fraud ("*burla*") - no liability to the Common Representative, the Noteholders or the other Transaction Creditors shall attach to the Transaction Manager, the Agents, or the Common Representative in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 10 (*Payments*).

11. **Taxation**

11.1 **Payments free of Tax**

All payments of principal and interest in respect of the Notes (and, in the case of the Class Z Notes, the Class Z Distribution Amount, if applicable) shall be made free and clear of, and without withholding or deduction for, any Taxes unless the Issuer, the Common Representative or any Paying Agent (as the case may be) is required by law to make any such payment subject to any such withholding or deduction. In that event, the Issuer, the Common Representative, or any Paying Agent (as the case may be) shall be entitled to withhold or deduct the required amount for or on account of Tax from such payment and shall account to the relevant Tax Authorities for the amount so withheld or deducted.

11.2 **No payment of additional amounts**

Neither the Issuer, the Common Representative, nor the Paying Agent will be obliged to pay any additional amounts to Noteholders in respect of any Tax Deduction made in accordance with Condition 11.1 (*Payments Free of Tax*) above.

11.3 **Taxing Jurisdiction**

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Portuguese Republic, references in these Conditions to the Portuguese Republic or to Portugal shall be construed as references to the Portuguese Republic or to Portugal and/or such other jurisdiction.

11.4 **Tax Deduction not Event of Default**

Notwithstanding that the Common Representative, the Issuer or any Paying Agent is required to make a Tax Deduction in accordance with Condition 11.1 (*Payments Free of Tax*) above this shall not constitute an Event of Default.

12. **Events of Default**

12.1 **Events of Default**

Subject to the other provisions of this Condition, each of the following events shall be treated as an "Event of Default":

- (A) *Non-payment*: the Issuer fails to pay any amount of interest in respect of the Most Senior Class of Notes within 10 days of the due date for payment of such interest, or the Issuer fails to pay any amount of interest or principal remaining due in respect of any Class of Notes on the Legal Final Maturity Date;
- (B) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Common Representative Appointment Agreement or in respect of the Issuer Covenants and such default is, in the opinion of the Common Representative materially prejudicial to the interests of the Noteholders and either (a) in the opinion of the Common Representative, incapable of remedy or (b) being a default which is, in the opinion of the Common Representative, capable of remedy, remains unremedied for 30 days or such longer period as the Common Representative may agree after the Common Representative has given written notice of such default to the Issuer;
- (C) *Issuer Insolvency*: an Insolvency Event occurs with respect to the Issuer; or
- (D) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Common Representative Appointment Agreement.

If an Event of Default occurs, the Issuer shall so inform the holders of the Notes in accordance with Condition 19 (*Notices*).

#### 12.2 **Delivery of Enforcement Notice**

If an Event of Default occurs and is continuing, the Common Representative may at its absolute discretion and shall:

- (A) if so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or
- (B) if so directed by a Resolution of the holders of the Most Senior Class of outstanding Notes deliver an Enforcement Notice to the Issuer.

#### 12.3 **Conditions to delivery of Enforcement Notice**

Notwithstanding Condition 12.2 (*Delivery of an Enforcement Notice*) the Common Representative shall not be obliged to deliver an Enforcement Notice unless:

- (A) in the case of the occurrence of any of the events mentioned in Condition 12.1(B) (*Breach of other obligations*), the Common Representative shall have certified in writing that the occurrence of such event is in its opinion materially prejudicial to the interests of the Noteholders; and
- (B) in any case it shall have been pre-funded, indemnified and/or secured to its satisfaction in accordance with the terms of the Common Representative Appointment Agreement.

#### 12.4 **Consequences of delivery of Enforcement Notice**

Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding together with any unpaid Interest Amount and accrued interest on these amounts in accordance with the Post-Enforcement Payment Priorities.

**13. Proceedings**

**13.1 Proceedings**

After the occurrence of an Event of Default, the Common Representative may at its absolute discretion, and without further notice, institute such actions, steps or proceedings as it thinks fit to enforce its rights under the Notes and the Common Representative Appointment Agreement in respect of the Notes of each Class and under the other Transaction Documents, but it shall not be bound to do so unless:

- (A) so requested in writing by the holders of at least 25% of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or
- (B) so directed by a Resolution of the Noteholders of the Most Senior Class of outstanding Notes, and in any such case, only if it shall have been pre-funded, indemnified and/or secured to its satisfaction in accordance with the terms of the Common Representative Appointment Agreement.

**13.2 Directions to the Common Representative**

Without prejudice to Condition 13.1 (*Proceedings*), the Common Representative shall not be bound to take any action described in Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on individual Noteholders or any other Transaction Creditor. The Common Representative shall have regard to the Noteholders of each Class as a Class and, for the purposes of exercising its rights, powers, duties or discretions, the Common Representative to the extent permitted by Portuguese law shall have regard only to the Most Senior Class of Notes then outstanding, provided that so long as any of the then Most Senior Class of Notes are outstanding, the Common Representative shall not, and shall not be bound to, act at the request or direction of the Noteholders of any other Class of Notes unless:

- (A) to do so would not, in its sole discretion and opinion, be materially prejudicial to the interests of the Noteholders of all the Classes of Notes ranking senior to such other Class; or
- (B) (if the Common Representative is not of that opinion) such action of each Class is sanctioned by a Resolution of the Noteholders of the Class or Classes of the Notes ranking senior to such other Class.

**13.3 Restrictions on disposal of Transaction Assets**

The Common Representative shall only be entitled to dispose of the Transaction Assets upon the delivery by the Common Representative of an Enforcement Notice in accordance with Condition 12 (*Events of Default*) and subject to the provisions of Condition 13 (*Proceedings*). If an Enforcement Notice has been delivered by the Common Representative, the Common Representative will only be entitled to dispose of the Receivables to a Portuguese securitisation fund (FTC) or to another Portuguese securitisation company (STC), to the Originator or to credit institutions or financial companies authorised to grant credit on a professional basis in accordance with the Securitisation Law. No provisions shall require the automatic liquidation of the Receivables Portfolio at market value, pursuant to Article 21(4)(d) of the EU Securitisation Regulation.

**14. No action by Noteholders or any other Transaction Party**

**14.1** The Noteholders may be restricted from proceeding individually against the Issuer and the Transaction Assets or otherwise seek to enforce the Issuer's Obligations, where such action or actions, taken on an individual basis, contravene a Resolution of the Noteholders.

**14.2** Furthermore, and to the extent permitted by Portuguese Law, only the Common Representative may pursue the remedies available under the general law or under the Common Representative

Appointment Agreement against the Issuer and the Transaction Assets and, other than as permitted in this Condition 14.2, no Transaction Creditor other than the Common Representative shall be entitled to proceed directly against the Issuer and the Transaction Assets or otherwise seek to enforce the Issuer's Obligations. In particular, each Transaction Creditor other than the Common Representative agrees with and acknowledges to each of the Issuer and the Common Representative, and the Common Representative agrees with and acknowledges to the Issuer that:

- (A) none of the Transaction Creditors other than the Common Representative (nor any person on their behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Common Representative to take any proceedings against the Issuer or take any proceedings against the Issuer unless the Common Representative, having become bound to serve an Enforcement Notice or having been requested in writing or directed by a Resolution of the Noteholders (and pre-funded, indemnified and/or secured) in accordance with Condition 13.1 (*Proceedings*) to take any other action, step or proceedings to enforce its rights under the Notes and the Common Representative Appointment Agreement and under the other Transaction Documents (such obligation a "**Common Representative Action**"), fails to do so within a reasonable period, but no later than 30 days, of becoming so bound or of having been so requested or directed and that failure is continuing (in which case each of the Noteholders and the Transaction Creditors shall (subject to Conditions 14.2(C) and 14.2(D)) be entitled to take any such actions, steps or proceedings as it shall deem necessary in respect of the Issuer);
- (B) none of the Transaction Creditors other than the Common Representative (nor any person on their behalf) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Transaction Parties unless the Common Representative, having become bound to take a Common Representative Action, fails to do so within reasonable period, but no later than 60 days, of becoming so bound and that failure is continuing (in which case each of the Noteholders and the Transaction Creditors shall (subject to Conditions 14.2(C) and 14.2(D)) be entitled to take any such actions, steps or proceedings as it shall deem necessary in respect of the Issuer);
- (C) until the date falling 2 years after the Final Discharge Date none of the Transaction Creditors nor any person on their behalf (including the Common Representative) shall initiate or join any person in initiating any Insolvency Event or the appointment of any insolvency official in relation to the Issuer; and
- (D) none of the Transaction Creditors shall be entitled to take or join in the taking of any steps or proceedings which would result in the Payment Priorities not being observed.

#### 14.3 **Common Representative and Agents**

In the exercise of its powers and discretions under these Conditions and the Common Representative Appointment Agreement, the Common Representative will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of the Notes of any such Class of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction provided that so long as any of the Class A Notes are outstanding, if there is a conflict of interest between the interests of the holders of the Class A Notes and the interests of the holders of any other Class of Notes, the Common Representative shall only have regard to the interests of the holders of the Class A Notes, provided further that, while any Notes of a Class ranking senior to any other Class of Notes are then outstanding, the Common Representative shall not and shall not be bound to, act at the request or direction of the Noteholders of any other Class of Notes unless:

- (A) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of all the Classes of Notes ranking senior to such other Class; or

- (B) (if the Common Representative is not of that opinion) such action of each Class is sanctioned by a Resolution of the Noteholders of the Class or Classes of the Notes ranking senior to such other Class.

In a number of circumstances set out in the Transaction Documents, the Common Representative is given a right to take any action or to omit to take any action where it determines that a particular matter is or is not materially prejudicial to the interests of Noteholders and/or the other Transaction Creditors. In determining whether any matter is or is not materially prejudicial to the interests of Noteholders and/or the other Transaction Creditors the Common Representative shall be entitled to assume that the matter will not be materially prejudicial to the interests of Noteholders and/or the other Transaction Creditors if it receives confirmation that such matter does not adversely affect the Ratings of the Rated Notes.

- 14.4 In accordance with article 65(3) of the Securitisation Law the power of replacing the Common Representative and appointing a substitute common representative shall be vested in the Noteholders and no person shall be appointed to act as a substitute common representative without a previous Resolution for such purpose having been approved.

15. **Meetings of Noteholders**

15.1 **Convening**

For the purpose of compliance with requirements provided under Article 21(10) of the EU Securitisation Regulation, the Common Representative Appointment Agreement contains Provisions for Meeting(s) of Noteholders for convening separate or combined meetings of Noteholders of any Class to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Common Representative Appointment Agreement and the circumstances in which modifications may be made if sanctioned by a Resolution.

15.2 **Separate and combined meetings**

The Common Representative Appointment Agreement provides that (subject to Condition 15.6 (*Relationship between Classes*)):

- (A) a Resolution which in the opinion of the Common Representative affects the Notes of only one Class shall be transacted at a separate meeting of the Noteholders of that Class;
- (B) a Resolution which in the opinion of the Common Representative affects the Noteholders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of another Class of Notes may be transacted either at separate meetings of the Noteholders of each such Class or at a single meeting of the Noteholders of all such Classes of Notes as the Common Representative shall determine in its absolute discretion; and
- (C) a Resolution which relates to a Reserved Matter or which in the opinion of the Common Representative affects the Noteholders of more than one Class and gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate meetings of the Noteholders of each such Class.

15.3 **Request from Noteholders**

A meeting of Noteholders of a particular Class or Classes may be convened by the Common Representative or the Issuer at any time and must be convened by the Common Representative (subject to its being indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the terms of the Common Representative Appointment Agreement) upon the request in writing



of Noteholders of a particular Class holding not less than 5% of the aggregate Principal Amount Outstanding of the outstanding Notes of that Class or Classes.

**15.4 Quorum**

The quorum at any Meeting convened to vote on:

- (A) a Resolution not regarding a Reserved Matter, relating to a meeting of a particular Class or Classes of the Notes, will be any person or persons holding or representing at least 1/5 (one fifth) of the Principal Amount Outstanding of the Notes then outstanding held or represented in such Class or Classes or, at any adjourned Meeting, any person holding or representing such Class or Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented; and
- (B) a Resolution regarding a Reserved Matter, relating to a Meeting of a particular Class or Classes of the Notes, will be any person or persons holding or representing at least 50% of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes or, at any adjourned Meeting, any person holding or representing such Class or Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented.

**15.5 Majorities**

The majorities required to pass a Resolution at any meeting convened in accordance with these rules shall be:

- (A) if in respect of a Resolution not regarding a Reserved Matter, the majority of the votes cast at the relevant meeting; or
- (B) if in respect of a Resolution regarding a Reserved Matter (which must be proposed separately to each Class of Noteholders), at least 50% of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class or Classes or, at any adjourned meeting 2/3 of the votes cast at the relevant meeting.

**15.6 Relationship between Classes**

In relation to each Class of Notes:

- (A) no Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by a Resolution of the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other Classes);
- (B) no Resolution to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by a Resolution of the holders of each of the other Classes of Notes then outstanding ranking senior to such Class to the extent that there are Notes outstanding ranking senior to such Class unless the Common Representative considers that none of the holders of each of the other Classes of Notes ranking senior to such Class, would be materially prejudiced by the absence of such sanction (for the purpose of this Condition 15.6(B), Class A Notes rank senior to Class B Notes, which rank senior to Class C Notes, which rank senior to Class D Notes, which rank senior to Class E Notes, which rank senior to Class F Notes, which rank senior to Class G Notes, which rank senior to Class Z Notes);
- (C) any Resolution passed at a Meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with the Common Representative Appointment Agreement shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting of Noteholders and whether or not voting and, except in the case of a meeting relating to a Reserved Matter, any Resolution passed at a meeting of the holders of the Most Senior

Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes; and

- (D) a resolution involving the appointment or removal of the Common Representative must be approved by the holders of each Class of Notes then outstanding.

15.7 **Resolutions in writing**

A Written Resolution shall take effect as if it were a Resolution.

16. **Modification and waiver**

16.1 **Modification**

The Common Representative may at any time and from time to time, unless expressly directed not to do so by the holders of the Most Senior Class of Notes then outstanding, without the consent or sanction of the Noteholders or any other Transaction Creditor, concur with the Issuer and any other relevant Transaction Creditor in making ("**Basic Terms Modification**"):

- (A) any modification to the Notes, these Conditions or any of the other Transaction Documents in relation to which the consent of the Common Representative is required (other than in respect of a Reserved Matter or any provision of the Notes, these Conditions or any of the Transaction Documents referred to in the definition of a Reserved Matter), which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that such modification does not result in an adverse effect on the Ratings of the Most Senior Class of Rated Notes then outstanding) and (ii) any of the Transaction Creditors, provided such Transaction Creditors have given their prior written consent to any such modification; or
- (B) any modification, other than a modification in respect of a Reserved Matter, to the Notes, these Conditions or any of the Transaction Documents in relation to which the consent of the Common Representative is required, if, in the opinion of the Common Representative, such modification is of a formal, minor or technical nature, results from mandatory provisions of the applicable law or is made to correct a manifest error or an error, in the reasonable opinion of the Common Representative, is proven or necessary or desirable for the purpose of clarification,

provided that notice thereof shall be given by the Issuer to the Noteholders in accordance with the Notices Condition and to the Rating Agencies.

The Common Representative shall not make any amendment, modification or supplement to any Transaction Document without the Swap Counterparty having given its prior written consent (i) which, in the reasonable opinion of the Swap Counterparty, has a material adverse effect on the Swap Counterparty or (ii) the effect of which is to affect the amount payable to, or by, the Swap Counterparty or timing or the priority of payments of any amount payable to, or by, the Swap Counterparty under the Balance Guaranteed Swap Agreement.

16.2. **Additional right of modification**

Notwithstanding the provisions of Condition 16.1 (*Modification*), the Common Representative shall be obliged, other than modifications that are subject to the approval of the Noteholders in accordance with Portuguese law, without any consent or sanction of the Noteholders or, subject to the receipt of consent from any of the other Transaction Creditors party to the Transaction Document being modified or any Transaction Creditor which, as a result of such amendment, would be further contractually subordinated to any other Transaction Creditor than would otherwise have been the case prior to such amendment, any of the other Transaction Creditors, to concur with the Issuer in making any modification to these Conditions, the Notes or any other Transaction Document to which it is a party

or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

- (A) in order to enable the Issuer to comply with any requirements which apply to it under EMIR or MIFID II (as applicable), or other mandatory obligations under applicable law or mandatory instructions issued by a competent authority, subject to receipt by the Common Representative of a certificate issued by the Issuer or the Servicer on behalf of the Issuer certifying to the Common Representative the requested amendments are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EMIR or MIFID II (as applicable) or other mandatory obligations under applicable law or mandatory instructions issued by a competent authority and have been drafted solely to that effect and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing (such modification being previously notified by the Issuer to the Rating Agencies);
- (B) in order to minimise or eliminate any withholding tax imposed on the Issuer as a result of the FATCA provisions of the U.S. Hiring Incentives to Restore Employment or any regulations or notices made thereunder, including (to the extent necessary) the entry into by the Issuer, or the termination of, an agreement with the United States Internal Revenue Service (the "IRS") to provide for an exemption to withhold for or on account of any tax imposed in accordance with FATCA provided, in each case, the Servicer certifies on behalf of the Issuer to the Common Representative that such amendment is being made subject to and in accordance with this paragraph (upon which certification the Common Representative will be entitled to conclusively rely without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Common Representative, any liability);
- (C) in order to allow the Issuer to open additional accounts with an additional accounts bank or to move the Transaction Accounts to be held with an alternative accounts bank with the Minimum Long-Term Rating, provided that the Servicer on behalf of the Issuer has certified to the Common Representative that (i) such action would not have an adverse effect on the then current ratings of some or all the Rated Notes and (ii) if a new accounts bank agreement is entered into, such agreement will be entered into on substantially the same terms as the Accounts Bank Agreement provided further that if the Issuer (or the Servicer acting on behalf of the Issuer) determines that it is not practicable to agree terms substantially similar to those set out in the Accounts Bank Agreement with such replacement financial institution or institutions and the Servicer on behalf of the Issuer certifies in writing to the Common Representative that the terms upon which it is proposed the replacement bank or financial institution will be appointed are reasonable commercial terms taking into account the then prevailing current market conditions, whereupon a replacement agreement will be entered into on such reasonable commercial terms and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing (notwithstanding that the fee payable to the replacement accounts bank may be higher or other terms may differ materially from those on which the previously appointed bank or financial institution agreed to act), provided that the Rating Agencies have been previously notified of the replacement agreement;
- (D) for the purpose of complying with any changes in the requirements of (i) Article 6 of the EU Securitisation Regulation, including as a result of the adoption of regulatory technical standards in relation to the EU Securitisation Regulation, (ii) the CRR Amendment Regulation or (iii) any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies (for which purpose, it may obtain an independent legal opinion, the cost of which will be an Issuer Expense) to the Common Representative in writing that such modification is required solely for such purpose and has been drafted solely to such effect and the Rating Agencies have been previously notified of the amendments and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing;
- (E) for the purpose of enabling the Notes to comply with the requirements set out under Articles 18 to 22 of the EU Securitisation Regulation, including for the purpose of making the Transaction

compliant with simple, transparent and standardised requirements, and any related regulatory technical standards authorised under the EU Securitisation Regulation, provided that the Issuer certifies (for which purpose, it may obtain an independent legal opinion, the cost of which will be an Issuer Expense) to the Common Representative in writing that such modification is required solely for such purpose and has been drafted solely to such effect and the Rating Agencies have been previously notified of the amendments and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing;

- (F) to make such changes as are necessary to facilitate the transfer of the Balance Guaranteed Swap Agreement to a replacement swap counterparty, in each case in circumstances where the Swap Counterparty does not satisfy the applicable rating requirement or has breached its terms of appointment and subject to such replacement swap counterparty satisfying the applicable requirements in the Transaction Documents including, without limitation, the applicable rating requirement, or, in case of replacement of the Swap Counterparty, where the changes have been requested by the replacement swap counterparty, or are necessary or desirable in view of the then applicable laws and regulations and/or market practices, provided that the Issuer certifies (for which purpose, it may obtain an independent legal opinion, the cost of which will be an Issuer Expense) to the Common Representative in writing that such modification is required solely for such purpose and has been drafted solely to such effect and the Rating Agencies are previously notified of the amendments and the Common Representative shall be entitled to rely absolutely on such certification without any liability to any person for so doing; and
- (G) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that in relation to any amendment under this paragraph G):
  - (i) the Servicer (on behalf of the Issuer) certifies in writing to the Common Representative that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria (for such purpose the Issuer may request and fully rely on a certificate to be provided by the Servicer); and
  - (ii) in the case of any modification to a Transaction Document proposed by any of the Originator, the Servicer or the Accounts Bank in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
    - (a) the Servicer and/or the Accounts Bank, as the case may be, certifies in writing to the Issuer and the Common Representative that such modification is necessary for the purposes described in paragraph (h)(ii)(x) and/or (y) above;
    - (b) either:
      - 1. the Servicer obtains from each of the Rating Agencies written confirmation (or certifies in writing to the Issuer and the Common Representative that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies, following a written information to the Rating Agencies of the proposed modification) that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing the Rated Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Common Representative; or

2. the Servicer certifies in writing to the Issuer and the Common Representative that the Rating Agencies have been informed of the proposed modification in writing and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Most Senior Class of Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (c) the party giving rise to the relevant cost shall pay all costs and expenses (including legal fees) incurred by the Issuer and the Common Representative or any other Transaction Party in connection with such modifications;

(the certificate to be provided by the Issuer, the Originator, the Servicer, the Accounts Bank, and /or the relevant Transaction Party, as the case may be, pursuant to this Condition being a "**Modification Certificate**"), provided that:

1. at least 30 calendar days' prior written notice of any such proposed modification has been given to the Common Representative;
2. the Modification Certificate in relation to such modification shall be provided to the Common Representative, with a copy to the Issuer, both at the time the Common Representative is notified of the proposed modification and on the date that such modification takes effect;
3. the consent of each Transaction Creditor which is party to the relevant Transaction Document or whose ranking in any Payment Priorities is affected has been obtained; and
4. the Issuer certifies in writing to the Common Representative (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each class of the proposed modification in accordance with Condition 19 (*Notices*), and Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have not contacted the Transaction Manager in writing (within such notification period notifying the Transaction Manager that such Noteholders do not consent to the modification (upon which notification, the Transaction Manager shall promptly notify the Issuer accordingly)).

For the avoidance of doubt, the Common Representative shall be entitled to rely upon such Modification Certificate without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Common Representative, without any liability.

If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have notified the Transaction Manager in writing within the notification period referred to above that they do not consent to the modification (for which purpose the Transaction Manager shall immediately inform the Issuer of any such contacts received), then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class Outstanding is passed in favour of such modification in accordance with Condition 15 (*Meetings of Noteholders*).

Objections made in writing must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

For the purpose of changing the base rate in respect of the Notes from EURIBOR to an alternative base rate (any such rate, an "**Alternative Base Rate**") (such modification being previously notified by the Issuer to the Rating Agencies) and make such other amendments as are necessary or advisable in the reasonable judgement of the Issuer to facilitate such change ("**Base Rate Modification**"), provided that the Servicer (on its behalf and on behalf of the relevant Transaction Party, as the case may be) certified to the Common Representative in writing that:

- (A) such Base Rate Modification is being undertaken due to:
  - 1) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
  - 2) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
  - 3) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);
  - 4) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - 5) a public announcement of the permanent or indefinite discontinuity of EURIBOR as it applies to the Notes;
  - 6) public statement by the supervisor of the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
  - 7) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (1) to (6) will occur or exist within 6 months of the proposed effective date of such Base Rate Modification (each such event referred to in sub-paragraphs (1) to (6) is a "**Benchmark Event**"); and
- (B) such Alternative Base Rate is:
  - 1) a base rate published, endorsed, approved or recognised by the Bank of Portugal, any regulator in Portugal or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or
  - 2) a base rate utilised in a material number of publicly listed new issues of Euro-denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification; or
  - 3) a base rate utilised in a publicly listed new issue of Euro-denominated asset backed floating rate notes where the originator of the relevant assets is the Originator; or
  - 4) such other base rate as the Servicer reasonably determines (and reasonably justifies to the Common Representative); and
- (C) such other related amendments are necessary or advisable to facilitate such change. (the certificate to be provided by the Servicer (on its behalf and/or on behalf of the relevant Transaction Party, as the case may be) pursuant to this Condition being a "**Modification Certificate**"), provided that:

- 1) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Common Representative;
- 2) the Modification Certificate in relation to such modification shall be provided to the Common Representative, with a copy to the Issuer, both at the time the Common Representative is notified of the proposed modification and on the date that such modification takes effect;
- 3) the consent of each Transaction Creditor which is party to the relevant Transaction Document or whose ranking in any Payment Priorities is affected has been obtained; and
- 4) the Issuer (or the Servicer on its behalf) certifies in writing to the Common Representative (which certification may be in the Modification Certificate) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each class of the proposed modification in accordance with Condition 19 (*Notices*), and Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have not contacted the Common Representative in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Common Representative that such Noteholders do not consent to the modification (upon which notification, the Common Representative shall promptly notify the Issuer accordingly).

For the avoidance of doubt, the Common Representative shall be entitled to rely upon such Modification Certificate without further enquiry and, absent any fraud, gross negligence or wilful default on the part of the Common Representative, without any liability.

If Noteholders representing at least 10% of the aggregate Principal Amount Outstanding of the Most Senior Class Outstanding have notified the Common Representative in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless a Resolution of the Most Senior Class Outstanding is passed in favour of such modification in accordance with Condition 15 (*Meetings of Noteholders*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholders' holding of the Notes.

### 16.3. **Common Representative actions**

Notwithstanding anything to the contrary in Condition 16.2 (*Additional Right of Modification*) or any Transaction Document:

- (A) when implementing any modification pursuant to Condition 16.2 (*Additional Right of Modification*) the Common Representative shall deem that the proposed modification is in the best interests of the Noteholders and any other Transaction Creditor or any other person and shall not be liable to the Noteholders, any other Transaction Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may actually be materially prejudicial to the interests of any such person; and
- (B) the Common Representative shall not be obliged to agree to any modification which, in the sole opinion of the Common Representative would have the effect of (i) exposing the Common Representative to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights

or protection, of the Common Representative in the Transaction Documents and/or these Conditions.

**16.4. Enforceability and notification**

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (A) so long as any of the Rated Notes remains outstanding, each Rating Agency, which notification shall be made by the Servicer on behalf of the Issuer;
- (B) the Transaction Creditors, as provided for in the Master Framework Agreement; and
- (C) the Noteholders in accordance with Condition 19 (*Notices*).

**16.5. Costs**

For the sake of clarity, any costs incurred or to be incurred by the Issuer or another Transaction Party (but to be borne by the Issuer) in connection with any actions to be taken under this Condition 16 (*Modification and Waiver*) shall be Issuer Expenses.

**16.6. Waiver**

In addition, the Common Representative may, at any time and from time to time, in its discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, without the consent or sanction of the Noteholders, concur with the Issuer and any other relevant Transaction Creditor in authorising or waiving on such terms and subject to such conditions (if any) as it may decide, a proposed breach or breach by the Issuer of any of the covenants or provisions contained in the Common Representative Appointment Agreement, the Notes or the other Transaction Documents (other than in respect of a Reserved Matter or any provision of the Notes, the Common Representative Appointment Agreement or such other Transaction Document referred to in the definition of a Reserved Matter), which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if the Common Representative receives confirmation that any such authorisation or waiver does not result in an adverse effect on the Ratings of the Rated Notes) and (ii) the Transaction Creditors have given their prior written consent to any such authorisation or waiver (except that the Common Representative may not and only the Noteholders may by Resolution determine that any Event of Default shall not be treated as such for the purposes of the Common Representative Appointment Agreement, the Notes or any of the other Transaction Documents), provided that notice thereof has been delivered to the Noteholders in accordance with the Notices Condition (only to the extent the Common Representative requires such notice to be given) and to the Rating Agencies.

**16.7. Restriction on power**

The Common Representative shall not exercise any powers conferred upon it by Condition 16.1 (*Modification*) and Condition 16.6 (*Waiver*) in contravention of any of the restrictions set out therein or any express direction by a Resolution of the holders of the Most Senior Class of Notes then outstanding or of a express request or direction in writing made by the holders of not less than 50% in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding, but no such direction or request (a) shall affect any modification previously made or any authorisation or waiver previously given or made or (b) shall determine any modification, authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of Notes then outstanding have, by Resolution, so determined, authorised or waived such breach or proposed breach.



Any waiver or modification agreed with the Issuer by the Common Representative following the approval of, and in compliance with, a Resolution will discharge the Common Representative from any and all liability whatsoever that may arise to the Noteholders from such action and the Common Representative may not be held liable for the consequences of any such waiver or modification.

**16.8. Notification**

Unless the Common Representative otherwise agrees, the Issuer shall cause any such consent, authorisation, waiver, modification or determination to be notified to the Noteholders, the other relevant Transaction Creditors and, whilst the Rated Notes are still outstanding, the Rating Agencies, in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.

**16.9. Binding Nature**

Any consent, authorisation, waiver, determination or modification referred to in Condition 16.1 (*Modification*) or Condition 16.6 (*Waiver*) shall be binding on the Noteholders and the other Transaction Creditors.

**17. Prescription**

**17.1 Principal**

Claims for principal in respect of the Notes shall become void within 20 years after the appropriate Relevant Date.

**17.2 Interest**

Claims for interest in respect of the Notes and any Class Z Distribution Amount in respect of the Class Z Notes shall become void 5 years of the appropriate Relevant Date.

**18. Common Representative and Agents**

**18.1 Common Representative's right to indemnity**

Under the Transaction Documents, the Common Representative is entitled to be indemnified and or secured and/ or pre-funded to its satisfaction by the Issuer and relieved from responsibility in certain circumstances and to be paid pre-funded or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders and the other Transaction Creditors (all the foregoing being considered an Issuer Expense). The Common Representative shall not be required to do anything which would require it to risk or expend its own funds. In addition, the Common Representative is entitled to enter into business transactions with the Issuer and/or any other person who is a party to the Transaction Documents and/or any of their subsidiary or associated companies and to act as common representative for the holders of any other securities issued by or relating to the Issuer without accounting for any profit and to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such role. For the avoidance of doubt, (i) the Common Representative will not be obliged to enforce the provisions of the Common Representative Appointment Agreement or any other Transaction Document unless it is directed to do so by the Noteholders in accordance with the Transaction Documents and unless it is indemnified and/or secured and/or pre-funded to its satisfaction, and (ii) any costs incurred by the Common Representative under the terms of this Condition shall be deemed to be Issuer Expenses.

**18.2 Common Representative not responsible for loss or for monitoring**

The Common Representative will not be responsible for any loss, expense or liability which may be suffered as a result of the Transaction Assets or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicer or by any person on behalf of the Common Representative. The Common Representative shall not be responsible for monitoring the

compliance by any of the other Transaction Parties (including the Issuer, the Transaction Manager or the Servicer) with their obligations under the Transaction Documents and the Common Representative shall assume, until it has actual knowledge to the contrary, that such persons are properly performing their duties.

The Common Representative shall have no responsibility (other than arising from its wilful default, gross negligence or fraud) in relation to the legality, validity, sufficiency, adequacy and enforceability of the Transaction Documents.

The Common Representative will not be responsible for any loss, expense or liability which may be suffered as a result of any receivables comprised in the Transaction Assets, or any deeds or documents of title thereto, being uninsured or inadequately insured.

### **18.3 Regard to classes of Noteholders**

In the exercise of its powers and discretions under these Conditions and the Common Representative Appointment Agreement and the other Transaction Documents, the Common Representative will have regard to the interests of each Class of Noteholders as a class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

In any circumstances in which, in the opinion of the Common Representative, there is any conflict, actual or potential, between the Noteholders' interests and those of the Transaction Creditors, the Common Representative shall have regard only to the interests of the Noteholders and no other Transaction Creditor shall have any claim against the Common Representative for so doing.

To the extent permitted by Portuguese law and whenever there is any conflict between the interests of the Classes of Noteholders the Common Representative shall have regard to the most senior ranking of Notes.

When the Notes are no longer outstanding and, in its opinion, there is an actual or potential conflict between the interests of the Transaction Creditors, have regard to the interests of that Transaction Creditor which is, or those Transaction Creditors which are most senior in the Payment Priorities and which claim is still outstanding thereunder and no other Transaction Creditor shall have any claim against the Common Representative for so doing. If there are 2 or more Transaction Creditors who rank *pari passu* in the Payment Priorities, then the Common Representative shall look at the interests of such Transaction Creditors equally.

### **18.4 Paying Agent and Agent Bank solely agent of Issuer**

In acting under the Paying Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Common Representative and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

### **18.5 Variation or termination of appointment of the Agents**

The Issuer reserves the right (with the prior written approval of the Common Representative) to vary or terminate the appointment of any Agent and to appoint a successor paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to the Paying Agent and the Common Representative.

### **18.6 Maintenance of the Agents**

The Issuer shall at all times maintain a Paying Agent in accordance with any requirements of Interbolsa and any Stock Exchanges on which the Listed Notes are or may from time to time be listed. Notice of any change in the Agents or in its Specified Offices shall promptly be given to the Noteholders in accordance with the Notices Condition.

19. **Notices**

19.1 **Valid Notices**

Any notice to Noteholders shall only be validly given if such notice is either:

- (A) published on CMVM's website; or
- (B) published on a page of the Reuters service or of the Bloomberg service, or of any other medium for the electronic display of data as may be previously approved in writing by the Common Representative and as has been notified to the Noteholders in accordance with the Notices Condition (the "**Relevant Screen**"); or
- (C) published via Interbolsa, Euroclear and Clearstream Luxembourg in accordance with their procedures for the publication of notices.

19.2 **Date of publication**

Any notices so published shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication was made.

19.3 **Other methods**

The Common Representative shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the Stock Exchange (if any) on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Common Representative shall require.

20. **Governing Laws and Applicable Jurisdictions**

20.1 **Governing laws**

The Common Representative Appointment Agreement, these Conditions and the Notes, the Receivables Sale Agreement, the Servicing Agreement, the Paying Agency Agreement, the Co-ordination Agreement, the Master Framework Agreement, the Class Z Notes Purchase Agreement, and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Portuguese law.

The Transaction Management Agreement, the Subscription Agreement, the Balance Guaranteed Swap Agreement, the Accounts Bank Agreement and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

20.2 **Applicable Jurisdictions**

The courts of Lisbon are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes and the Transaction Documents (with the exception of the Transaction Management Agreement, the Subscription Agreement, the Balance Guaranteed Swap Agreement and the Accounts Bank Agreement) and accordingly any legal action or proceedings arising out of or in connection with the Notes may be brought in such courts.

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Transaction Management Agreement, the Subscription Agreement, the Balance Guaranteed Swap Agreement and the Accounts Bank Agreement.

21. **Definitions**

Any defined terms used in these Conditions which are not defined above shall bear the meanings given to them in the section below headed "**Definitions Glossary**".

## DEFINITIONS GLOSSARY

**"Accounts Bank Agreement"** means the account agreement relating to the Transaction Accounts dated on or about the Closing Date and made between the Issuer, the Accounts Bank and the Common Representative;

**"Accounts Bank"** means Deutsche Bank AG, in its capacity as the bank at which the Transaction Accounts are held in accordance with the terms of the Accounts Bank Agreement acting through its office at Taunusanlage 12 in the city of Frankfurt (Main), Germany;

**"Accounts Bank Operator"** means Deutsche Bank AG, London Branch, in its capacity as accounts bank operator in accordance with the terms of the Accounts Bank Agreement;

**"Actual Collections Proceeds"** means, in respect of any Lisbon Business Day and in respect of the Collections Account, the actual aggregate amount that has been credited to the Collection Accounts that relates to the Interest Component and to the Principal Component of the Receivables;

**"Additional Collateral Determination Date"** means, in relation to any Additional Purchase Date, the last Business Day in the relevant calendar month as specified by the Originator on any Offer;

**"Additional Purchase Date"** means each Interest Payment Date falling during the Revolving Period on which the Originator assigns Additional Receivables Portfolios to the Issuer;

**"Additional Purchase Price"** means, in respect of each Additional Receivables Portfolio to be assigned by the Originator to the Issuer on any Additional Purchase Date in accordance with clause 3.5 (*Consideration for Additional Receivables Portfolios*) of the Receivables Sale Agreement, corresponding to the Principal Outstanding Balance of the Purchased Receivables included in such Additional Receivables Portfolio as at the Additional Collateral Determination Date immediately preceding such Additional Purchase Date;

**"Additional Receivables"** means the Receivables contained on any Additional Receivables Portfolio sold and assigned by the Originator to the Issuer on any Additional Purchase Date;

**"Additional Receivables Portfolio"** means each portfolio of Additional Receivables which will be sold and assigned to the Issuer on any given Additional Purchase Date, as specified on the relevant Additional Sale Notice;

**"Additional Sale Notice"** means a notice sent by the Originator to the Issuer substantially in the form set out in Schedule 6 (*Additional Sale Notice*) to the Receivables Sale Agreement;

**"Affiliate Member of Interbolsa"** means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and Clearstream, Luxembourg;

**"Agent Bank"** means Deutsche Bank AG, London Branch, in its capacity as the agent bank in respect of the Notes in accordance with the Paying Agency Agreement and any replacement agent bank or agent bank appointed from time to time under the Transaction Documents;

**"Agents"** means the Agent Bank and the Paying Agent and **"Agent"** means any one of them;

**"Aggregate Principal Outstanding Balance"** means the aggregate amount of the Principal Outstanding Balance of all Purchased Receivables from time to time;

**"AIFMR"** means the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011, on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010, as amended from time to time;

**"Asset-Backed Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;

**"Assigned Rights"** means the Receivables Portfolio, including the Purchased Receivables and any Related Security, assigned to the Issuer by the Originator in accordance with the terms of the Receivables Sale Agreement;

**"Auditor"** means **Mazars & Associados, Sociedade de Revisores Oficiais de Contas, S.A.**, registered with the CMVM with number 20161394, with registered office at Rua Tomás da Fonseca, Centro Empresarial Torres de Lisboa, Torre G, 5th floor, 1600-209 Lisbon, Portuga

**"Authorised Investments"** means (i) bank deposits in euros (ii) money market funds within the meaning of Regulation (EU) No. 2017/1131, of the European Parliament and the Council, of 14 June 2017, and (iii) short term public or private debt securities admitted to trading on a regulated market, with a minimum credit risk rating or equivalent assigned by credit rating agencies registered with ESMA, that fulfil the following criteria, subject in any case to compliance with the applicable Portuguese laws and regulations for authorised investments by securitisation companies:

- (A) with respect to Moody's, the Authorised Investments should be denominated and payable in a specified currency such that no exchange rate risk is introduced to the transaction and to the extent such Authorised Investment has a maturity not exceeding 30 calendar days and which is scheduled to mature at least 1 Business Day prior to the next Interest Payment Date, a long-term rating of at least A3 or a short-term rating of at least P-1; and
- (B) with respect to DBRS:
  - (i) to the extent such Authorised Investment has a maturity not exceeding 30 calendar days: a minimum rating of A or R-1 (low);
  - (ii) to the extent such Authorised Investment has a maturity exceeding 30 calendar days, but not exceeding 90 calendar days: a minimum rating of AA (low) or R-1 (middle);
  - (iii) to the extent such Authorised Investment has a maturity exceeding 90 calendar days, but not exceeding 180 calendar days: a minimum rating of AA or R-1 (high);
  - (iv) to the extent such Authorised Investment has a maximum maturity of 365 calendar days: a minimum rating of AAA or R-1 (middle);
  - (v) Authorised Investments should mature no later than 1 Business Day before the date when the funds from the investments are required, taking into account any grace period that might apply to the relevant instrument;
  - (vi) Authorised Investments should be denominated and payable in a specified currency such that no exchange rate risk is introduced to the transaction; and
  - (vii) Authorised Investments should return invested principal at maturity;

**"Auto Loan"** means any funds disbursed by the Originator to the relevant Obligor and outstanding under an Auto Loan Contract, (i) identified in the file forming part of Schedule 5 (*Initial Receivables Portfolio*) of the Receivables Sale Agreement, on the Closing Date, or (ii) assigned by the Originator to the Issuer on any Additional Purchase Date and identified in the corresponding Offer together with any Related Security relating thereto;

**"Auto Loan Contract"** means, in respect of an Auto Loan and any Related Security in respect of such Auto Loan, the auto loans, passenger vehicle loans, commercial vehicle loans, and other vehicle loans under which such Auto Loan was made available to an Obligor by the Originator, which includes the loan credit agreement and all other agreements or documentation, entered into between the Originator and an Obligor, to finance the acquisition of new or used Vehicles by such Obligors, including credit contract's stamp duty and initial expenses;

**"Available Distribution Amount"** means, in respect of any Interest Payment Date, the amount calculated by the Transaction Manager as at the Calculation Date immediately preceding such Interest Payment Date equal to:

- (A) any Principal Collections Proceeds received by the Issuer during the Collections Period immediately preceding such Interest Payment Date; plus
- (B) any Interest Collections Proceeds received by the Issuer under the Receivables Portfolio during the Collections Period immediately preceding such Interest Payment Date; plus
- (C) where the proceeds of disposal or on maturity of any Authorised Investment received in relation to the relevant Collections Period exceed the original cost of such Authorised Investment, the amount of such excess; plus
- (D) any amounts standing to the credit of the Cash Reserve Account; plus
- (E) interest accrued and credited to the Transaction Accounts during the relevant Collections Period; plus
- (F) on the first Interest Payment Date, the amount credited to the Payment Account which was allocated to pay Issuer Expenses but not paid until such date; plus
- (G) amounts received or to be received by the Issuer under or in connection with the Balance Guaranteed Swap Agreement (other than any (i) early termination amount received by the Issuer under the Balance Guaranteed Swap Agreement required to fund the entry into a replacement Swap Transaction, (ii) Swap Collateral, (iii) Replacement Swap Premium paid to the Issuer to the extent required to pay termination amounts to the existing Swap Counterparty and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date; less
- (H) any Withheld Amount;

**"Back-up Servicer"** means Servdebt Capital Asset Management, S.A., in its capacity as back-up servicer for the Transaction;

**"Balance Guaranteed Swap Agreement"** means the ISDA Master Agreement, schedule, credit support annex and confirmation relating to the Swap Transaction (or such replacement balance guaranteed swap agreement as the Issuer may enter into in accordance with the Transaction Documents (a **"Replacement Balance Guaranteed Swap Agreement"**));

**"Breach of Duty"** means, in relation to any person, a wilful default, fraud, illegal dealing, negligence or breach of any agreement or trust by such person;

**"Business Day"** means any day which, cumulatively, is a TARGET Day and a day on which banks are open for business in Lisbon, Frankfurt and London;

**"Calculation Date"** means the last Lisbon Business Day of each calendar month in each year, the first Calculation Date being 30 June 2022, the **"First Calculation Date"**;

**"Call Option"** means the right (but not the obligation) of the Originator to repurchase all (but not part) of the Purchased Receivables which shall arise upon occurrence of a Call Option Event and which may be exercised by the Originator on any Interest Payment Date falling after the occurrence of such Call Option Event;

**"Call Option Event"** means the occurrence of any of the following events: (a) a Regulatory Change Event has occurred and a Regulatory Change Notice has been delivered by the Originator to the Issuer; or (b) a Clean-Up Call Event Notice has been delivered by the Originator to the Issuer and the Clean-Up Call Option has been exercised;

**"Call Option Event Notice"** means (i) a Regulatory Change Notice or (ii) a Clean-up Call Notice;

**"Cash Reserve Account"** means the account established with the Accounts Bank, or such other bank to which the Cash Reserve Account may be transferred, in the name of the Issuer, into which, on the Closing Date, an amount equal to the Initial Cash Reserve Amount will be credited;

**"Cash Reserve Account Required Balance"** means the required cash reserve amount on each Interest Payment Date, which shall be €1,500,000 during the Revolving Period and, after the Revolving Period:

- (A) The lower of €1,500,000; and
- (B) The higher of:
  - (i) 0.75% of the Outstanding Principal Balance of the Class A, B, C, D, E and F Notes (after Interest Payment Date occurs); and
  - (ii) €750,000,

Provided that once the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes are fully redeemed, the Cash Reserve Account Required Balance amount will be equal to zero;

**"Certificate of Ownership"** means, in relation to any Note and for the purposes of proving ownership or a Meeting, a certificate issued in accordance with Article 78 of the Portuguese Securities Code by the financial intermediary holding an individual securities account in which the Notes are registered in which it is stated that the Notes will not be released until the earlier of: (i) the conclusion of the Meeting, and (ii) the surrender of such certificate to such financial intermediary; and (b) that the bearer of such certificate is the owner of the Notes to which it relates;

**"Class"** or **"class"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes as the context may require, and **"Classes"** or **"classes"** shall be construed accordingly;

**"Class A Notes"** means the €168,000,000 Class A Asset-Backed Floating Rate Notes due 2039 issued by the Issuer on the Closing Date;

**"Class B Notes"** means the €8,000,000 Class B Asset-Backed Floating Rate Notes due 2039 issued by the Issuer on the Closing Date;

**"Class B Notes Deferred Interest Event "** means when the difference between:

- (A) the Outstanding Principal Balance of the Asset-Backed Notes on the immediately preceding Calculation Date, and
- (B) the sum of
  - (i) the Outstanding Balance of Non-Defaulted Receivables on the immediately preceding Calculation Date,
  - (ii) the remaining Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Payment Priorities, assuming there is no Deferred Interest Amount in Arrears, and
  - (iii) the remaining Payment Account balance on the immediately preceding Interest Payment Date after the purchase of the Additional Receivables Portfolio,is greater than the Outstanding Principal Balance of the Class C Notes, Class D Notes, Class E Notes and Class F Notes, and provided that the Class A Notes would not have been or were not going to be fully amortised on the relevant Interest Payment Date;

**"Class C Notes"** means the €12,000,000 Class C Asset-Backed Floating Rate Notes due 2039 issued by the Issuer on the Closing Date;

**"Class C Notes Deferred Interest Event "** means when the difference between:

(A) the Outstanding Principal Balance of the Asset-Backed Notes on the immediately preceding Calculation Date, and

(B) the sum of

(i) the Outstanding Balance of Non-Defaulted Receivables on the immediately preceding Calculation Date,

(ii) the remaining Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Payment Priorities, assuming there is no Deferred Interest Amount in Arrears, and

(iii) the remaining Payment Account balance on the immediately preceding Interest Payment Date after the purchase of the Additional Receivables Portfolio,

is greater than the Outstanding Principal Balance of the Class D Notes, Class E Notes and Class F Notes, and provided that the Class A Notes and the Class B Notes would not have been or were not going to be fully amortised on the relevant Interest Payment Date;

**"Class D Notes"** means the €6,000,000 Class D Asset-Backed Floating Rate Notes due 2039 issued by the Issuer on the Closing Date;

**"Class D Notes Deferred Interest Event "** means when the difference between:

(A) the Outstanding Principal Balance of the Asset-Backed Notes on the immediately preceding Calculation Date, and

(B) the sum of

(i) the Outstanding Balance of Non-Defaulted Receivables on the immediately preceding Calculation Date,

(ii) the remaining Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Payment Priorities, assuming there is no Deferred Interest Amount in Arrears, and

(iii) the remaining Payment Account balance on the immediately preceding Interest Payment Date after the purchase of the Additional Receivables Portfolio,

is greater than the Outstanding Principal Balance of the Class E Notes and Class F Notes, and provided that the Class A Notes, the Class B Notes and the Class C Notes would not have been or were not going to be fully amortised on the relevant Interest Payment Date;

**"Class E Notes"** means the €5,000,000 Class E Asset-Backed Floating Rate Notes due 2039 issued by the Issuer on the Closing Date;

**"Class E Notes Deferred Interest Event "** means when the difference between:

(A) the Outstanding Principal Balance of the Asset-Backed Notes on the immediately preceding Calculation Date, and

(B) the sum of

(i) the Outstanding Balance of Non-Defaulted Receivables on the immediately preceding Calculation Date,

(ii) the remaining Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Payment Priorities, assuming there is no Deferred Interest Amount in Arrears, and



- (iii) the remaining Payment Account balance on the immediately preceding Interest Payment Date after the purchase of the Additional Receivables Portfolio,  
  
is greater than the Outstanding Principal Balance of the Class F Notes, and provided that the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes would not have been or were not going to be fully amortised on the relevant Interest Payment Date;

**"Class F Noteholders"** means the persons who for the time being are the holders of the Class F Notes;

**"Class F Notes"** means the €1,000,000 Class F Asset-Backed Floating Notes due 2039 issued by the Issuer on the Closing Date;

**"Class F Notes Deferred Interest Event "** means when the difference between:

- (A) the Outstanding Principal Balance of the Asset-Backed Notes on the immediately preceding Calculation Date, and
- (B) the sum of
  - (i) the Outstanding Balance of Non-Defaulted Receivables on the immediately preceding Calculation Date,
  - (ii) the remaining Available Distribution Amount after payment of items (A) to (K) of the Pre-Enforcement Payment Priorities, assuming there is no Deferred Interest Amount in Arrears, and
  - (iii) the remaining Payment Account balance on the immediately preceding Interest Payment Date after the purchase of the Additional Receivables Portfolio,  
  
is greater than zero, and provided that the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes would not have been or were not going to be fully amortised on the relevant Interest Payment Date;

**"Class G Amortisation Amount"** means on any Interest Payment Date the repayment amount necessary to reduce the Principal Amount Outstanding of the Class G Notes which shall be equal to the minimum of:

- (A) 10% of the Initial Cash Reserve Amount plus any unpaid amounts on previous Interest Payment Dates, and
- (B) the Available Distribution Amount, following the fulfilment of the previous items in the Payment Priorities;

**"Class G Noteholders"** " means the persons who for the time being are the holders of the Class G Notes;

**"Class G Notes"** means the €1,500,000 Class G Floating Notes due 2039 issued by the Issuer on the Closing Date;

**"Class Z Distribution Amount"** means in relation to an Interest Payment Date:

- (A) other than the last Interest Payment Date on which a Class Z Distribution Amount is to be paid in respect of the Class Z Notes, the Available Distribution Amount calculated as at the related Calculation Date less the aggregate of the amounts to be paid by the Issuer in respect of paragraphs (A) to (W) of the Pre-Enforcement Payment Priorities on such Interest Payment Date; and
- (B) which is the last Interest Payment Date or such other date on which amounts are to be paid in respect of the Class Z Notes:
  - (i) firstly, the Principal Amount Outstanding of the Class Z Notes as at such Interest Payment Date or such other date as applicable; and

- (ii) secondly, the Available Distribution Amount calculated as at the related Calculation Date less (A) the aggregate of the amounts to be paid by the Issuer in respect of paragraphs (A) to (V) of the Pre-Enforcement Payment Priorities on such Interest Payment Date or, the aggregate of the amounts to be paid by the Issuer in respect of items (A) to (U) of the Post-Enforcement Payment Priorities, as applicable and (B) the Principal Amount Outstanding of the Class Z Notes as at such Interest Payment Date or such other date as applicable;

**"Class Z Noteholders"** means the persons who for the time being are the holders of the Class Z Notes;

**"Class Z Notes"** means the €1,800,000 Class Z Notes due 2039 issued by the Issuer on the Closing Date;

**"Class Z Notes Purchaser"** means 321Crédito – Instituição Financeira de Crédito, S.A.;

**"Class Z Notes Purchase Agreement"** means an agreement so named dated on or about the Signing Date between the Issuer, the Originator and the Sole Arranger;

**"Clean-up Call Date"** means the date on which the Issuer redeems the Notes in accordance with Condition 8.9(A);

**"Clean-up Call Notice"** means a written notice which is delivered by the Originator to the Issuer, the Paying Agent and the Noteholders in accordance with Condition 19 (*Notices*) to inform the Issuer that it is envisaging to exercise its Clean-up Call Option on a Payment Date;

**"Clean-Up Call Option"** means the delivery of the Clean-up Call Notice by the Originator when, on any Calculation Date, the Aggregate Principal Outstanding Balance of the Purchased Receivables, other than Defaulted Receivables, is equal to or less than 10% of the Aggregate Principal Outstanding Balance of the Initial Receivables Portfolio on the Initial Collateral Determination Date, provided that, on the succeeding Interest Payment Date, the funds available to the Issuer are sufficient to pay in full the items (A) to (P) of the Post-Enforcement Payment Priorities subject and in accordance to the Post-Enforcement Payment Priorities (as detailed in Condition 8.9 (*Optional Redemption in whole*));

**"Clearstream, Luxembourg"** means Clearstream Banking Société Anonyme, Luxembourg;

**"Closing Date"** means 1 June 2022;

**"CMVM"** means "*Comissão do Mercado de Valores Mobiliários*", the Portuguese Securities Market Commission;

**"Collateral Determination Date"** means the Initial Collateral Determination Date and any Additional Collateral Determination Date;

**"Collections"** means, in relation to any Receivable, all cash collections, and other cash proceeds thereof including any and all (a) principal, interest, late payment, early payment or similar charges which the Originator, or where the Originator is no longer the Servicer, the Servicer applies in the ordinary course of its business to amounts owed in respect of such Receivable, (b) Liquidation Proceeds and (c) Repurchase Proceeds the Principal Collections Proceeds and the Interest Collections Proceeds;

**"Collections Account"** means each of the accounts listed in the second column of Schedule 4 (*Collections Account Details*) of the Servicing Agreement, utilised for the time being by the Servicer in relation to Collections on the Receivables or, with the prior written consent of the Issuer, such other account or accounts as may for the time being be in addition thereto or substituted therefor and designated as a Collections Account;

**"Collections Accounts Banks"** means, in respect of each Collections Account, the banks listed in the first column of schedule 4 (*Collections Account Details*) of the Servicing Agreement or, with the prior written consent of the Issuer, such other bank or banks as may for the time being be nominated by the Originator and/or the Servicer in addition thereto;

**"Collections Period"** means the period commencing on (but excluding) a Calculation Date and ending (and including) on the next succeeding Calculation Date, and, in the case of the first Collections Period, commencing on

(and including) the Initial Collateral Determination Date and ending on (and including) the following Calculation Date;

**"Collections Proceeds"** means the Interest Collections Proceeds and the Principal Collections Proceeds;

**"Common Representative"** means Law Debenture (Ireland) Trustees Limited in its capacity as initial representative of the Noteholders pursuant to Article 65 of the Securitisation Law and Article 359 of the Portuguese Companies Code and in accordance with the Conditions of the Notes and the terms of the Common Representative Appointment Agreement and any replacement common representative or common representative appointed from time to time under the Common Representative Appointment Agreement;

**"Common Representative Appointment Agreement"** means the agreement so named to be entered into on the Closing Date between the Issuer and the Common Representative;

**"Common Representative's Fees"** means the fees payable by the Issuer to the Common Representative in accordance with the Common Representative Appointment Agreement.

**"Common Representative's Liabilities"** means any Liabilities due to the Common Representative in accordance with the terms of the Common Representative Appointment Agreement together with interest payable in accordance with the terms of the Common Representative Appointment Agreement.

**"Conditions"** means the terms and conditions to be endorsed on the Notes, in or substantially in the form set out in Schedule 1 (*Terms and Conditions of the Notes*) of the Common Representative Appointment Agreement, as any of them may from time to time be modified in accordance with the Common Representative Appointment Agreement and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly;

**"Co-ordination Agreement"** means the agreement so named to be entered into on the Closing Date between the Issuer, the Originator, the Back-up Servicer, the Servicer, the Transaction Manager, the Agent Bank, the Accounts Bank, the Paying Agent, and the Common Representative;

**"CVM"** means the *Central de Valores Mobiliários*, the Portuguese securities registration system managed by Interbolsa;

**"Day Count Fraction"** means in respect of an Interest Period, the actual number of days in such period divided by three-hundred and sixty;

**"DBRS"** means any entity that is part of DBRS and any successor to the relevant rating activity;

**"DBRS Equivalent Chart"** means:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB

BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

**“DBRS Equivalent Rating”** means, in relation to a long-term senior unsecured debt rating: (i) if a Fitch public rating, a Moody’s public rating and an S&P public rating are all available, (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and the lowest rating have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody’s and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or paragraph (ii) above, and therefore only a public rating by one of Fitch, Moody’s and S&P is available, such rating will be the DBRS Equivalent Rating upon conversion on the basis of the DBRS Equivalent Chart);

**“DBRS Long-Term Rating”** means, for any financial institution, on any date, the higher of:

- (A) a rating one notch below the institution's long-term Critical Obligations Rating (COR);
- (B) the institution's issuer rating or long-term senior unsecured debt rating; and
- (C) the institution's long-term deposit rating;

**"Defaulted Receivable"** means any Purchased Receivable:

- (A) in respect of which an instalment has not been paid within 90 days after the Instalment Due Date relating thereto and which remains unpaid on the date of such determination; or
- (B) in respect of which the Liquidation Proceeds have been realised; or
- (C) which is a Written-off Receivable;

**"Deferred Interest Amount in Arrears"** means, in respect of each class (other than the Most Senior Class of Notes) on any Interest Payment Date, any Interest Amount in respect of such class which is due but not paid as at such date;

**“Delinquency Event Trigger Level”** means 6%;

**"Delinquency Ratio"** means, as at any Calculation Date, the aggregate of the Principal Outstanding Balance of Delinquent Receivables divided by the aggregate Principal Outstanding Balance of all Receivables as at the end of the relevant Collections Period, in each case, determined from the latest Servicing Report;

**"Delinquent Receivable"** means, on any day, any Receivable which is not a Defaulted Receivable and in respect of which an instalment has not been paid by the 30<sup>th</sup> (thirtieth) day after the Instalment Due Date relating thereto and which remains unpaid on the date of such determination;

**"Designated Reporting Entity"** means the Originator as the entity responsible for compliance with the requirements of Article 7 of the EU Securitisation Regulation together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards;

**"Eligibility Criteria"** means the criteria that any Receivables comprised in the Receivables Portfolio, as set out in schedule 1 (*Eligibility Criteria*) of the Receivables Sale Agreement must satisfy;

**"EMIR"** means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties, and trade repositories, as amended by Regulation (EU) No. 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 648/2012 as regards the clearing obligation, the suspension of the clearing obligation, the reporting requirements, the risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, the registration and supervision of trade repositories and the requirements for trade repositories (and as further amended from time to time), known as the European Market Infrastructure Regulation;

**"Encumbrance"** means:

- (A) a mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or granting any security to a third party; or
- (A) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

**"Enforcement Notice"** means a notice delivered by the Common Representative to the Issuer in accordance with the Condition 12 (*Events of Default*) which declares the Notes to be immediately due and payable;

**"Enforcement Procedures"** means the exercise, according to the Operating Procedures, of rights and remedies against an Obligor in respect of such Obligor's obligations arising from any Assigned Right in respect of which such Obligor is in default.

**"ESMA Disclosure Templates"** means the regulatory and implementing technical standards, including the standardised templates, required by ESMA which set out the form in which the relevant reporting entity is required to comply with certain of the periodic reporting requirements, pursuant to the RTS and the ITS.

**"Estimated Collections Proceeds"** means, in respect of the Collections Account in respect of each Scheduled Payment Date, the estimated aggregate amount that has been credited to the Collections Account;

**"Estimated Interest Collections Proceeds"** means, in respect of the Collections Account in respect of each Scheduled Payment Date, the estimated aggregate amount in respect of the Interest Component that has been credited to the Collections Account;

**"Estimated Principal Collections Proceeds"** means, in respect of the Collections Account in respect of each Scheduled Payment Date, the estimated aggregate amount in respect of the Principal Component that has been credited to the Collections Account;

**"EURIBOR"** means the Euro Reference Rate;

**"EU Retained Interest"** means in relation to the Notes, the retention on an ongoing basis by the Originator of randomly selected exposures, equivalent to not less than 5% of the nominal value of the securitised exposures, in accordance with Article 6(3)(c) of the EU Securitisation Regulation;

**"EU Securitisation Regulation"** means Regulation (EU) No. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No. 1060/2009 and (EU) No. 648/2012, as amended and currently in force, and its relevant technical standards;

**"EU Securitisation Regulation Investor Reports"** means the Loan-Level Report together with the Investor Report;

**"Euro"**, **"€"** or **"euro"** means the lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty;

**"Euroclear"** means Euroclear Bank S.A./N.V.;

**"Euro Reference Rate"** means, on any Interest Determination Date, the rate determined by the Agent Bank by reference to the Euro Screen Rate on such date, or if, on such date, the Euro Screen Rate is unavailable:

- (A) the Rounded Arithmetic Mean of the offered quotations, as at or about 11.00 a.m. (Brussels time) on that date, of the Reference Banks to leading banks for Euro-zone interbank market for euro deposits for one month in the Representative Amount determined by the Agent Bank after request of the principal Euro-zone office of each of the Reference Banks; or
- (B) if, on such date, two or three only of the Reference Banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those Reference Banks providing such quotations; or
- (C) if, on such date, one only or none of the Reference Banks provide such a quotation, the Rounded Arithmetic Mean of the rates quoted, as at or about 11.00 a.m. (Brussels time) on such Interest Determination Date, by leading banks in the Euro-zone for loans in euro for one month (provided that, in relation to the Interest Determination Date for the first Interest Period, it shall be the result of the interpolation between the offered quotations for euro deposits for one week and one month) in the Representative Amount to leading European banks, determined by the Agent Bank after request of the principal office in the principal financial centre of the relevant Participating Member State of each such leading European bank;

**"Euro Screen Rate"** means, in relation to an Interest Determination Date, the offered quotations for euro deposits for one month by reference to the Screen as at or about 11.00 a.m. (Brussels time) on that date, provided that, in relation to the Interest Determination Date for the first Interest Period, it shall be the result of the interpolation between the offered quotations for euro deposits for one week and one month by reference to the Screen as at or about 11.00 a.m. (Brussels time) on that date;

**"Event of Default"** means any one of the events specified in Condition 12 (*Events of Default*);

**"Extraordinary Resolution"** means a resolution in respect of a Reserved Matter passed at a Meeting duly convened and approved by the required majority;

**"Final Discharge Date"** means the date on which the Common Representative is satisfied that all Issuer Obligations and/or all other monies and other liabilities due or owing by the Issuer in connection with the Notes have been paid or discharged in full;

**"Final Legal Maturity Date"** means the Interest Payment Date falling in June 2039;

**"First Interest Payment Date"** means 23 July 2022;

**"Fitch"** means Fitch Ratings Ltd. or any legitimate successor thereto;

**"Force Majeure Event"** means an event beyond the reasonable control of the person affected including, without limitation, epidemics or pandemics, general strike, lock-out, labour dispute, act of God, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, fire, flood and/or storm and other circumstances affecting the supply of goods or services;

**"Gross Default Ratio"** means the Aggregate Principal Outstanding Balance of the Defaulted Receivables since the Initial Collateral Determination Date, reckoned as the Aggregate Principal Outstanding Balance as at the date when each Auto Loan Contract was classified as a Defaulted Receivable, divided by the sum of:

- (A) the Aggregate Principal Outstanding Balance of Initial Receivables Portfolio as at the Initial Collateral Determination Date, and
- (B) the Additional Receivables Portfolio included during the Revolving Period;

**"Incorrect Payments"** means a payment incorrectly paid or transferred to the Payment Account, identified as such by the Servicer and confirmed by the Transaction Manager which will not form part of Available Distribution Amount;

**"Initial Cash Reserve Amount"** means an amount equal to €1,500,000 to be paid on the Closing Date from the proceeds of the issue of the Class G Notes into the Cash Reserve Account;

**"Initial Collateral Determination Date"** means 31 March 2022;

**"Initial Purchase Price"** means, in respect of the Initial Receivables Portfolio, the amount to be paid by the Issuer to the Originator in accordance with clause 3.2 (*Consideration for Initial Receivables Portfolio*) of the Receivables Sale Agreement, corresponding to the Principal Outstanding Balance of the Purchased Receivables included in the Initial Receivables Portfolio as at the Initial Collateral Determination Date and which is to be paid by the Issuer to the Originator on the Closing Date which shall amount to €200,000,000 (at par);

**"Initial Receivables"** means the Receivables contained in the Initial Receivables Portfolio;

**"Initial Receivables Portfolio"** means the portfolio of Assigned Rights assigned or purported to be assigned by the Originator to the Issuer on the Closing Date in consideration for which the Initial Purchase Price will be paid to the Originator and identified in the USB pen drive forming part of Schedule 5 (*Initial Receivables Portfolio*) of the Receivables Sale Agreement;

**"Insolvency Event"** in respect of a natural person or entity means:

- (A) the initiation of, or consent to any Insolvency Proceedings by such person or entity;
- (B) the initiation of Insolvency Proceedings against such a person or entity unless such proceeding is contested in good faith on appropriate legal advice and the same has a reasonable prospect of discontinuing or discharging the same;
- (C) the application (unless such application is contested in good faith on appropriate legal advice and the same has a reasonable prospect of discontinuing or discharging the same) to any court for, or the making by any court of, an insolvency or an administration order against such person or entity;
- (D) the enforcement of, or any attempt to enforce (unless such attempt is contested in good faith on appropriate legal advice and the same has a reasonable prospect of discontinuing or discharging the same) any security over the whole or a material part of the assets and revenues of such a person or entity;
- (E) any distress, execution, attachment or similar process (unless such process, if contestable, is contested in good faith on appropriate legal advice and the same has a reasonable prospect of discontinuing or discharging the same) being levied or enforced or imposed upon or against any material part of the assets or revenues of such a person or entity;
- (F) the appointment by any court of a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager, common representative, trustee or other similar official in respect of all (or substantially all) of the assets of such a person or entity generally;

- (G) the making of an arrangement, composition or reorganisation with the creditors that has a material impact on the assets of such a person or entity; or
- (H) such person or entity is deemed unable to pay its debts generally within the meaning of any liquidation, insolvency, composition, reorganisation or other similar laws in the jurisdiction of its incorporation or establishment;

**"Insolvency Proceedings"** means:

- (A) the presentation of any petition for the insolvency of a natural person (whether such petition is presented by such person or another party); or
- (B) the winding-up, dissolution or administration of an entity,
- (C) and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person or entity is ordinarily resident or incorporated (as the case may be) or of any jurisdiction in which such person or entity may be liable to such proceedings;

**"Insolvent Debtor Receivable"** means any Receivable the Obligor of which is insolvent pursuant to the Portuguese Insolvency Code (*Código da Insolvência e da Recuperação de Empresas*, as approved by Decree-Law 53/2004 of 18 March, as amended from time to time);

**"Instalment Due Date"** means, in relation to any Assigned Right, the original date on which each monthly instalment or quarterly instalment (as the case may be) is due and payable under the relevant Auto Loan Contract;

**"Insurance Policies"** means the insurance policies taken out by Obligors in respect of Auto Loan Contracts regarding which the Originator is also a beneficiary and any other insurance contracts of similar effect in replacement, addition or substitution therefor from time to time and **"Insurance Policy"** means any one of those insurance policies;

**"Interbolsa"** means INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., having its registered office at Avenida da Boavista, 3433, 4100-138 Porto, Portugal;

**"Interest Amount"** means:

- (A) in respect of a Rate Note for any Interest Period:
  - (i) the amount of interest calculated by multiplying the Principal Amount Outstanding of such Class of Notes on the relevant Interest Payment Date next following such Interest Determination Date by the relevant Note Rate and multiplying the amount so calculated by the relevant Day Count Fraction and rounding the resultant figure to the nearest 0.01 euro; plus
  - (ii) other than for the Most Senior Class of Notes, the Deferred Interest Amount in Arrears in respect of such Rate Note on the preceding Interest Payment Date; and
- (B) in respect of the Class of Notes for any Interest Period, the aggregate amount in paragraph (A) above, of all notes in such Class of Notes for such Interest Period;

**"Interest Amount in Arrears"** means, in respect of each class on any Interest Payment Date, any Interest Amount in respect of such class which is due and payable on such date but not paid as at such date, pursuant to the Payment Priorities;

**"Interest Collections Proceeds"** means, in respect of any Business Day, the portion of the aggregate amount that stands to the credit of the relevant Collections Account that relates to the Interest Component of the Assigned Rights;

**"Interest Component"** means in respect of any Assigned Rights:



- (A) all interest accrued and to accrue thereon (collected and to be collected thereunder) from and including the Collateral Determination Date including, for the avoidance of doubt, any late payment or ancillary interest;
- (B) any amounts collected in respect of Defaulted Receivables;
- (C) all Liquidation or Repurchase Proceeds allocated to interest, in respect of any Assigned Right excluding Defaulted Receivables;
- (D) all Liquidation Proceeds or Repurchased Proceeds in respect of Defaulted Receivables to the extent not covered by item (C); and
- (E) any indemnification paid by the Originator to the Issuer pursuant to the Receivables Sale Agreement allocated to interest in respect of the transfer of any Non-Compliant Receivable;
- (F) all Collections in respect of Written-off Receivables;
- (G) all interest accrued and credited to the Payment Account in the Collections Period ending immediately prior to the related Calculation Date;

**"Interest Determination Date"** means each day which is 2 Business Days prior to an Interest Payment Date, and, in relation to an Interest Period, the **"Related Interest Determination Date"** means the Interest Determination Date immediately preceding the commencement of such Interest Period, save that the Interest Determination Date in respect of the first Interest Period shall be 2 Business Days prior to the Closing Date;

**"Interest Payment Date"** means the 23<sup>rd</sup> day of each calendar month in each year commencing on the First Interest Payment Date until the Final Legal Maturity Date (inclusive), provided that if any such day is not a Business Day, it shall be the immediately succeeding Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the next preceding Business Day (Modified Following Adjusted);

**"Interest Period"** means each period from (and including) the Closing Date or an Interest Payment Date to (but excluding) the First Interest Payment Date or the next Interest Payment Date, respectively, and, in relation to an Interest Determination Date, the **"related Interest Period"** means the Interest Period next commencing after such Interest Determination Date;

**"Investor Report"** means a report to be in a form acceptable to the Issuer, the Transaction Manager and the Common Representative to be delivered by the Transaction Manager to, *inter alios*, the Issuer, the Paying Agent, the Common Representative, the Servicer, the Accounts Bank, the Lead Manager, the Swap Counterparty and the Rating Agencies not less than 5 Business Days prior to each Interest Payment Date, in relation to the immediately preceding Collections Period containing the information required under the ESMA regulatory technical standards published pursuant to Article 7(3) of the EU Securitisation Regulation relating to the Designated Reporting Entity's obligations pursuant to Article 7(1)(a) and (e) of the EU Securitisation Regulation and Article 7(1)(a) and (e) of the UK Securitisation Regulation (as in effect on the Closing Date);

**"ISDA Master Agreement"** means the 2002 ISDA Master Agreement, as published by the International Swaps and Derivatives Association, Inc.;

**"Issue Price"** means that the Class A Notes will be issued at 100% of their principal amount, the Class B Notes will be issued at 97.47% of their principal amount, the Class C Notes will be issued at 97.40% of their principal amount, the Class D Notes will be issued at 93.15% of their principal amount, the Class E Notes will be issued at 94.03% of their principal amount, the Class F Notes will be issued at 95.66% of their principal amount, the Class G Notes will be issued at 99.16% of their principal amount and the Class Z Notes will be issued at 100% of their principal amount;

**"Issuer"** means Tagus – Sociedade de Titularização de Créditos, S.A., a limited liability company incorporated under the laws of Portugal as a securitisation company (sociedade de titularização de créditos) and registered as such with the CMVM, with the share capital of €888,585.00, with its registered offices at Rua Castilho, no. 20, 1250-069 Lisbon, Portugal, registered with the Commercial Registry of Lisbon under its tax number 507 130 820;

**"Issuer Covenants"** has the meaning given to such term in Condition 6 (*Issuer Covenants*);

**"Issuer Expenses"** means any fees, liabilities and expenses, in relation to this transaction, payable by the Issuer to the Servicer, the Back-up Servicer, the Transaction Manager, any Paying Agent (including the Paying Agent), the Accounts Bank (including, for the avoidance of doubt, amounts corresponding to negative interest charges), the Agent Bank, the Common Representative (or any appointee or delegate of the Common Representative), any successor of the aforementioned entities, any custodian appointed to hold bearer Authorised Investments, and any Third Party Expenses that would be paid or provided for by the Issuer on the next Interest Payment Date, including the Issuer Transaction Revenue and any Incorrect Payment not paid by the Issuer on any Business Day other than an Interest Payment Date under paragraph 1(b)(i)(C) of part 7 (*Payment Priorities*) of schedule 2 (*Services to be provided by the Transaction Manager*) of the Transaction Management Agreement;

**"Issuer Obligations"** means the aggregate of all moneys and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Noteholders or the other Transaction Creditors under the Transaction Documents;

**"Issuer's Jurisdiction"** means the Portuguese Republic;

**"Lead Manager"** means Deutsche Bank AG;

**"Lending Criteria"** means the lending criteria set out in the Operating Procedures.

**"Liabilities"** means in respect of any person, any losses, liabilities, damages, costs, awards, expenses (including properly incurred legal fees) and penalties incurred by that person together with any VAT thereon;

**"Liquidation Proceeds"** means, in relation to an Assigned Right, the net proceeds from the realisation of such Assigned Right including those proceeds arising from the sale or other disposition of other security or property or other asset of the related Obligor or any other party directly or indirectly liable for payment of the Receivables related to such Assigned Right and available to be applied thereon;

**"Lisbon Business Day"** means any day on which banks are open for business in Lisbon;

**"Listed Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes;

**"Loan-Level Report"** means the monthly report to be prepared by the Servicer as soon as possible after each Interest Payment Date no later than 1 month after such date, under Paragraph 23 (*Loan-Level Report*) of Part 8 (*Provision of Information*) of Schedule 1 (*Services to be provided by the Servicer*) to the Servicing Agreement;

**"Master Framework Agreement"** means the Agreement so named dated on or about the Closing Date and initialled for the purpose of identification by each of the Transaction Parties;

**"Material Adverse Effect"** means, a material adverse effect on the validity or enforceability of any of the Transaction Documents or, in respect of a Transaction Party, a material adverse effect on:

- (A) the business, operations, property, condition (financial or otherwise) of such Transaction Party to the extent that such effect would, with the passage of time or the giving of notice, be likely to impair such Transaction Party's performance of its obligations under any of the Transaction Documents;
- (B) the rights or remedies of such Transaction Party under any of the Transaction Documents including the accuracy of the representations and warranties given by such party thereunder; or
- (C) in the context of the Assigned Rights, a material adverse effect on the interests of the Issuer or the Common Representative in the Receivables;

**"Material Term"** means, in respect of any Auto Loan Contract, any provision thereof on the date on which the Receivable is assigned to the Issuer relating to (i) the maturity date of the Receivable, (ii) the ranking of the Related Security (if any) provided by the relevant Obligor, (iii) the spread over the index and interest rate in relation to,

respectively, floating rated and fixed rate contracts, (iv) the Principal Outstanding Balance of such Receivable, and (v) the amortisation schedule of such Receivable.

**"Meeting"** means a meeting of Noteholders of any class or classes (whether originally convened or resumed following an adjournment);

**"Minimum Long-Term Rating"** means in respect of the Accounts Bank:

- (A) in the case of DBRS, a DBRS Long-Term Rating of BBB (high), or, in the absence, a DBRS Equivalent Rating of BBB(high); and
- (B) in the case of Moody's, a long-term deposit rating of A3.

**"Modified Following Adjusted"** means a convention whereby if a specified date would fall on a day which is not a Business Day, such date would be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date would be the first preceding day that is a Business Day, interest being calculated on the effective payment date adjusted for the Business Day.

**"Most Senior Class"** means, the Class A Notes whilst they remain outstanding, or the Class B Notes once the Class A Notes have been redeemed in full, or the Class C Notes once the Class B Notes have been redeemed in full, or the Class D Notes once the Class C Notes have been redeemed in full, or the Class E Notes once the Class D Notes have been redeemed in full, or the Class F Notes once the Class E Notes have been redeemed in full;

**"Non-Scheduled Proceeds"** means any actual non-scheduled payments amounts (other than the Estimated Collections Proceeds) paid by the Obligors and received by the Servicer since the last Scheduled Payment Date during such Collections Period;

**"Note Principal Payment"** means, any payment to be made or made by the Issuer in accordance with Condition 8.1 (*Final Redemption*), Condition 8.2 (*Mandatory Redemption in part of Asset-Backed Notes*), Condition 8.3 (*Mandatory Redemption in part of the Class G Notes and the Class Z Notes*), Condition 8.4 (*Mandatory Redemption in whole of the Class Z Notes*) and Condition 8.9 (*Optional Redemption in whole*);

**"Note Rate"** means, in respect of each Class of Notes for each Interest Period, the following rates:

- (A) in respect of the Class A Notes, the sum of EURIBOR for one-month euro deposits plus 0.90% per annum, subject to a floor of zero;
- (B) in respect of the Class B Notes, the sum of EURIBOR for one-month euro deposits plus 2.00% per annum, subject to a floor of zero;
- (C) in respect of the Class C Notes, the sum of EURIBOR for one-month euro deposits plus 3.70% per annum, subject to a floor of zero;
- (D) in respect of the Class D Notes, the sum of EURIBOR for one-month euro deposits plus 5.25% per annum, subject to a floor of zero;
- (E) in respect of the Class E Notes, the sum of EURIBOR for one-month euro deposits plus 6.50% per annum, subject to a floor of zero;
- (F) in respect of the Class F Notes, the sum of EURIBOR for one-month euro deposits plus 8.50% per annum, subject to a floor of zero;
- (G) in respect of the Class G Notes, the sum of EURIBOR for one-month euro deposits plus 7.85% per annum, subject to a floor of zero; and
- (H) in respect of the Class Z Notes, the sum of EURIBOR for one-month euro deposits plus 7.50% per annum, subject to a floor of zero;

**"Noteholders"** means the persons who for the time being are the holders of the Notes;

**"Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, Class G Notes and the Class Z Notes and **"Note"** means each of the Notes;

**"Notices Condition "** means Condition 19 (*Notices*);

**"Notification Event"** means:

- (A) the delivery by the Common Representative of an Enforcement Notice to the Issuer in accordance with the Conditions;
- (B) the occurrence of an Insolvency Event in respect of the Originator;
- (C) the termination of the appointment of 321Crédito as Servicer in accordance with the terms of the Servicing Agreement; and/ or
- (D) if the Originator is being required to deliver a Notification Event Notice by the laws of the Portuguese Republic;

**"Notification Event Notice"** means a notice substantially in the form set out in Part B (*Form of Notification Event Notice*) of Schedule 4 (*Notification Events*) of the Receivables Sale Agreement.

**"Obligor"** means, in respect of any Purchased Receivable, the related obligor or obligors or other person or persons who is or are under any obligation to repay that Purchased Receivable or who is or who are otherwise obliged to make a payment with respect to that Purchased Receivable, including any guarantor (or comparable person) of such obligor and **"Obligors"** means all of them;

**"Offer"** means an offer made by the Originator to assign Additional Receivables to the Issuer substantially in the form set out in the Receivables Sale Agreement;

**"Operating Procedures"** means the servicing and collection procedures of the Originator (as amended, varied or supplemented from time to time in accordance with the Servicing Agreement), which shall include definitions, remedies and actions relating to delinquency and default of the Obligors, debt restructuring, debt forgiveness, forbearance, losses, charge offs, recoveries and other asset performance remedies;

**"Optional Redemption Event"** means that one of the following events has occurred:

- (A) a Regulatory Change Event;
- (B) a Tax Event; or
- (C) a Clean-Up Call Option was exercised by the Originator;

**"Original Principal Amount Outstanding"** means the Principal Amount Outstanding on the Closing Date;

**"Original Principal Outstanding Balance"** means in relation to any Purchased Receivable the Principal Outstanding Balance of such Purchased Receivable on the Closing Date;

**"Originator"** means 321Crédito;

**"Originator's Warranty"** means each statement of the Originator contained in Schedule 2 (*Originator's Representations and Warranties*) to the Receivables Sale Agreement and **"Originator's Warranties"** means all of those statements.

**"Outstanding"** means, in relation to the Notes, all the Notes other than:

- (A) those which have been redeemed and cancelled in full in accordance with their respective Conditions;

(B) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Common Representative or the Paying Agent in the manner provided for in the Paying Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;

(C) those which have become void under the Conditions;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of clause 11 (*Waiver*), clause 12 (*Modifications*), clause 14 (*Proceedings and actions by the Common Representative*), clause 21 (*Appointment of Common Representative*) and clause 22 (*Notice of a new common representative*) of the Common Representative Appointment Agreement and Condition 12 (*Events of Default*), Condition 13 (*Proceedings*) and Condition 16 (*Meetings of Noteholders*) and the Provisions for Meetings of Noteholders; and
- (iii) any discretion, power or authority, whether contained in the Common Representative Agreement or provided by law, which the Common Representative is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or for the benefit of the Issuer, the Originator, the Servicer or the Transaction Manager shall (unless and ceasing to be so held) be deemed not to remain outstanding, unless all of the Notes are held by the Originator and/or the Servicer;

**"Participating Member State"** means at any time any member state of the European Union that has adopted the euro as its lawful currency in accordance with the Treaty;

**"Paying Agency Agreement"** means the agreement so named dated on or about the Closing Date between the Issuer, the Paying Agent, the Agent Bank and the Common Representative;

**"Paying Agent"** means the paying agent named in the Paying Agency Agreement together with any successor or additional paying agent appointed from time to time in connection with the Notes under the Paying Agency Agreement;

**"Payment Account"** means the account in the name of the Issuer and maintained at the Accounts Bank (or such other bank to which the Payment Account may be transferred according to the terms of the Transaction Documents) and into which Collections are transferred by the Servicer from the Collections Account;

**"Payment Priorities"** means the Pre-Enforcement Payment Priorities and the Post-Enforcement Payment Priorities, as the case may be;

**"Permitted Encumbrance"** means any Encumbrance permitted to be created in accordance with a Transaction Document;

**"Performing Receivable"** means any Receivable that is neither a Delinquent Receivable nor a Defaulted Receivable nor an Insolvent Debtor Receivable;

**"Permitted Variation"** means, in relation to any Receivable, any amendment, or variation or waiver to the Material Terms of the relevant Auto Loan Contract other than one which:

- (A) amends, modifies or removes the right to increase the repayments due under the relevant Auto Loan Contract as a result of the relevant Obligor ceasing to pay by direct debit sums due under such Auto Loan Contract;

- (B) reduces the interest payable under such Auto Loan Contract, down in the event that the average interest rate of all Receivables yet to be repaid weighted by the outstanding principal of each of those Receivables is below 7.75% in respect of fixed rate Receivables Portfolio, and 8.25% in respect of floating rate Receivables Portfolio;
- (C) amends, modifies or removes any provision relating to payment of interest on overdue amounts;
- (D) reduces the Principal Outstanding Balance of the relevant Receivable; or
- (E) extends the original term of the Auto Loan Contract over 120 months, provided that, the Aggregate Principal Outstanding Balance of Receivables exceeds 10.00% of the face amount of the Note Issue or of the Aggregate Principal Outstanding Balance of the Receivables Portfolio on the Initial Collateral Determination Date and on each Additional Collateral Determination Date; and
- (F) which extends the original term of the Auto Loan Contract and the maturity of the Receivables subject to such amendment falls after the Interest Payment Date falling in June 2034,  
provided that any change in accordance with the Operating Procedures will be a Permitted Variation (in each case as determined from the latest Servicing Report).

**“Portfolio Limitation”** means, for the purposes of the Portfolio Limitation Tests during the Revolving Period, the occurrence of:

- (A) the Aggregate Principal Outstanding Balance of Receivables under the related Auto Loan Contract in relation to corporate activities is not more than 10.0% of the Aggregate Principal Outstanding Balance of all Receivables;
- (B) the percentage of Receivables where Obligors are not Portuguese citizens (but are residents in Portugal) is less than 5.0%;
- (C) the weighted average LTV of the Receivables included in the Receivables Portfolio is less than 97.5%;
- (D) the weighted average remaining term to maturity of the Receivables included in the Receivables Portfolio is less than 86.9 months;
- (E) the weighted average seasoning of the Receivables included in the Receivables Portfolio is greater than or equal to 12 months;
- (F) the weighted average interest rate of all Receivables in the Receivables Portfolio in respect of which a fixed rate of interest is payable is above 7.75%;
- (G) the weighted average interest rate of all Receivables in the Receivables Portfolio in respect of which a floating rate of interest is payable above the relevant index is above 8.25%;
- (H) the weighted average interest rate of Additional Receivables purchased during the Revolving Period in respect of which a fixed rate of interest is payable is above 6.5%;
- (I) the weighted average interest rate of Additional Receivables purchased during the Revolving Period in respect of which a floating rate of interest is payable above the relevant index is above 7.0%;
- (J) the Aggregate Principal Outstanding Balance of the Non-Defaulted Receivables in respect of which the related Obligors are residents in the same district (*distrito*) is not more than 35% of the Aggregate Principal Outstanding Balance of all Receivables;
- (K) the Aggregate Principal Outstanding Balance of the Non-Defaulted Receivables in respect of which the related Obligors are residents in any of the 3 districts (*distritos*) with higher Obligors' concentration is not more than 70% of the Aggregate Principal Outstanding Balance of all Receivables;

(L) no single Obligor represents 0.10% or more of the Aggregate Principal Outstanding Balance of all Receivables;

(M) the Aggregate Principal Outstanding Balance of Receivables under the related Receivables contracts in respect of which a floating rate of interest is payable is not more than 15% of the Aggregate Principal Outstanding Balance of the Receivables in the Initial Receivables Portfolio and in each Additional Receivables Portfolio,

in each case, as determined by the Servicer and notified to the Issuer, the Transaction Manager and the Common Representative;

**"Portfolio Limitation Tests"** means the determination of the occurrence of a Portfolio Limitation during the Revolving Period;

**"Portfolio Valuation"** means the sum of:

(A) the Aggregate Principal Outstanding Balance of the Purchased Receivables that are neither Delinquent Receivables nor Defaulted Receivables, plus the aggregate interest accrued and unpaid under each such Purchased Receivables; and

(B) the valuation in respect of the portfolio of Delinquent Receivables and Defaulted Receivables as provided by an independent appraiser as at the end of the immediately preceding Collections Period as determined in accordance with standard market practice (taking into account expected recoveries to be obtained from the Obligors);

**"Portuguese Insolvency Code"** means the *Código de Insolvência e Recuperação de Empresas*, implemented by Decree-law no. 53/2004, of 18 March 2004, as amended;

**"Post-Enforcement Payment Priorities"** means the provisions relating to the order of payment priorities set out in Condition 4.4 (*Payments Priorities*) and in Clause 16 (*Post-Enforcement Payment Priorities*) of the Common Representative Appointment Agreement;

**"Potential Event of Default"** means any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination thereof) an Event of Default;

**"Pre-Enforcement Payment Priorities"** means the provisions relating to the order of payments priorities set out in Paragraph 2 (*Pre-Enforcement Payment Priorities*) of Part 7 (*Payment Priorities*) of Schedule 2 (*Services to be provided by the Transaction Manager*) to the Transaction Management Agreement;

**"Preliminary Prospectus"** means the Prospectus prepared by the Issuer in connection with the issue of the Notes where used as a marketing material prior to the Signing Date;

**"Principal Amount Outstanding"** means, on any day:

(A) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable on or prior to that day;

(B) in relation to a class, the aggregate of the amount in (a) in respect of all Notes outstanding in such class; and

(C) in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of class;

**"Principal Available Funds"** means the funds standing to the balance of the Payment Account on each Interest Payment Date, which shall be:

(A) the Principal Withholding Amount, and

- (B) until the Interest Payment Date immediately succeeding the end of the Revolving Period, inclusive, any Unapplied Principal Amount;

**"Principal Collections Proceeds"** means, in respect of any Business Day, the portion of the aggregate amount that stands to the credit of the relevant Servicing Account that relates to the Principal Component of the Assigned Rights;

**"Principal Component"** means, in respect of any Collections:

- (A) all cash collections and other cash proceeds of any Assigned Right in respect of principal (whether such principal is express or implied, as determined by the Servicer) collected or to be collected thereunder from the Collateral Determination Date including repayments and prepayments of principal thereunder and similar charges allocated to principal;
- (B) all Liquidation Proceeds in respect of such Assigned Right (other than Liquidation Proceeds arising after such Assigned Right becomes a Written-off Receivable) allocated to principal (other than such amounts as are referred to in items (C), (D) and (F) of the definition of "Interest Component");

**"Principal Deficiency Amount"** means the amount calculated resulting from the positive difference, if applicable, between:

- (A) the Principal Withholding Amount; minus
- (B) the remaining Available Distribution Amount after payments of items (A) to (K) of the Pre-Enforcement Payment Priorities;

**"Principal Deficiency Ledger"** means a ledger of the Payment Account established and maintained by the Transaction Manager in order to record any Principal Deficiency Amount;

**"Principal Outstanding Balance"** means in relation to any Receivable and on any date, the aggregate of:

- (A) the original principal amount advanced to the Obligor; plus
- (B) any other disbursement, legal expense, fee or charge capitalised; plus
- (C) any further advance of principal to the Obligor; less
- (D) any repayments of the amounts in (a), (b) and (c) above,
- provided that, in respect of any Defaulted Receivable, the Principal Outstanding Balance will be deemed to be 0 (zero);

**"Principal Withholding Amount"** means the amount retained on the Payment Account on each Interest Payment Date, which is the positive difference, if any, on the immediately preceding Calculation Date between:

- (A) the Principal Amount Outstanding of the Asset-Backed Notes; and
- (B) the sum of:
- (i) the Aggregate Principal Outstanding Balance of Non-Defaulted Receivables; and
- (ii) any Unapplied Principal Amount;

**"Prospectus"** means this prospectus dated the Signing Date prepared in connection with the issue by the Issuer of the Notes;

**"Provisions for Meetings of Noteholders"** means the provisions contained in Schedule 2 (*Provisions for Meetings of Noteholders*) of the Common Representative Appointment Agreement;



**"Purchase Date"** means the Closing Date or any Additional Purchase Date;

**"Purchased Receivable"** means any Receivables which at any time and from time to time have been sold and/or assigned or which are purported to be sold and/or assigned or otherwise transferred by the Originator to the Issuer pursuant to the Receivables Sale Agreement, but excluding any Auto Loan Contracts which have been repurchased;

**"Rated Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;

**"Rating Agencies"** means Moody's, or any successor entity thereto and DBRS, or any successor thereto;

**"Ratings"** means the then current ratings of the Rated Notes given by each of the Rating Agencies;

**"Receivable"** means, any and all present and future payment actually or contingently owing to the Originator under an Auto Loan Contract and/or under Related Security;

**"Receivable Warranty"** means each statement of the Originator contained in Part C (Receivables Representations and Warranties of the Originator) to Schedule 2 (Originator's Representations and Warranties) of the Receivables Sale Agreement and **"Receivables Warranties"** means all of those statements.

**"Receivables Portfolio"** means the Initial Receivables Portfolio together with any Additional Receivables Portfolio;

**"Receivable Repurchase Price"** means the amount paid in consideration for Receivables repurchased by the Originator or purchased by a third party pursuant to Clause 10.3 (*Consideration for Re-assignment*) of the Receivables Sale Agreement.

**"Receivables Sale Agreement"** means the agreement so named to be entered into on the Closing Date and made between the Originator and the Issuer;

**"Regulatory Change Event"** means:

- (A) any enactment or establishment of, or supplement or amendment to, or change in any law, regulation, rule, policy or guideline of any relevant competent international, European or national body (including the ECB, the European Banking Authority or the Bank of Portugal (*Banco de Portugal*) or any other relevant competent international, European or national regulatory or supervisory authority) or the application or official interpretation of, or view expressed by any such competent body with respect to, any such law, regulation, rule, policy or guideline, which becomes effective on or after Closing Date; or
- (B) a notification by or other communication from the applicable regulatory or supervisory authority being received by the Originator with respect to the Transaction, with regard to any law, regulation, rule, policy or guideline, in force at the Closing Date or which becomes effective on or after that date,

which, in each case, in the reasonable opinion of the Originator, has a Materially Adverse Effect on the rate of return on capital of the Issuer and/or the Originator or materially increases the cost or materially reduces the benefit to the Originator under the Transaction.

For the avoidance of doubt, the declaration of a Regulatory Change Event will not be excluded by the fact that, prior to the Closing Date:

- (i) the event constituting any such Regulatory Change Event was:
  - (a) announced or contained in any proposal (whether in draft or final form) for a change in the laws, regulations, applicable regulatory rules, policies or guidelines (including any accord, standard, or recommendation of the Basel Committee on Banking Supervision), as officially interpreted, implemented or applied by Portugal or the European Union (or any national or European body); or

- (b) incorporated in any law or regulation approved and/or published but the effectiveness or application of which is deferred, in whole or in part, beyond the Closing Date; or
- (c) expressed in any statement by any official of the competent authority in expert meetings or other discussions in connection with such Regulatory Change Event; or
- (ii) the competent authority has issued any notification, taken any decision or expressed any view with respect to any individual transaction, other than this Transaction. Accordingly, such proposals, statements, notifications or views will not be taken into account when assessing the rate of return on capital of the Issuer and/or the Originator or an increase of the cost or reduction of benefits to the Originator of the Transaction immediately after the Closing Date;

**"Regulatory Change Notice"** means a written notice which is delivered by the Originator to the Issuer informing that it is envisaging to exercise its Regulatory Change Option on an Interest Payment Date;

**"Regulatory Change Option"** means the option which may be exercised by the Originator upon the occurrence of a Regulatory Change Event, to exercise the optional redemption of all (but not some only) of the Notes following a Regulatory Change Event, in accordance with the Condition 8.9. (*Optional Redemption in whole*);

**"Regulatory Direction"** means, in relation to any person, a direction or requirement of any Governmental Authority with whose directions or requirements such person is accustomed to comply;

**"Related Security"** means:

- (A) all ownership interests, liens, security interests, charges or encumbrances, or other rights or claims, of the Originator on any property or asset from time to time, if any, purporting to secure payment of such Receivable, whether pursuant to the Auto Loan Contract related to such Receivable or otherwise, together with all financing statements signed by the Obligor describing any collateral security securing such Receivables;
- (B) all guarantees, Insurance Policies, (including life insurance and employment insurance contracts) and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable or other Assigned Rights whether pursuant to the Auto Loan Contract related to such Receivable or otherwise;
- (C) all records related to such Receivable and Assigned Rights;
- (D) all proceeds at any time howsoever arising out of the resale, redemption or other disposal of (net of collection costs), or dealing with, or judgments relating to, any of the foregoing, any debts represented thereby, and all rights of action against any person in connection therewith; and
- (E) if the Originator retains ownership of the related vehicles or equipment or acquires or accedes to ownership of any vehicle of the relevant Obligor as a means of securing payments due in respect of any Receivables, the right (or economic benefit) to all rights and benefits of the Originator thereto, to the extent legally possible;

**"Relevant Date"** means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 days after the date on which notice is duly given to the Noteholders in accordance with the Notices Condition that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

**"Relevant Screen"** means a page of the Reuters Service or of the Bloomberg service, or of any other medium for the electronic display of data as may be previously approved in writing by the Common Representative and as has been notified to the Noteholders in accordance with the Notices Condition;

**"Replacement Swap Premium"** means an amount (if any) received by the Issuer from a replacement interest rate swap provider, or an amount paid by the Issuer to a replacement interest rate swap provider, upon entry by the Issuer into a Replacement Balance Guaranteed Swap Agreement.

**"Repurchase Proceeds"** means such amounts as are received by the Issuer pursuant to the sale of certain Assigned Rights by the Issuer to the Originator pursuant to the Receivables Sale Agreement;

**"Reserved Matter"** means any proposal:

- (A) to change any date fixed for payment of principal or interest in respect of the Notes of any Class (or the Class Z Distribution Amount in respect of the Class Z Notes), to reduce the amount of principal or interest (or the Class Z Distribution Amount in respect of the Class Z Notes) due on any date in respect of the Notes of any Class or to alter the definitions which are relevant for or the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (B) to the extent legally admissible, to effect the exchange, conversion or substitution of the Notes, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (C) to change the currency in which amounts due in respect of the Notes are payable;
- (D) to alter the priority of payment of interest (or the Class Z Distribution Amount in respect of the Class Z Notes) or principal in respect of the Notes; or
- (E) to amend this definition;

**"Resolution"** means, in respect of matters other than a Reserved Matter, a resolution passed at a Meeting duly convened and held in accordance with the quorums of the provisions for Meetings of Noteholders by a majority of the votes cast and, in respect of matters relating to a Reserved Matter, a resolution passed at a Meeting duly convened and held in accordance with the quorums of the Provisions for Meetings of Noteholders by at least 50% of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class or Classes or by 2/3 of votes cast in any adjourned meeting;

**"Revolving Period"** means the period commencing on the Closing Date and ending on a Revolving Period End Date;

**"Revolving Period End Date"** means the earlier of:

- (A) the Interest Payment Date falling 12 months after the Closing Date; or
- (B) the Interest Payment Date falling immediately after a Revolving Period Termination Event occurs;

**"Revolving Period Termination Event"** means that one of the following events has occurred and is continuing:

- (A) on the preceding Calculation Date, the Gross Default Ratio is greater than the reference value, which shall mean for the purposes of this calculation the result of adding (i) 0.5% and (ii) the product of 0.3% and the number of Calculation Dates elapsed since the Closing Date, including the relevant Calculation Date;
- (B) the Rolling Average Delinquency Ratio in respect of a Calculation Date is greater than 5%;
- (C) on any two consecutive Interest Payment Dates the balance of the Payment Account relative to principal payments exceeds 10% of the Principal Amount Outstanding of the Asset-Backed Notes;
- (D) the Cash Reserve Account is not replenished up to the Cash Reserve Account Required Balance on such Interest Payment Date;
- (E) on the three immediately preceding Interest Payment Dates, the Aggregate Principal Outstanding Balance of the Receivables, which are not Defaulted Receivables, shall have been less than 95% of the aggregate Principal Amount Outstanding of the Asset-Backed Notes

- (F) on any Interest Payment Date, after giving effect to the Payment Priorities, the Principal Deficiency Amount is greater than 0.0% of the Aggregate Principal Outstanding Balance of the Initial Receivables Portfolio;
- (G) an Insolvency Event occurs in respect of the Originator or the Servicer;
- (H) a Servicer Event occurs;
- (I) the Swap Counterparty Downgrade Event has occurred;
- (J) the Portfolio Limitation Tests are breached;
- (K) a Notification Event occurs;
- (L) a Tax Event; and
- (M) A Sequential Redemption Event has occurred.

**"Rolling Average Delinquency Ratio"** means, in respect of any Calculation Date:

- (A) if the Calculation Date on which the Rolling Average Delinquency Ratio is being determined is the second Calculation Date following the Closing Date, the weighted average of the Delinquency Ratio calculated on such Calculation Date and the Delinquency Ratio calculated on the preceding Calculation Date; or
- (B) in relation to any other Calculation Date, the weighted average of the Delinquency Ratio calculated on such Calculation Date and the Delinquency Ratio calculated on the two Calculation Dates immediately prior thereto;

**"S&P"** means Standard & Poor's Credit Market Services Europe Limited or any legitimate successor thereto;

**"Scheduled Payment Date"** means each of the 5<sup>th</sup>, 15<sup>th</sup> and 25<sup>th</sup> day of each calendar month, such date being a date on which the relevant Collections Account is credited pursuant to the relevant direct debit instructions;

**"Screen"** means, the display designated as EURIBOR 01 Page as quoted on the Reuters Screen; or

- (A) such other page as may replace EURIBOR 01 Page as quoted on the Reuters Screen on that service for the purpose of displaying such information; or
- (B) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Common Representative) as may replace such services;

**"Securitisation Law"** means Decree-Law no. 453/99 of 5 November 1999 as amended from time to time by Decree-Law no. 82/2002 of 5 April 2002, Decree-Law no. 303/2003 of 5 December 2003, Decree-Law no. 52/2006 of 15 March 2006, by Decree-Law no. 211-A/2008 of 3 November 2008, amended and restated by Law no. 69/2019 of 28 August and amended by Decree-Law no. 144/2019, of 23 September and Law no. 25/2020, of 7 July;

**"Securitisation Tax Law"** means the Portuguese tax legal framework enacted in Portugal on 4 August 2001 through Decree-Law no. 219/2001, of 4 August, as amended by Law no. 109-B/2001, of 27 December, Decree-Law no. 303/2003, of 5 December, Law no. 107-B/2003, of 31 December, Law no. 53-A/2006, of 29 December and Decree-Law no. 53/2020, of 11 August;

**"Sequential Redemption Event"** means on any Interest Payment Date following a Calculation Date, any of the following conditions are met:

- (A) the Gross Default Ratio is greater than the reference value, which shall mean for the purposes of this calculation the result of adding (i) 0.5% and (ii) the product of 0.3% and the number of Calculation Dates elapsed since the Closing Date, including the relevant Calculation Date subject to a cap of 7.4%;

- (B) on any Interest Payment Date, after giving effect to the Payment Priorities, the Principal Deficiency Amount is greater than 0.0% of the Aggregate Principal Outstanding Balance of the Initial Receivables Portfolio;
- (C) a Revolving Period Termination Event has occurred; or
- (D) the amount of the Aggregate Principal Outstanding Balance of the Receivables yet to be repaid is less than 10.0% of the Aggregate Principal Outstanding Balance of the Initial Receivables Portfolio upon the Issuer being incorporated,

provided that after the occurrence of a Sequential Redemption Event the amortisation of the Notes will never again be *pro-rata* between the Classes;

**"Servicer"** means 321Crédito in its capacity as Servicer under the Servicing Agreement (but, for the avoidance of doubt, not the Successor Servicer, before the delivery of a Servicer Termination Notice);

**"Services"** means the services to be provided by the Servicer as set out in Schedule 1 (*Services to be provided by the Servicer*) to the Servicing Agreement.

**"Servicer Event"** means any of the events specified in clause 18 (*Servicer Events*) of the Servicing Agreement;

**"Servicer Records"** means the original and/or any copies of all documents and records, in whatever form or medium, including all information maintained in electronic form (including computer tapes, files and discs) regarding to the Services;

**"Servicer Resignation Notice"** means a notice by the Servicer in accordance with the terms of clause 17 (*Servicer Resignation*) of the Servicing Agreement;

**"Servicer Termination Date"** means the date specified in a Servicer Termination Notice (or such later date as may be notified by the Issuer prior to the expiry of such date);

**"Services"** means certain services which the Servicer must provide pursuant to the Servicing Agreement;

**"Servicing Agreement"** means an agreement so named to be entered into on the Closing Date between the Servicer, the Back-up Servicer and the Issuer;

**"Servicing Report"** means the report so named relating to the Receivables to be delivered by the Servicer to the Issuer, the Transaction Manager, the Back-up Servicer, the Rating Agencies, the Sole Arranger and the Lead Manager pursuant to Paragraph 22 of Schedule 1 (*Services to be provided by the Servicer*) to the Servicing Agreement in the form set out in schedule 5 (*Form of Servicing Report*) thereto or as otherwise specified from time to time by the Transaction Manager;

**"Signing Date"** means 30 May 2022;

**"Specified Offices"** means in relation to any Agent:

- (A) the office specified against its name in Schedule 5 (*Notices Details*) to the Master Framework Agreement; or
- (B) such other office as such Agent may specify in accordance with clause 10.8 (*Changes in Specified Offices*) of the Paying Agency Agreement;

**"Sole Arranger"** means Deutsche Bank AG, a German credit institution with business address at Taunusanlage 12 in the city of Frankfurt (Main), Germany, LEI code: 7LTWFZYICNSX8D621K8;

**"SR Repository"** means the European DataWarehouse;

**"Stock Exchange"** means Euronext Lisbon or any successor thereto;

**"STS Criteria"** means the requirements set out in Articles 19 to 22 of the EU Securitisation Regulation;

**"STS Notification"** means the notification to be submitted to ESMA in accordance with Article 27 of the EU Securitisation Regulation, that the STS Criteria have been satisfied with respect to the securitisation transaction described in the Prospectus;

**"Successor Servicer"** means an entity appointed as such pursuant to the Servicing Agreement;

**"SVI"** means STS Verification International GmbH;

**"Swap Collateral"** means the collateral provided by the Swap Counterparty to the Issuer under the Balance Guaranteed Swap Agreement and includes any interest and distributions in respect thereof;

**"Swap Collateral Account"** means the account in the name of the Issuer and maintained at the Accounts Bank (or such other bank to which the Collateral Account may be transferred according to the terms of the Transaction Documents) into which Swap Collateral is transferred under the terms of the Balance Guaranteed Swap Agreement;

**"Swap Counterparty"** means Crédit Agricole Corporate & Investment Bank, in its capacity as the swap counterparty in accordance with the terms of the Balance Guaranteed Swap Agreement, acting through its office at 12, place des Etats-Unis CS 70052-92547 Montrouge Cedex ;

**"Swap Counterparty Minimum Ratings"** means in respect of the Swap Counterparty, such entity having (i) long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS, or DBRS Critical Obligation Ratings (as defined in the Balance Guaranteed Swap Agreement) of, "A"; (ii) a long term counterparty risk assessment from Moody's of A3 and (iii) a derivative counterparty rating from Fitch of "A-" or "F1" without collateral or "BBB-" or "F3" with collateral;

**"Swap Counterparty Default"** means the occurrence of an Event of Default (as defined in the Balance Guaranteed Swap Agreement) where the Swap Counterparty is the defaulting party (as defined in the Balance Guaranteed Swap Agreement);

**"Swap Counterparty Downgrade Event"** means the occurrence of an Additional Termination Event (as defined in the Balance Guaranteed Swap Agreement) following the failure by the Swap Counterparty to comply with the requirements of the ratings downgrade provisions set out in the Balance Guaranteed Swap Agreement;

**"Swap Payment Date"** means any Interest Payment Date on which a payment is made by either the Issuer or the Swap Counterparty in accordance with the Balance Guaranteed Swap Agreement;

**"Swap Tax Credits"** means any credit, allowance, set off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Counterparty to the Issuer or a decreased payment by the Issuer to the Swap Counterparty, in each case under the terms of the Balance Guaranteed Swap Agreement;

**"Swap Transaction"** means the interest rate swap entered into on or about the Closing Date between the Issuer and the Swap Counterparty under the Balance Guaranteed Swap Agreement;

**"TARGET Day"** means any day on which the TARGET 2 System is open;

**"TARGET 2 System"** means the Trans-European Automated Real-time Gross Settlement Express Transfer 2 System (TARGET 2);

**"Tax"** shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority and **"Taxes"**, **"taxation"**, **"taxable"** and comparable expressions shall be construed accordingly;

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

**"Tax Deduction"** means any deduction or withholding on account of Tax;

**"Tax Event"** means any one of the events specified in (A) to (C) of Condition 8.10 (*Optional Redemption in whole for taxation reasons*);

**"Tax Payment"** means any deduction or withholding on account of Tax;

**"Third Party Expenses"** means any amounts due and payable by the Issuer to third parties (not being Transaction Creditors) including any liabilities payable in connection with:

- (A) the purchase or disposal of any Authorised Investments;
- (B) any filing or registration of any Transaction Documents, including, for the avoidance of doubt, the re-registration of any Related Security upon the occurrence of a Notification Event;
- (C) any provision for and payment of the Issuer's liability to tax (if any) in relation to the transaction contemplated by the Transaction Documents;
- (D) any law or any regulatory direction with whose directions the Issuer is accustomed to comply;
- (E) any legal or audit or other professional advisory fees (including Rating Agencies' and the Auditor's fees) in relation to the transaction contemplated by the Transaction Documents;
- (F) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;
- (G) the admission to trading of the Listed Notes on the Stock Exchange;
- (H) the integration of the notes in the CVM; and
- (I) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

**"Third Party Verification Agent"** means SVI;

**"Transaction Accounts"** means the Payment Account, the Cash Reserve Account and the Collateral Account opened in the name of the Issuer with the Accounts Bank or such other accounts as may, with the prior written consent of the Common Representative, be designated as such accounts;

**"Transaction Assets"** means the specific pool of assets of the Issuer which collateralises the Issuer Obligations including, the Receivables, Collections, the Transaction Accounts, the Issuer's rights in respect of the Transaction Documents and any other right and/or benefit either contractual or statutory relating thereto purchased or received by the Issuer in connection with the Notes;

**"Transaction Creditors"** means the Common Representative, the Agent Bank, the Paying Agent, the Transaction Manager, the Accounts Bank, the Swap Counterparty, the Originator, the Servicer and the Back-up Servicer (and the successor of any of such parties, if and when appointed in accordance with the relevant Transaction Documents) and **"Transaction Creditor"** means any of them;

**"Transaction Documents"** means the Prospectus, the Master Framework Agreement, the Receivables Sale Agreement, the Servicing Agreement, the Common Representative Appointment Agreement, the Co-ordination Agreement, the Notes, the Transaction Management Agreement, the Paying Agency Agreement, the Accounts Bank Agreement, the Balance Guaranteed Swap Agreement, the Class Z Notes Purchase Agreement, the Subscription Agreement and any other agreement or document entered into from time to time by the Issuer pursuant thereto;

**"Transaction Management Agreement"** means the agreement so named to be entered into on the Closing Date between the Issuer, the Transaction Manager, the Accounts Bank and the Common Representative;

**"Transaction Manager"** means Deutsche Bank AG, London Branch, in its capacity as transaction manager to the Issuer in accordance with the terms of the Transaction Management Agreement and any replacement transaction manager or transaction manager appointed from time to time under the Transaction Management Agreement;

**"Transaction Manager Event"** means any of the events specified in clause 15 (*Transaction Manager Events*) of the Transaction Management Agreement.

**"Transaction Manager Event Notice"** means a notice to the Transaction Manager from the Issuer or the Common Representative advising the Transaction Manager of the occurrence of a Transaction Manager Event;

**"Transaction Manager Records"** means the original and/or any copies of all documents and records, relating to the Services (as defined in the Transaction Management Agreement);

**"Transaction Manager Termination Date"** means the date specified in a Transaction Manager Termination Notice (or such later date as may be notified by the Issuer or the Common Representative (as applicable) prior to the expiry of such date) or in a notice delivered pursuant to clause 18 (*Termination of Appointment by Notice*) of the Transaction Management Agreement or determined in accordance with clause 18.2 (*Agreement to terminate on appointment of Successor Transaction Manager*) of the Transaction Management Agreement;

**"Transaction Manager Termination Notice"** means a notice to the Transaction Manager from the Issuer or the Common Representative delivered in accordance with the terms of Clause 17 (*Termination on delivery of Transaction Manager Termination Notice*) of the Transaction Management Agreement;

**"Transaction Party"** means any person who is a party to a Transaction Document and **"Transaction Parties"** means some or all of them;

**"Treaty"** means the Treaty on the Functioning of the European Union;

**"UK Retained Interest"** means in relation to the Notes, the retention on an ongoing basis by the Originator of randomly selected exposures, equivalent to not less than 5% of the nominal value of the securitised exposures, in accordance with Article 6(1) and (3)(c) of the UK Securitisation Regulation (as in effect on the Closing Date), where such non-securitised exposures would otherwise have been securitised in the securitisation, provided that the number of potentially securitised exposures is not less than 100 (one hundred) at origination until the Final Legal Maturity;

**"UK Securitisation Regulation"** means Regulation (EU) No. 201/2402 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020, together with the relevant technical standards, each as subsequently amended and/or supplemented from time to time;

**"U.S. Risk Retention Person"** means any **"U.S. Person"** as defined in the U.S. Risk Retention Rules;

**"U.S. Risk Retention Rules"** means the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended;

**"Unapplied Principal Amount"** means the Principal Withholding Amount paid during the Revolving Period, not reinvested in the purchase of Additional Receivables in the Interest Payment Date immediately preceding;

**"VAT"** means value added tax provided for in the VAT Legislation and any other tax of a similar fiscal nature whether imposed in Portugal (instead of or in addition to value added tax) or elsewhere from time to time;

**"VAT Legislation"** means the Portuguese Value Added Tax Code approved by Decree-Law no. 394-B/84 of 26 December 1984 as amended from time to time;

**"Vehicle"** means any vehicle which is either a car, a light truck, a motorcycle, a recreational vehicle, a recreational boat or a tractor;



**"Volcker Rule"** means Section 13 of the Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder;

**"Withheld Amount"** means an amount paid or to be paid (in respect of Tax imposed by the Portuguese Republic) by the Issuer which will not form part of the Available Distribution Amount;

**"Written-off Receivable"** means on any day, a Receivable in respect of which:

- (A) 12 or more monthly instalments or 4 or more quarterly instalments have not been paid by the respective Instalment Due Dates relating thereto and are outstanding on such day of determination;  
or
- (B) proceedings have been commenced by or against the relevant Obligor for such Obligor's insolvency, in particular any proceedings against the relevant Obligor under the Insolvency and Company Recovery Code, enacted by Decree-Law no. 53/2004 of 18 March 2004 (as amended from time to time) and the Servicer is aware or has been notified of such proceedings;

**"Written Resolution"** means, in relation to any Class, a resolution in writing signed by or on behalf of all holders of Notes of the relevant Class who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for the Meetings of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes.

Any defined terms used in these Conditions which are not defined above shall bear the meanings given to them in the Transaction Documents.

## TAXATION

The following is a summary of the current Portuguese withholding tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments of principal and interest in respect of, and transfers of, the Notes. The statements do not deal with other Portuguese tax aspects regarding the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. Noteholders who may be liable to taxation in jurisdictions other than Portugal in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions). In particular, Noteholders should be aware that they may be liable to taxation under the laws of Portugal and of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Portugal.

The reference to "interest" and "capital gains" in the paragraphs below mean "interest" and "capital gains" as understood in Portuguese tax law. The statements below do not take any account of any different definitions of "interest" or "capital gains" which may prevail under any other law or which may be created by the Conditions or any related documentation.

The present transaction qualifies as a securitisation transaction ("*Operação de Titularização de Créditos*") for the purposes of the Securitisation Law. Portuguese tax-related issues for transactions which qualify as securitisation transactions under the Securitisation Law are generally governed by the Securitisation Tax Law. *Under article 4(1) of Securitisation Tax Law* and further to the confirmation by the Portuguese Tax Authorities pursuant to Circular no. 4/2014 and the Order issued by the Secretary of State for Tax Affairs, dated July 14, 2014, in connection with tax ruling no. 7949/2014 disclosed by tax authorities, the tax regime applicable on debt securities in general, foreseen in Decree-Law no. 193/2005, also applies on income generated by the holding or the transfer of Notes issued under the Securitisation Transactions.

### *Noteholders' Income Tax*

Income generated by the holding (distributions) or transfer (capital gains) of the Notes is generally subject to the Portuguese tax regime established for debt securities ("*obrigações*").

Any payments of interest made in respect of the Notes to Noteholders who are not Portuguese residents for tax purposes and do not have a permanent establishment in Portugal to which the income is attributable will be, as a rule, exempt from Portuguese income tax under Decree-Law no. 193/2005.

Pursuant to Decree-Law 193/2005, investment income paid on, as well as capital gains derived from a sale or other disposition of the Notes, to non-Portuguese resident Noteholders will be exempt from Portuguese income tax provided the debt securities are integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal, or (ii) an international clearing system operated by a managing entity established in a member state of the EU other than Portugal (e.g. Euroclear or Clearstream, Luxembourg) or in a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iii) integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-Law 193/2005, and the beneficiaries are:

- (A) central banks or governmental agencies; or
- (B) international bodies recognised by the Portuguese State; or
- (C) entities resident in countries or jurisdictions with whom Portugal has a double tax treaty in force or a tax information exchange agreement in force; or

- (D) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order (*Portaria*) no. 150/2004, of 13 February, as amended from time to time (the “**Ministerial Order 150/2004**”).

For purposes of application at source of this tax exemption regime, Decree-Law 193/2005 requires completion of certain procedures aimed at verifying the non-resident status of the Noteholder and the provision of information to that effect. Accordingly, to benefit from this tax exemption regime, a Noteholder is required to hold the Notes through an account with one of the following entities:

- (A) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened;
- (B) an indirect registered entity, which, although not assuming the role of the “direct registered entities”, is a client of the latter; or
- (C) an international clearing system, which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems.

#### **Domestic Cleared Notes – held through a direct registered entity**

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account. Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the beneficiary, to be provided by the Noteholder to the direct registered entity prior to the relevant date for payment of investment income and to the transfer of Notes, as follows:

- (i) if the beneficiary is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (ii) if the beneficiary is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (iii) if the beneficiary is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which the Republic of Portugal has entered into a double tax treaty in force or a tax information exchange agreement in force, it must provide (a) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below; The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (iv) other investors will be required to prove of their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; (b) a document issued by the relevant

Portuguese Consulate certifying residence abroad; or (c) a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The beneficiary must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the 3 years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following 3 months. The Beneficiary must inform the direct registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

#### **Internationally Cleared Notes – held through an entity managing an international clearing system**

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

- (A) Entities with residence, headquarters, effective management or permanent establishment in the Portuguese territory to which the income would be imputable and which are non-exempt and subject to withholding;
- (B) Entities which have residence in a country, territory or region with a more favourable tax regime, included in the Portuguese “blacklist” (countries and territories listed in Ministerial Order (*Portaria*) no. 150/2004, as amended from time to time) and which are non-exempt and subject to withholding;
- (C) Entities with residence, headquarters, effective management or permanent establishment in the Portuguese territory to which the income would be imputable, and which are exempt or not subject to withholding;
- (D) Other entities which do not have residence, headquarters, effective management or permanent establishment in the Portuguese territory to which the income generated by the securities would be imputable.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (A), (B) and (C) above, should also be transmitted:

- (A) name and address;
- (B) tax identification number (if applicable);
- (C) identification and quantity of the securities held; and
- (D) amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree Law 193/2005, as amended from time to time. The refund claim is to be submitted to the direct register entity of the Notes within 6 months from the date the withholding took place. For these purposes a specific tax form was approved by Order (*Despacho*) no. 2937/2014, published in the Portuguese official gazette, second series, no. 37, of 21 February 2014 issued by the Secretary of State of Tax Affairs (*Secretário de Estado dos Assuntos Fiscais*) and may be available at <https://dre.pt>.

The refund of withholding tax after the above 6 month period is to be claimed from the Portuguese tax authorities within 2 years, starting from the term of the year in which the withholding took place.

The non-evidence of the status from which depends the application of the exemption in the terms set forth above, at the date of the obligation to withhold tax on the income derived from the Notes will imply Portuguese withholding tax on the interest payments at the applicable tax rates, as described below.

Interest and other types of investment income obtained by non-resident legal persons without a Portuguese permanent establishment to which the income is attributable is subject to withholding tax at a rate of 25% when it becomes due and payable or upon transfer of the Notes (in this latter case, on the interest accrued since the last date on which the investment income became due and payable), which is the final tax on that income. If the interest and other types of investment income are obtained by non-resident individuals without a Portuguese permanent establishment to which the income is attributable said income is subject to withholding tax at a rate of 28%, which is the final tax on that income.

A withholding tax rate of 35% applies in case of investment income payments to individuals or legal persons resident in the countries and territories included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended from time to time. Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35%, unless the relevant beneficial owner(s) of the income is/are identified, in which case, the withholding tax rates applicable to such beneficial owner(s) will apply.

However, under the double taxation conventions entered into by Portugal which are in full force and effect on the date of this Prospectus, the withholding tax rate may be reduced to 15%, 12%, 10% or 5%, depending on the applicable convention and provided that the relevant formalities and procedures are met. In order to benefit from such reduction, non-resident Noteholders shall comply with certain requirements established by the Portuguese Tax Authorities, aimed at verifying the non-resident status and entitlement to the respective tax treaty benefits (through submission of tax forms 21 RFI or 22 RFI, depending on whether the reduction applies at source or through refund).

Interest derived from the Notes and capital gains and losses obtained by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the interest or capital gains or losses are attributable are included in their taxable income and are subject to corporate income tax at a rate of (i) 21% or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17% for taxable profits up to €25,000 and 21% on profits in excess thereof to which may be added a municipal surcharge ("*derrama municipal*") of up to 1.5% of its taxable income Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to a State surcharge ("*derrama estadual*") of (i) 3% on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5% on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 9% on the part of the taxable profits that exceeds €35,000,000.

As a general rule, withholding tax at a rate of 25% applies on interest derived from the Notes, which is deemed to be a payment on account of the final tax due. Financial institutions resident in Portugal (or branches of foreign financial institutions located herein), pension funds, venture capital funds and collective investment undertakings incorporated under the laws of Portugal and certain exempt entities are not subject to Portuguese withholding tax. However, where the interest is paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties a 35% withholding tax rate applies, unless the relevant beneficial owner(s) of the income is/are identified, in which case, the general rule shall apply.

Interest and other types of investment income obtained on Notes by a Portuguese resident individual is subject to individual income tax. If the payment of interest or other investment income is made available to Portuguese resident individuals, withholding tax applies at rate of 28% which is the final tax on that income, unless the individual elects to include such income in his taxable income, subject to tax at progressive rates of up to 48%. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000

as follows: (i) 2.5% on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5% on the remaining part of the taxable income exceeding €250,000.

Interest on the Notes paid to accounts opened in the name of one or several accountholders acting on behalf of third entities which are not disclosed is subject to withholding tax at a flat rate of 35%, except where the beneficial owners of such income are disclosed, in which case the general rule shall apply.

Capital gains obtained with the transfer of the Notes by Portuguese tax resident individuals are taxed at a special rate of 28%, levied on the positive difference between such gains and gains and losses on other securities unless the individual elects to include such income in his taxable income, subject to tax at progressive rates of up to 48%. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5% on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5% on the remaining part (if any) of the taxable income exceeding €250,000.

Payments of principal on Notes are not subject to Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any remuneration component.

#### *Stamp Tax*

An exemption from Stamp Tax will apply to the assignment for securitisation purposes of the Receivables by the Originator to the Issuer and on the commissions paid by the Issuer to the Servicer pursuant to the Securitisation Tax Law.

#### *Value Added Tax*

An exemption from VAT will apply to the servicing activities referred to in the Securitisation Tax Law.

### **FATCA**

The United States has enacted rules under U.S. Internal Revenue Code of 1986, commonly referred to as “**FATCA**”, that generally impose a new reporting and withholding regime of 30% with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends made on or after 1 January 2017 and certain payments made on or after 1 January 2017 (at the earliest) by entities that are classified as financial institutions under FATCA. As a general matter, the new rules are designed to require U.S. persons’ direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service (“**IRS**”).

A foreign financial institution, as defined by FATCA, may be required to withhold on certain payments it makes (foreign pass thru payments) to persons that fail to meet certain certification, reporting or related requirements. Certain issuers, custodians and other entities, may qualify as a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements (“**IGA**”) with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions.

In this respect, Portugal has implemented, through Law 82-B/2014, of 31 December 2014 and Decree- Law 64/2016, of 11 October, the legal framework regarding the reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. Under this legislation the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese government, which, in turn, would report such information to the IRS.

Under the Portugal IGA, it is not expected that payments made on or with respect to the Notes to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply, including whether withholding would ever be required pursuant to FATCA with respect to payments on instruments such as Notes, remain unclear and may be subject to change. No assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future.

Through Decree-Law no. 64/2016, of 11 October, as amended by Law 98/2017, of 24 August the Portuguese government approved the complementary regulation required to comply with FATCA. Under this legislation,

foreign financial institutions (as defined in Decree-Law no. 64/2016, of 11 October) are required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the United States Internal Revenue Service.

As defined in Decree-Law no. 64/2016, of 11 October, (i) “foreign financial institutions” means a *Foreign Financial Institution* as defined in the applicable U.S. *Treasury Regulations*, including inter alia Portuguese financial institutions; and (ii) “Portuguese financial institutions” means any financial institution with head office or effective management in the Portuguese territory, excluding its branches outside of Portugal and including Portuguese branches of financial institutions with head office outside of Portugal.

The deadline for the financial institutions to report to the Portuguese tax authorities the mentioned information regarding each year is 31 July of the following year.

Even if withholding would be required pursuant to FATCA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is 6 months after the date on which final regulations defining foreign pass thru payments are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on or with respect to the Notes, the Issuer would have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the Issuer, the Common Representative, the Accounts Bank or any other party as a result of the deduction or withholding of such amount. As a result, if FATCA withholding is imposed on these payments, investors may receive less interest or principal than expected.

Prospective investors should consult their own advisers about the potential impact and application of FATCA, in particular if they may be classified as financial institutions under the FATCA rules.

#### **Administrative cooperation in the field of taxation**

The regime under Council Directive 2011/16/EU, as amended by Council Directive 2014/107/EU, of 9 December 2014, introduced the automatic exchange of information in the field of taxation concerning bank accounts and is in accordance with the Global Standard released by the Organization for Economic Co-operation and Development in July 2014 (the Common Reporting Standard). This regime is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

Under Council Directive 2014/107/EU, of 9 December 2014, financial institutions are required to report to the tax authorities of their respective Member State (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Directive. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Portugal has implemented Directive 2011/16/EU through Decree-law 61/2013, of 10 May. Also, Council Directive 2014/107/EU, of 9 December 2014, regarding the mandatory automatic exchange of information in the field of taxation was implemented into Portuguese law through Decree-Law no. 64/2016, of 11 October 2016, as amended by Law no. 98/2017, of 24 August 2017, and Law no. 17/2019, of 14 February. In addition, information regarding the registration of financial institutions, as well as the procedures to comply with the reporting obligations arising

from Decree-Law no. 64/2016, of 11 October 2016, as amended from time to time, and the applicable forms were approved by Ministerial Order (*Portaria*) no. 302-B/2016, of 2 December 2016, as amended by Ministerial Order (*Portaria*) no. 282/2018, of 19 October 2018, Ministerial Order (*Portaria*) no. 302-C/2016, of 2 December 2016, Ministerial Order (*Portaria*) no. 302-D/2016, of 2 December 2016, as amended by Ministerial Order (*Portaria*) no. 255/2017, of 14 August 2017, and by Ministerial Order (*Portaria*) no. 58/2018, of 27 February 2018, and Ministerial Order (*Portaria*) no. 302-E/2016, of 2 December 2016.

In any case investors should consult their own tax advisers to obtain a more detailed explanation of this regime and how it may individually affect them.



## SUBSCRIPTION AND SALE

### General

Deutsche Bank AG, as Lead Manager, has in the Subscription Agreement, upon the terms and subject to the conditions contained therein, agreed to procure the subscription of, or subscribe for, the Listed Notes at their Issue Price.

321Crédito has, upon the terms and subject to the conditions contained in the Class Z Notes Purchase Agreement, agreed to subscribe for the Class Z Notes at the Issue Price.

Pursuant to the Receivables Sale Agreement, 321Crédito as Originator will undertake, to the Issuer that: (a) it will acquire and retain on an ongoing basis the EU Retained Interest; (b) whilst any of the Notes remain outstanding, it will not sell, hedge or otherwise mitigate its credit exposure to the EU Retained Interest; (c) there will be no arrangements pursuant to which the EU Retained Interest will decline over time materially faster than the Principal Outstanding Balance of the Receivables assigned to the Issuer; (d) it will confirm to the Issuer and the Transaction Manager, on a monthly basis, that it continues to hold the EU Retained Interest; and (e) it will provide notice to the Issuer, the Common Representative and the Transaction Manager as soon as practicable in the event it no longer holds the EU Retained Interest.

Such retention requirement will be satisfied by the Originator retaining the EU Retained Interest of the nominal value of each of the Classes of Notes until the Final Legal Maturity Date.

### United States of America

By its purchase of the Notes, each purchaser (including the Lead Manager and the Class Z Notes Purchaser, together with each subsequent transferee, and which term for the purposes of this section will be deemed to include any interests in the Notes) will be deemed to have represented and agreed to the following:

- (a) the Notes have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. Person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. Person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S or (ii) in a transaction not subject to the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;
- (b) unless the relevant legend has been removed from the Notes such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;
- (c) if the purchaser purchased the Notes during the initial syndication of the Notes, it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained the prior written consent of the Originator (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10% Risk Retention U.S. Person limitation in the exemption provided for in Section \_\_.20 of the U.S. Risk Retention Rules); and
- (d) it will promptly (i) inform the Issuer if, during any time it holds a Note, there shall be any change in the acknowledgments, representations and agreements contained above or if they shall become false for any

reason and (ii) deliver to the Issuer such other representations and agreements as to such matters as the Issuer may, in the future, request in order to comply with applicable law and the availability of any exemption therefrom.

The Lead Manager and the Class Z Notes Purchaser have agreed that they will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant class within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), and such seller will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Except with the prior written consent of the Originator and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Lead Manager or the Class Z Notes Purchaser may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Person.

Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

#### **United Kingdom**

The Lead Manager and the Class Z Notes Purchaser have represented to and agreed with the Issuer in relation to the Notes that:

- (a) Financial promotion: they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services Market Act 2000 (the "FSMA") received by them in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) General compliance: they have complied and will comply with all applicable provisions of the FSMA in, from or otherwise involving the United Kingdom.

#### **Prohibition of sales to UK Retail Investors**

The Lead Manager has represented and agreed in the Subscription Agreement and the Class Z Notes Purchaser has represented and agreed in the Class Z Notes Purchase Agreement that they will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the "EUWA"); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; and

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

### **Public Offers Generally**

In relation to each Member State of the European Economic Area which is subject to the Prospectus Regulation (each, a "**Relevant Member State**"), the Lead Manager has represented and agreed in the Subscription Agreement and the Class Z Notes Purchaser has represented and agreed in the Class Z Notes Purchase Agreement, that it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that it may, make an offer or sell such Notes to the public in that Relevant Member State at any time without publication of a prospectus to legal entities which are qualified investors as defined in the Prospectus Regulation or as otherwise permitted by the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of the Notes or the Class Z Notes (as applicable) to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes in accordance with the Prospectus Regulation.

No action has been or will be taken in any jurisdiction by the Issuer or the Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of offering material, in any country or jurisdiction where action for that purpose is required.

Furthermore, the Lead Manager and the Class Z Notes Purchaser have also represented and agreed in the Subscription Agreement and in the Class Z Notes Purchase Agreement, respectively, that they have not offered, sold or otherwise made available, and will not offer, sell or otherwise make available the Notes in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II and (iii) who is not a qualified investor as defined in Article 2(e) of the Prospectus Regulation.

### **European Economic Area**

In relation to each Relevant Member State, the Lead Manager has represented and agreed in the Subscription Agreement and the Class Z Notes Purchaser has represented and agreed in the Class Z Notes Purchase Agreement, that it has not made and will not make an offer of the Notes which are the subject of the offering contemplated by the Prospectus to any retail investor in the European Economic Area.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

**Investor compliance**

Persons into whose hands this Prospectus comes are required to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense. No action has been or will be taken in any jurisdiction by the Issuer or the Originator that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

## GENERAL INFORMATION

This Prospectus has been approved as a Prospectus by the CMVM, as competent authority under the Prospectus Regulation. The CMVM has assigned asset identification code 202206TGSCRTS00N0147 to the Notes pursuant to Article 62 of the Securitisation Law.

### Admission to trading

Application has been made to Euronext for the Listed Notes to be admitted to trading on the Closing Date on the professional segment of Euronext Lisbon, a regulated market managed by Euronext, which is a regulated market for the purposes of MiFID II. No application will be made to admit to trading the Rated Notes on any other stock exchange. The Class Z Notes will not be admitted to trading. Also, the Notes have been accepted for settlement through Interbolsa. The CVM code, ISIN and CFI for the Notes are:

	<b>CVM Code</b>	<b>ISIN</b>	<b>CFI</b>
Class A Notes	TGU1OM	PTTGU1OM0029	DAVSGR
Class B Notes	TGU2OM	PTTGU2OM0010	DAVSGR
Class C Notes	TGU3OM	PTTGU3OM0019	DAVSGR
Class D Notes	TGU4OM	PTTGU4OM0018	DAVSGR
Class E Notes	TGU5OM	PTTGU5OM0017	DAVSGR
Class F Notes	TGU6OM	PTTGU6OM0016	DAVSGR
Class G Notes	TGU7OM	PTTGU7OM0015	DAVSGR
Class Z Notes	TGU8OM	PTTGU8OM0022	DAVSGR

The Notes shall be freely transferable.

### Effective Interest Rate

The effective interest rate is the one that equals the discounted value of the Notes future cashflows to the subscription price paid at Closing Date.

### Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 27 May 2022.

### Litigation

There are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer (and, as far as the Issuer is aware, no such proceedings are pending or threatened) which may have, or have had, during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer.

## **Conflicts of interest**

There are no significant conflicting interests of the Parties, without prejudice to each Party having a potential and relative interest in this issuance corresponding to its respective role in relation to the Notes. The Sole Arranger and the Lead Manager and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and its affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions.

## **Material adverse change on the financial position of the Issuer**

There has been no significant change in the financial performance or prospects of the Issuer and there has been no material adverse change in the financial position or prospects of the Issuer since the date of their last published audited financial statements, being 31 December 2021.

## **Material changes in the Issuer's borrowing and funding structure since the last financial year**

Since the last financial year ended 31 December 2021 there was no material changes in the Issuer's borrowing and funding structure.

## **Emphases to audited financial statements**

The following is disclosed by the auditor in its report to the Issuer's financial statements for the year ending on 31 December 2020:

### *"Emphasis of matter*

*In accordance with the legislation in force, namely Decree-Law no. 453/99, the Entity is obliged to segregate the autonomous financial position of each operation, accounting for the assets of each operation exclusively by the corresponding liabilities. Although the Entity complies with these requirements provided for in the legislation, we draw attention to the fact that the disclosures included in the Notes to the financial statements, relating to the loan portfolio indicators for each operation, result exclusively from the information provided by the originators / servicers of the operations, and consequently, in some cases, the financial statements do not contain all the disclosures required by the International Financial Reporting Standards, namely those required by IFRS 7 ("Financial Instruments: Disclosures") following the introduction of IFRS 9 ("Financial Instruments"), regarding credit risk. However, as disclosed in Note 25 ("Risk Management") of the Notes to the financial statements, the Entity acquires credit portfolios that are subsequently subject to securitization operations, so there is an effective and total transfer of credit risk from these portfolios to the note holders of the bonds issued in the scope of these operations, which do not affect the Entity's Equity.*

*Our opinion is not modified in relation to this matter."*

The following is disclosed by the auditor in its report to the Issuer's financial statements for the year ending on 31 December 2021:

### *"Emphasis of matter*

*In accordance with the legislation in force, namely Decree-Law no. 453/99, the Entity is obliged to segregate the autonomous financial position of each operation, accounting for the assets of each operation exclusively by the corresponding liabilities. Although the Entity complies with these requirements provided for in the legislation, we draw attention to the fact that the disclosures included in the Notes to the financial statements, relating to the loan portfolio indicators for each operation, result exclusively from the information provided by the originators / servicers of the operations, and consequently, in some cases, the financial statements do not contain all the disclosures required by the International Financial Reporting Standards, namely those required by IFRS 7 ("Financial Instruments: Disclosures") following the introduction of IFRS 9 ("Financial Instruments"), regarding credit risk. However, as disclosed in Note 26 ("Risk Management") of the Notes to the financial statements, the Entity acquires credit portfolios that are subsequently subject to securitization operations, so there is an effective and total transfer*

*of credit risk from these portfolios to the note holders of the bonds issued in the scope of these operations, which do not affect the Entity's Equity.*

*As mentioned by the Board of Directors in Note 27 of the Notes to the financial statements of the Entity ("Subsequent Events"), at this date it is not possible to anticipate the consequences that the current situation of conflict in Eastern Europe and the consequent economic sanctions imposed may have on the national and world economy, and consequently it is not possible to estimate reliably the impact that this situation may have on the future financial situation of the Entity.*

*Our opinion is not modified in relation to this matter."*

## **Documents**

As long as the Notes are outstanding electronic copies of the following documents will be available on the SR Repository except in case of (A) and (D) below:

- (A) the Articles of Association (*Estatutos* or *Contrato de Sociedade*) of the Issuer, available at the Specified Office of the Paying Agent during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted);
- (B) the following documents:
  - (i) Receivables Sale and Purchase Agreement;
  - (ii) Servicing Agreement;
  - (iii) Paying Agency Agreement;
  - (iv) Common Representative Appointment Agreement;
  - (v) Accounts Bank Agreement;
  - (vi) Co-ordination Agreement;
  - (vii) Transaction Management Agreement;
  - (viii) Master Framework Agreement
  - (ix) Master Execution Agreement;
  - (x) Class Z Notes Purchase Agreement; and
  - (xi) Balance Guaranteed Swap Agreement.
- (C) this Prospectus;
- (D) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2020 and 31 December 2021 (available in Portuguese language), in each case with the audit reports prepared in connection therewith, and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith, available for inspection at the following website: [www.cmvm.pt](http://www.cmvm.pt).

This Prospectus will be published in electronic form together with all documents incorporated by reference (which, for the avoidance of doubt, do not include the documents listed in subparagraphs (B) above), with the CMVM ([www.cmvm.pt](http://www.cmvm.pt)), on the Issuer Website and on the SR Repository. For the sake of clarity, the Articles of Association (*Estatutos* or *Contrato de Sociedade*) of the Issuer will not be published with the CMVM.

Documents listed in subparagraphs (B) above will be made available to the investors in the Notes on the SR Repository as set out in the section headed "**Regulatory Disclosures**".

The documents listed under paragraphs (A) to (D) above constitute all the underlying documents that are essential for understanding the Securitisation and include, but not limited to, the relevant documents referred to in point (b) of Article 7(1) of the EU Securitisation Regulation and shall remain available for a period of 10 years.

Unless specifically incorporated by reference into this Prospectus, information contained on any website does not form part of this Prospectus and has not been scrutinised or approved by the competent authority.

#### **Simple, Transparent and Standardised Securitisation (STS)**

It is intended that the Transaction qualifies as an STS securitisation within the meaning of Article 18 of the EU Securitisation Regulation and the STS notification will be submitted by 321Crédito on or about the Closing Date to the ESMA, in accordance with Article 27 of the EU Securitisation Regulation.

The STS status of any series of notes is not static and prospective investors should verify the current status of such notes on ESMA's website (<https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>) (the "ESMA STS Register").

The Notes can also qualify as STS under the UK Securitisation Regulation until maturity, provided that the Notes remain on the ESMA STS Register and continue to meet the STS Criteria.

#### **Post issuance information**

From the Closing Date, the Designated Reporting Entity will procure that the Transaction Manager prepares, and the Transaction Manager will prepare (to the satisfaction of the Designated Reporting Entity), the Investor Report, not less than 5 Business Days prior to each Interest Payment Date, in relation to the immediately preceding Collections Period.

The Designated Reporting Entity will also procure from the Closing Date that the Servicer prepares the Loan-Level Report and makes it available, through the SR Repository, as soon as possible but no later than 1 month after each Interest Payment Date, in respect of the relevant Collections Period. The Transaction Manager shall have no responsibility for preparing any Loan-Level Report.



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