

RED ELÉCTRICA CORPORACIÓN, S.A.

EUR 400,000,000

0.875 PER CENT. NOTES DUE APRIL 2025

FISCAL AGENCY AGREEMENT

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THIS AGREEMENT is made on 14 April 2020

BETWEEN

- (1) **Red Eléctrica Corporación, S.A.** (the "**Issuer**"); and
- (2) **Citibank Europe PLC** in its capacity as fiscal and paying agent (the "**Fiscal Agent**") and together with the Issuer, the "**Parties**" and each of them a "**Party**").

WHEREAS

- (A) The Issuer has authorised the creation and issue of EUR 400,000,000 in aggregate principal amount of EUR 400,000,000 0.875 per cent. Notes due April 2025 (the "**Notes**").
- (B) The Notes will be in bearer form and in the denomination of EUR 100,000 and multiples thereof. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), interests in which will be exchangeable for interests in a permanent global note (the "**Permanent Global Note**") in the circumstances specified in the Temporary Global Note. The Permanent Global Note will in turn be exchangeable for notes in definitive form ("**Definitive Notes**"), with interest coupons ("**Coupons**") attached, only in certain limited circumstances specified in the Permanent Global Note. The Issuer will, in relation to the Notes insofar as represented by the Permanent Global Note, enter into a deed of covenant dated 14 April 2020 (the "**Deed of Covenant**").
- (C) The Issuer and the Fiscal Agent wish to record certain arrangements which they have made in relation to the Notes.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement the following expressions have the following meanings:

"**Applicable Law**" means any applicable law or regulation, as amended from time to time.

"**Authority**" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction.

"**Code**" means the US Internal Revenue Code of 1986, as amended;

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.;

"**Common Safekeeper**" means an ICSD in its capacity as common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper;

"**Conditions**" means the Terms and Conditions of the Notes (as scheduled to this Agreement and as modified from time to time in accordance with their terms), and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof;

"**EUR**", "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Exchange Date**" means the first day following the expiry of 40 days after the issue of the Notes;

"**FATCA Withholding**" means any withholding or deduction pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

"**Fiscal Agent**" includes any successors thereto appointed from time to time in accordance with Clause 12 (*Changes in Paying Agents*) and any of their respective Successors and "**Paying Agent**" means the Fiscal Agent together with any further or additional paying agent appointed by the Issuer from time to time with the prior written consent of the Joint Lead Managers, and "**Paying Agent**" means one of the Paying Agents;

"**ICSDs**" means Clearstream, Luxembourg and Euroclear;

"**Local Banking Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Madrid and London;

"**Local Time**" means the time in the city in which the Fiscal Agent has its Specified Office;

"**Noteholders**" means the holders of the Notes for the time being;

"**Replacement Agent**" means the Fiscal Agent;

"**Required Paying Agent**" means any Paying Agent (which may be the Fiscal Agent) which is the sole remaining Paying Agent with its Specified Office in any city where a stock exchange on which the Notes are listed requires there to be a Paying Agent;

"**Specified Office**" means, in relation to any Paying Agent:

- (a) the office specified against its name in Schedule 6 (*Specified Offices of the Paying Agents*); or
- (b) such other office as such Paying Agent may specify in accordance with Clause 11.8 (*Changes in Specified Offices*);

"**Successor**" means, in relation to any person, an assignee or successor in title of such person who, under the law of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of such person under this Agreement or to which under such laws the same have been transferred;

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

1.2 **Meaning of outstanding**

For the purposes of this Agreement (but without prejudice to its status for any other purpose), a Note shall be considered to be "**outstanding**" unless one or more of the following events has occurred:

- 1.2.1 it has been redeemed in full, or purchased under Condition 5(i) (*Redemption and Purchase - Purchase*), and in either case has been cancelled in accordance with Condition 5(j) (*Redemption and Purchase - Cancellation*);
- 1.2.2 the due date for its redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Fiscal Agent and remain available for payment;
- 1.2.3 all claims for principal and interest in respect of such Note have become void under Condition 9 (*Prescription*);
- 1.2.4 it has been mutilated or defaced, or is alleged to have been lost, stolen or destroyed, and has been replaced pursuant to Condition 10 (*Replacement of Notes and Coupons*); or
- 1.2.5 for the purposes of Schedule 5 (*Provisions for Meetings of the Noteholders*) only, it is held by, or by any person for the benefit of, the Issuer;

1.3 **Records**

Any reference in this Agreement to the records of an ICSD shall be to the records that each of the ICSDs holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD).

1.4 **Clauses and Schedules**

Any reference in this Agreement to a Clause or a sub-clause or a Schedule is, unless otherwise stated, to a clause or a sub-clause hereof or a schedule hereto.

1.5 **Principal and interest**

In this Agreement, any reference to principal includes premium and any reference to principal or interest includes any additional amounts payable in relation thereto under the Conditions.

1.6 Terms defined in the Conditions

Terms and expressions used but not defined herein have the respective meanings given to them in the Conditions.

1.7 Statutes

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.

1.8 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. APPOINTMENT OF THE PAYING AGENTS

2.1 Appointment

The Issuer appoints the Fiscal Agent (or, if applicable, each Paying Agent) as its agent in relation to the Notes for the purposes specified in this Agreement and in the Conditions.

2.2 Acceptance of appointment

The Fiscal Agent (or, if applicable, each Paying Agent) accepts its appointment as agent of the Issuer in relation to the Notes and agrees to comply with the provisions of this Agreement.

2.3 Obligations several

The obligations of the Paying Agents are several and not joint.

3. THE NOTES

3.1 Temporary Global Note

The Temporary Global Note shall:

- 3.1.1 be in substantially the form set out in Schedule 1 (*Form of Temporary Global Note*);
- 3.1.2 be executed manually or in facsimile by or on behalf of the Issuer and authenticated manually by or on behalf of the Fiscal Agent; and
- 3.1.3 be effectuated manually by or on behalf of the Common Safekeeper.

3.2 **Permanent Global Note**

The Permanent Global Note shall:

- 3.2.1 be in substantially the form set out in Schedule 2 (*Form of Permanent Global Note*);
- 3.2.2 be executed manually or in facsimile by or on behalf of the Issuer and authenticated manually by or on behalf of the Fiscal Agent; and
- 3.2.3 be effectuated manually by or on behalf of the Common Safekeeper.

3.3 **Definitive Notes**

Each Definitive Note shall:

- 3.3.1 be in substantially the form set out in Schedule 3 (*Form of Definitive Note*) and have attached to it Coupons in substantially the form set out therein;
- 3.3.2 be security printed in accordance with all applicable legal and stock exchange requirements;
- 3.3.3 have a unique certificate number printed thereon; and
- 3.3.4 be executed manually or in facsimile by or on behalf of the Issuer and authenticated manually by or on behalf of the Fiscal Agent.

3.4 **Signatures**

Any signature on a Note shall be that of a person who is at the time of the creation and issue of the Notes an authorised signatory for such purpose of the Issuer notwithstanding that such person has for any reason (including death) ceased to be such an authorised signatory at the time at which such Note is delivered.

3.5 **Availability**

The Issuer shall arrange for the unauthenticated, uneffectuated Permanent Global Note to be made available to or to the order of the Fiscal Agent not later than 10 days before the Exchange Date. If the Issuer is required to deliver Definitive Notes pursuant to the terms of the Permanent Global Note, the Issuer shall arrange for EUR 400,000,000 in aggregate principal amount of unauthenticated Definitive Notes to be made available to or to the order of the Fiscal Agent as soon as practicable and in any event not later than 30 days after the bearer of the Permanent Global Note has requested its exchange for Definitive Notes. The Issuer shall also arrange for such unauthenticated and, if applicable, uneffectuated Temporary Global Notes, Permanent Global Notes, Definitive Notes and Coupons as are required to enable the Replacement Agent to perform its obligations under Clause 5 (*Replacement Notes and Coupons*) to be made available to or to the order of the Replacement Agent from time to time.

3.6 **Duties of Fiscal Agent and Replacement Agent**

Each of the Fiscal Agent and the Replacement Agent shall hold in safe keeping all unauthenticated and, if applicable, uneffectuated Temporary Global Notes, Permanent Global Notes, Definitive Notes and Coupons delivered to it in accordance with Clause 3.5 (*Availability*) and shall ensure that they are authenticated (in the case of Temporary Global Notes, Permanent Global Notes and Definitive Notes), effectuated (in the case of Temporary Global Notes and Permanent Global Notes and delivered only in accordance with the terms hereof, of the Conditions and of the Temporary Global Note or (as the case may be) the Permanent Global Note.

3.7 **Authority to authenticate and effectuate**

Each of the Fiscal Agent and the Replacement Agent is authorised by the Issuer to authenticate and, to effectuate, the Temporary Global Note and the Permanent Global Note, any replacement therefor and each Definitive Note by the signature of any of its officers or any other person duly authorised for the purpose by the Fiscal Agent or (as the case may be) the Replacement Agent.

4. **DELIVERY OF PERMANENT GLOBAL NOTE AND DEFINITIVE NOTES**

4.1 **Delivery of Permanent Global Note**

Subject to receipt by the Fiscal Agent of the Permanent Global Note in accordance with Clause 3.5 (*Availability*), the Fiscal Agent shall, against presentation or (as the case may be) surrender to it or to its order of the Temporary Global Note and in accordance with the terms thereof, authenticate and deliver to the Common Safekeeper the Permanent Global Note in the aggregate principal amount required by the terms of the Temporary Global Note (together with an instruction to the Common Safekeeper to effectuate the Permanent Global Note) or, if the Permanent Global Note has already been issued in exchange for part only of the Temporary Global Note, instruct the ICSDs (in accordance with Schedule 7 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect such aggregate principal amount.

4.2 **Exchange of Temporary Global Note and Permanent Global Note**

On each occasion on which the Permanent Global Note is delivered pursuant to Clause 4.1 (*Delivery of Permanent Global Note*) or a further exchange of interests in the Temporary Global Note for interests in the Permanent Global Note is made the Fiscal Agent shall instruct the ICSDs (in accordance with Schedule 7 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect the aggregate principal amount of the Permanent Global Note so delivered (the "relevant principal amount"), the new aggregate principal amount of the Permanent Global Note (which shall be the previous principal amount thereof plus the relevant principal amount) and the remaining principal amount of the Temporary Global Note (which shall be the previous principal amount thereof less the relevant principal amount). The Fiscal Agent shall cancel or procure the cancellation of the Temporary Global Note when and if it has made full exchange thereof for interests in the Permanent Global Note.

4.3 **Delivery of Definitive Notes**

Subject to receipt by the Fiscal Agent of Definitive Notes in accordance with Clause 3.5 (*Availability*), the Fiscal Agent shall, against presentation or (as the case may be) surrender to it or to its order of the Permanent Global Note and in accordance with the terms thereof, authenticate and deliver Definitive Notes in the required aggregate principal amount to the bearer of the Permanent Global Note; *provided, however, that* each Definitive Note shall at the time of its delivery have attached thereto only such Coupons as shall ensure that neither loss nor gain accrues to the bearer thereof.

4.4 **Exchange of Permanent Global Note for Definitive Notes**

On each occasion on which Definitive Notes are delivered in exchange for the Permanent Global Note, the Fiscal Agent shall instruct the ICSDs (in accordance with the provisions of Schedule 7 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect the aggregate principal amount of Definitive Notes so delivered (the "relevant principal amount") and the remaining principal amount of the Permanent Global Note (which shall be the previous principal amount thereof less the relevant principal amount). The Fiscal Agent shall cancel or procure the cancellation of the Permanent Global Note when and if it has made full exchange for Definitive Notes.

4.5 **Election of Common Safekeeper**

The Issuer hereby authorises and instructs the Fiscal Agent to elect an ICSD to be Common Safekeeper for the Temporary Global Note and the Permanent Global Note. From time to time, the Issuer and the Fiscal Agent may agree to vary this election. The Issuer acknowledges that in connection with the election of either of the ICSDs as Common Safekeeper any such election is subject to the right of the ICSDs to jointly determine that the other shall act as Common Safekeeper in relation to any such issue and agrees that no liability shall attach to the Fiscal Agent in respect of any such election made by it.

5. **REPLACEMENT NOTES AND COUPONS**

5.1 **Delivery of Replacements**

Subject to receipt of sufficient replacement Temporary Global Notes, Permanent Global Notes, Definitive Notes and Coupons in accordance with Clause 3.5 (*Availability*), the Replacement Agent shall, upon and in accordance with the instructions of the Issuer (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity), authenticate (if necessary) and deliver a Temporary Global Note, Permanent Global Note, Definitive Note or Coupon as a replacement for any Temporary Global Note, Permanent Global Note, Definitive Note or Coupon which has been mutilated or defaced or which is alleged to have been destroyed, stolen or lost; *provided, however, that*:

5.1.1 *Surrender or destruction*: no Temporary Global Note, Permanent Global Note, Definitive Note or Coupon, as the case may be, shall be delivered as a replacement for any Temporary Global Note, Permanent Global Note, Definitive Note or Coupon which has been mutilated or defaced otherwise than

against surrender of the same or, in the case of a Temporary Global Note or Permanent Global Note, appropriate confirmation of destruction from the Common Safekeeper and in any case the Replacement Agent shall not issue any replacement Temporary Global Note, Permanent Global Note, Definitive Note until the applicant has furnished the Replacement Agent with such evidence and indemnity as the Issuer and/or the Replacement Agent may reasonably require and has paid such costs and expenses as may be incurred in connection with such replacement; and

5.1.2 *Effectuation*: any replacement Temporary Global Note or Permanent Global Note shall be delivered to the Common Safekeeper together with instructions to effectuate it.

5.2 **Replacements to be numbered**

Each replacement Temporary Global Note, Permanent Global Note, Definitive Note or Coupon delivered under this Agreement shall bear a unique certificate or (as the case may be) serial number.

5.3 **Cancellation of mutilated or defaced Notes**

The Replacement Agent shall cancel each mutilated or defaced Temporary Global Note, Permanent Global Note, Definitive Note or Coupon surrendered to it in respect of which a replacement has been delivered.

5.4 **Notification**

The Replacement Agent shall, upon request notify the Issuer and each other Paying Agent of the delivery by it of any replacement Temporary Global Note, Permanent Global Note, Definitive Note or Coupon, specifying the certificate or serial number thereof and the certificate or serial number (if any and if known) of the Temporary Global Note, Permanent Global Note, Definitive Note or Coupon which it replaces and confirming that the Temporary Global Note, Permanent Global Note, Definitive Note or Coupon which it replaces has been cancelled and (if such is the case) destroyed in accordance with Clause 9.8 (*Destruction*).

6. **PAYMENTS TO THE FISCAL AGENT**

6.1 **Issuer to pay the Fiscal Agent**

In order to provide for the payment of principal and interest in respect of the Notes as the same becomes due and payable, the Issuer shall pay to the Fiscal Agent, on or before the date on which such payment becomes due, an amount equal to the amount of principal and/or (as the case may be) interest falling due in respect of the Notes on such date in immediately available funds.

6.2 **Manner and time of payment**

Each amount payable under Clause 6.1 (*Issuer to pay the Fiscal Agent*) shall be paid unconditionally by credit transfer in euros and in same day, freely transferable, cleared funds not later than 12.00 p.m. (London time) on the relevant day (or by such earlier time as may be agreed between the Fiscal Agent and the Issuer) to such account with

such bank as the Fiscal Agent may from time to time by notice to the Issuer specify for such purpose. The Issuer shall, before 10.00 a.m. (Local Time) on the second Local Banking Day before the due date of each payment by it under Clause 6.1 (*Issuer to pay the Fiscal Agent*), procure that the bank effecting payment for it confirms by tested telex or authenticated SWIFT message to the Fiscal Agent the payment instructions relating to such payment. If the Fiscal Agent determines (acting reasonably) that payment in accordance with this Clause 6.2 is required to be made earlier, it will provide the Issuer with no less than 21 days prior notice in writing of such requirement with a detailed explanation of the reasons for this change.

6.3 Issuer right to redirect

In the event that the Issuer determines in its sole discretion that any deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Kingdom of Spain or any political subdivision or any authority thereof or therein having authority to tax will be required by Applicable Law in connection with any payment due to any of the Paying Agents on any Notes, then the Issuer will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without such deduction or withholding provided that, any such redirected or reorganised payment is made through a recognised institution of international standing and otherwise made in accordance with this Agreement. The Issuer will promptly notify the Paying Agents of any such redirection or reorganisation. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by applicable law for the purposes of this Clause 6.3 (*Issuer right to redirect*).

6.4 Exclusion of liens and interest

The Fiscal Agent shall be entitled to deal with each amount paid to it under this Clause 6 (*Payments to the Fiscal Agent*) in the same manner as other amounts paid to it as a banker by its customers. Such money will not be held as trustee and as a result will not be held as client money in accordance with Applicable Law; *provided, however, that:*

- 6.4.1 it shall not exercise against the Issuer any lien, right of set-off or similar claim in respect thereof; and
- 6.4.2 it shall not be liable to any person for interest thereon except as expressly set forth in this Agreement.

No monies held by any Paying Agent need be segregated except as required by law.

6.5 Application by Fiscal Agent

The Fiscal Agent shall apply each amount paid to it under this Clause 6 (*Payments to the Fiscal Agent*) in accordance with Clause 7 (*Payments to Noteholders*) and shall not be obliged to repay any such amount unless the claim for the relevant payment becomes void under Condition 9 (*Prescription*), in which event it shall refund at the written request of the Issuer such portion of such amount as relates to such payment by paying the same by credit transfer in euros to such account with such bank in Madrid as the Issuer has by notice to the Fiscal Agent specified for the purpose.

6.6 Failure to confirm payment instructions

If the Fiscal Agent has not on the due date of any payment to it under Clause 6.1 (*Issuer to pay the Fiscal Agent*), received the relevant payment, it shall as soon as reasonably practicable notify the Issuer and the other Paying Agents. If the Fiscal Agent subsequently receives such payment, it shall as soon as reasonably practicable notify the Issuer and the other Paying Agents.

7. PAYMENTS TO NOTEHOLDERS

7.1 Payments by the Paying Agents

Each Paying Agent acting through its Specified Office shall make payments of principal and interest in respect of the Notes in accordance with the Conditions and the procedures set out in Schedule 8 hereto (*Procedures for Compliance with Spanish Tax Legislation*) (and, in the case of the Temporary Global Note or the Permanent Global Note, the terms thereof); *provided, however, that:*

- 7.1.1 if any Definitive Note or Coupon is presented or surrendered for payment to any Paying Agent and such Paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying Agent shall as soon as reasonably practicable notify, upon request, the Issuer of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and the Fiscal Agent has received the amount to be so paid;
- 7.1.2 a Paying Agent shall not be obliged (but shall be entitled) to make payments of principal or interest in respect of the Notes, if:
 - (a) in the case of the Fiscal Agent, it has not received the full amount of any payment due to it under Clause 6.1 (Issuer to pay Fiscal Agent) and is not satisfied that such payment will be made; or
 - (b) in the case of any other Paying Agent, it has been notified by the Fiscal Agent that payment has not been received, unless it is subsequently notified that such payment has been received;"
- 7.1.3 each Paying Agent shall cancel each Definitive Note or Coupon against surrender of which it has made full payment and shall, in the case of a Paying Agent other than the Fiscal Agent, deliver each Definitive Note or Coupon so cancelled by it to, or to the order of, the Fiscal Agent;
- 7.1.4 upon any payment being made in respect of the Temporary Global Note or the Permanent Global Note, the relevant Paying Agent shall instruct the ICSDs (in accordance with Schedule 7 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect the amount of such payment and, in the case of payment of principal, the remaining principal amount of the Notes represented by such Temporary Global Note or Permanent Global Note (which shall be the previous principal amount thereof less the principal amount in respect of which payment has then been paid);

- 7.1.5 notwithstanding any other provision of this Agreement, each Paying Agent shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future Tax, duties or charges if only and to the extent so required by Applicable Law (which for the avoidance of doubt includes FATCA Withholding), in which event such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant Authority within the time period allowed for the amount so withheld or deducted, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of the Clause 7.1.5; and
- 7.1.6 the Issuer shall notify each Paying Agent in the event that it determines that any payment to be made by a Paying Agent under the Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation under this sub clause 7.1.6 shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, the Notes, or both.

7.2 Exclusion of liens and commissions

No Paying Agent shall exercise any lien, right of set-off or similar claim against any person to whom it makes any payment under Clause 7.1 (*Payments by the Paying Agents*) in respect thereof, nor shall any commission or expense be charged by it to any such person in respect thereof. Monies held by a Paying Agent need not be segregated except as required by law.

7.3 Reimbursement by the Fiscal Agent

If a Paying Agent other than the Fiscal Agent makes any payment in accordance with Clause 7.1 (*Payments by the Paying Agents*):

- 7.3.1 it shall notify the Fiscal Agent of the amount so paid by it, the certificate or serial number (if any) of the Temporary Global Note, Permanent Global Note, Definitive Note or Coupon against presentation or surrender of which payment of principal was made, or of the Temporary Global Note, Permanent Global Note or Definitive Note against presentation or surrender of which payment of interest was made, and the number of Coupons by maturity against presentation or surrender of which payment of interest was made; and
- 7.3.2 subject to and to the extent of compliance by the Issuer with Clause 6.1 (*Issuer to pay the Fiscal Agent*) (whether or not at the due time), the Fiscal Agent shall pay to such Paying Agent out of the funds received by it under Clause 6.1 (*Issuer to pay the Fiscal Agent*), by credit transfer in euros and in same day, freely transferable, cleared funds to such account with such bank as such Paying Agent has by notice to the Fiscal Agent specified for the purpose, an amount equal to the amount so paid by such Paying Agent.

7.4 **Appropriation by the Fiscal Agent**

If the Fiscal Agent makes any payment in accordance with Clause 7.1 (*Payments by the Paying Agents*), it shall be entitled to appropriate for its own account out of the funds received by it under Clause 6.1 (*Issuer to pay the Fiscal Agent*) an amount equal to the amount so paid by it.

7.5 **Reimbursement by Issuer**

Subject to sub-clauses 7.1.1 and 7.1.2 (*Payments by the Paying Agents*), if a Paying Agent makes a payment in respect of Notes on or after the due date for such payment under the Conditions at a time at which the Fiscal Agent has not received the full amount of the relevant payment due to it under Clause 6.1 (*Issuer to pay the Fiscal Agent*) and the Fiscal Agent is not able out of funds received by it under Clause 6.1 (*Issuer to pay the Fiscal Agent*) to reimburse such Paying Agent therefor (whether by payment under Clause 7.3 (*Reimbursement by the Fiscal Agent*) or appropriation under Clause 7.4 (*Appropriation by the Fiscal Agent*), the Issuer shall from time to time on demand pay to the Fiscal Agent for account of such Paying Agent interest on such amount from the date on which such Paying Agent made such payment until the date of reimbursement of such amount.

7.6 **Interest**

Interest shall accrue for the purpose of sub-clause 7.5 (*Reimbursement by Issuer*) (as well after as before judgment) on the basis of a year of 365 days and the actual number of days elapsed and at the rate per annum which is rate per annum specified by such Paying Agent as reflecting its cost of funds for the time being in relation to the unpaid amount, provided that evidence of the basis of such rate is given to the Issuer.

7.7 **Partial payments**

If at any time and for any reason a Paying Agent makes a partial payment in respect of the Temporary Global Note, the Permanent Global Note or any Definitive Note or Coupon presented or surrendered for payment to or to the order of that Paying Agent, such Paying Agent shall, in the case of the Temporary Global Note and/or the Permanent Global Note, instruct the ICSDs (in accordance with the provisions of Schedule 7 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their respective records to reflect such partial payments and, in the case of any Definitive Note or Coupon, enface thereon a statement indicating the amount and date of such payment.

8. **MISCELLANEOUS DUTIES OF THE PAYING AGENTS**

8.1 **Records**

The Fiscal Agent shall:

- 8.1.1 maintain a record of the Temporary Global Note and the Permanent Global Note and all Definitive Notes and Coupons delivered hereunder and of their redemption, payment, cancellation, mutilation, defacement, alleged destruction, theft, loss or replacement (and, in the case of the Temporary Global Note, exchange of interests thereof for interests in the Permanent Global Note,

Definitive Notes and, in the case of the Permanent Global Note, exchange thereof for Definitive Notes); *provided, however, that* no record need be maintained of the serial numbers of Coupons, save for the serial numbers of Coupons for which replacements have been issued under Clause 5 (*Replacement Notes and Coupons*) and unmatured Coupons missing at the time of redemption or other cancellation of the relevant Definitive Notes and for any subsequent payments against such Coupons;

8.1.2 maintain a record of all certifications received by it in accordance with Clause 9.3 (*Certifications*) or the provisions of the Temporary Global Note and all confirmations received by it in accordance with Clause 9.4 (*Cancellation*); and

8.1.3 make such records available for inspection at all reasonable times during office hours by the Issuer and the other Paying Agents.

8.2 Information from Paying Agents

The Paying Agents shall make available to the Fiscal Agent such information as may reasonable be required for:

8.2.1 the maintenance of the records referred to in Clause 9.1(*Records*); and

8.2.2 the Fiscal Agent to perform the duties set out in Schedule 7 (*Duties under the Issuer-ICSDs Agreement*).

8.3 Certifications

Each Paying Agent shall promptly copy to the Issuer and, in the case of a Paying Agent other than the Fiscal Agent, the Fiscal Agent any certification received by it in accordance with the provisions of the Temporary Global Note.

8.4 Cancellation

The Issuer may from time to time deliver to the Fiscal Agent Definitive Notes and unmatured Coupons relating thereto for cancellation, whereupon the Fiscal Agent shall cancel such Definitive Notes and Coupons. In addition, the Issuer may from time to time instruct the Fiscal Agent to cancel a specified aggregate principal amount of Notes represented by the Temporary Global Note or the Permanent Global Note (which instructions shall be accompanied by evidence satisfactory to the Fiscal Agent that the Issuer is entitled to give such instructions) whereupon the Fiscal Agent shall instruct the ICSDs (in accordance with the provisions of Schedule 7 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their respective records to reflect such cancellation.

8.5 Definitive Notes and Coupons in issue

As soon as practicable upon request after each interest payment date in relation to the Notes, after each date on which Notes are cancelled in accordance with Clause 9.4 (*Cancellation*) and after each date on which the Notes fall due for redemption in accordance with the Conditions, the Fiscal Agent shall notify the Issuer and the other Paying Agents (on the basis of the information available to it) of the number of any Definitive Notes or Coupons against surrender of which payment has been made and

of the number of any Definitive Notes or (as the case may be) Coupons which have not yet been surrendered for payment.

8.6 **Forwarding of communications**

The Fiscal Agent shall promptly forward to the Issuer a copy of any notice or communication addressed to the Issuer by any Noteholder which is received by the Fiscal Agent.

8.7 **Publication of notices**

The Fiscal Agent shall, upon and in accordance with instructions of the Issuer received at least 10 days before the proposed publication date, arrange for the publication of any notice which is to be given to the Noteholders and shall supply a copy thereof to each other Paying Agent, Clearstream, Luxembourg and Euroclear.

8.8 **Destruction**

The Fiscal Agent:

- 8.8.1 *Cancelled Notes:* may destroy the Temporary Global Note following its cancellation in accordance with Clause 4.2 (*Exchange of Temporary Global Note and Permanent Global Note*) and the Permanent Global Note following its cancellation in accordance with Clause 4.4 (*Exchange of Permanent Global Note for Definitive Notes*) and the Temporary Global Note and the Permanent Global Note and each Definitive Note or Coupon delivered to or cancelled by it in accordance with sub-clause 7.1 (*Payments by the Paying Agents*) or cancelled by it in accordance with Clause 5.3 (*Cancellation of mutilated or defaced Notes*) or Clause 9.4 (*Cancellation*), in which case it shall, if requested furnish the Issuer with a certificate of destruction specifying the certificate or serial numbers (if any) of the Temporary Global Note or (as the case may be) the Permanent Global Note or Definitive Notes and the number of Coupons so destroyed;
- 8.8.2 *Destruction by Common Safekeeper:* may instruct the Common Safekeeper to destroy the Temporary Global Note and the Permanent Global Note in accordance with Clause 4.2 (*Exchange of Temporary Global Note and Permanent Global Note*) or Clause 7.1 (*Payments by the Paying Agents*) in which case, upon receipt of confirmation of destruction from the Common Safekeeper, the Fiscal Agent shall furnish the Issuer with a copy of such confirmation; and
- 8.8.3 *Notes electronically delivered to the Common Safekeeper:* where it has delivered the authenticated Temporary Global Note or the authenticated Permanent Global Note to a Common Safekeeper for effectuation using electronic means, is authorised and instructed to destroy the authenticated Temporary Global Note or authenticated Permanent Global Note retained by it following its receipt of confirmation from the Common Safekeeper that the Temporary Global Note or, as the case may be, the Permanent Global Note has been effectuated.

8.9 Documents available for inspection

The Issuer shall provide to each Paying Agent:

- 8.9.1 conformed copies of this Agreement and the Deed of Covenant;
- 8.9.2 if the provisions of Condition 5(b) (*Redemption for taxation reasons*) become relevant in relation to the Notes, the documents contemplated under Condition 5(b) (*Redemption for taxation reasons*); and
- 8.9.3 such other documents as may from time to time be required by the Luxembourg Stock Exchange to be made available at the Specified Office of the Paying Agent having its Specified Office in London.

Each of the Paying Agents shall make available for inspection during normal business hours at its Specified Office the documents referred to above and, upon reasonable request, will allow copies of such documents to be taken.

8.10 Voting Certificates and Block Voting Instructions

Each Paying Agent shall, at the request of any Noteholder, issue Voting Certificates and Block Voting Instructions in a form and manner which comply with the provisions of Schedule 5 (*Provisions for Meetings of the Noteholders*) (except that it shall not be required to issue the same less than 48 hours before the time fixed for any Meeting provided for therein). Each Paying Agent shall keep a full record of Voting Certificates and Block Voting Instructions issued by it and shall give to the Issuer, not less than 24 hours before the time appointed for any Meeting, full particulars of all Voting Certificates and Block Voting Instructions issued by it in respect of such Meeting.

8.11 Issuer-ICSDs Agreement

The Fiscal Agent shall comply with the provisions set out in Schedule 7 (*Duties under the Issuer-ICSDs Agreement*).

8.12 Compliance with Procedures

8.12.1 The Fiscal Agent undertakes to comply with the procedures set out in Schedule 8 (*Procedures for Compliance with Spanish Tax Legislation*) in order to assist the Issuer in complying with the Spanish Tax Procedures.

8.12.2 The parties acknowledge that such procedures may need to be revised:

- (a) from time to time in accordance with the applicable Spanish laws and regulations, further clarification from the Spanish tax authorities regarding such laws and regulations and the operational procedures of Euroclear and Clearstream, Luxembourg; and
- (b) in the event that the Notes are not in global form which are held by the Common Safekeeper for Euroclear and Clearstream, Luxembourg,

and, in such circumstances, the parties undertake to use their best endeavours to revise the procedures and, if required by the Issuer, ensure that Noteholders are

made aware of such revised procedures. Any revision to the procedures agreed by the Issuer and Fiscal Agent shall be binding on all parties.

8.12.3 In this Agreement, "**Spanish Tax Procedures**" means the procedures applicable from time to time to the Issuer in relation to the reporting of information in respect of interest payments to the Spanish tax authorities and other related matters.

8.13 **General**

Each Paying Agent shall perform all other obligations and duties imposed upon it by the Conditions or this Agreement, and all Applicable Laws, regulations or guidelines.

9. **FEES AND EXPENSES**

9.1 **Fees**

The Issuer shall pay to the Fiscal Agent for the account of the Paying Agents such fees in advance as have been agreed between the Issuer and the Fiscal Agent and recorded in a letter dated 20 December 2019 from the Fiscal Agent to the Issuer in respect of the services of the Paying Agents hereunder (plus any applicable value added tax).

9.2 **Front-end expenses**

The Issuer shall on demand reimburse the Fiscal Agent for all documented expenses properly incurred by it in the negotiation, preparation and execution of this Agreement, and shall on demand reimburse each Paying Agent for all documented expenses (including, without limitation, legal fees and any publication, advertising, communication, courier, postage and other out-of-pocket expenses) properly incurred in connection with its services hereunder (plus any applicable value added tax), other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 9.1 (*Fees*).

9.3 **Taxes**

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Agreement, and the Issuer shall indemnify each Paying Agent on demand against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same in the Terms of Clause 10.4. All payments by the Issuer under this Clause 9 (*Fees and Expenses*) or Clause 10.4 (*Indemnity in favour of the Paying Agents*) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Paying Agent of such amounts as would have been received by it if no such withholding or deduction had been required except that no such additional amounts shall be payable

by the Issuer where: (i) the taxes, duties, assessments or governmental charges of whatsoever nature would not have been withheld or deducted but for the failure of the relevant Paying Agent to deliver to the Issuer a valid certificate of tax residence within the meaning of the applicable convention or treaty for the avoidance of double taxation on taxes on income entered into by and between the Kingdom of Spain and the country of residence of such Paying Agent (or the relevant form as provided by such applicable convention or treaty), under which provisions such payment would not be subject to taxation in the Kingdom of Spain, duly issued by the competent tax authorities of such country not more than twelve months prior to the date on which the relevant amount is due and payable; (ii) the Paying Agent operates through a tax haven jurisdiction (as defined in Royal Decree 1080/1991, of 5 July 1991, as amended); (iii) the Paying Agent is acting, for the purposes of this Agreement, through a permanent establishment located in the Spanish territory; or (iv) the Paying Agent is liable for such taxes by reason of it having some connection with Spain other than the mere signing of this Agreement.

10. TERMS OF APPOINTMENT

10.1 Rights and powers

Each Paying Agent may, in connection with its services hereunder:

- 10.1.1 except as ordered by a court of competent jurisdiction or otherwise required by law 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, but subject to sub-clause 7.1 (*Payments by the Paying Agents*), treat the holder of any Temporary Global Note, Permanent Global Note, Definitive Note or Coupon as its absolute owner for all purposes and make payments thereon accordingly;
- 10.1.2 assume that the terms of the Temporary Global Note, the Permanent Global Note and each Definitive Note and Coupon as issued are correct;
- 10.1.3 refer any question relating to the ownership of the Temporary Global Note, the Permanent Global Note or any Definitive Note or Coupon or the adequacy or sufficiency of any evidence supplied in connection with the replacement of the Temporary Global Note, the Permanent Global Note or any Definitive Note or Coupon to the Issuer for determination by the Issuer and rely upon any determination so made;
- 10.1.4 request and be provided with such information from the Issuer, as it shall reasonably require;
- 10.1.5 rely upon and shall be protected against liability for acting, on the terms of any notice, communication or other document believed by it to be genuine and from the proper party; and
- 10.1.6 engage and pay for the advice or services of any lawyers, auditors, financial advisors or other experts whose advice or services it considers necessary and rely upon any advice so obtained.

10.2 **Extent of duties**

Each Paying Agent shall only be obliged to perform the duties set out herein and no implied duties or obligations shall be read into this Agreement against the Paying Agent. No Paying Agent shall:

- 10.2.1 be under any fiduciary duty or other obligation towards or have any relationship of agency or trust for or with any person other than the Issuer;
- 10.2.2 be required to do anything which would be illegal or contrary to Applicable Law or regulation;
- 10.2.3 be under any duty to expend its own funds;
- 10.2.4 be responsible to monitor compliance by any other party or take steps to ascertain whether any relevant event under this Agreement or any other the Subscription Agreement dated 6 April 2020 or the Deed of Covenant has occurred and no Paying Agent shall be liable for loss arising from breach by that party or any such event; or
- 10.2.5 be responsible for or liable in respect of the legality, validity or enforceability of the Temporary Global Note, the Permanent Global Note or any Definitive Note or Coupon or any act or omission of any other person (including, without limitation, any other Paying Agent but excluding persons subcontracted by each Paying Agent or who act on its behalf).

10.3 **Freedom to transact**

Each Paying Agent may purchase, hold and dispose of Notes and Coupons and may enter into any transaction (including, without limitation, any depository, trust or agency transaction) with any holders of Notes or Coupons or with any other person in the same manner as if it had not been appointed as the agent of the Issuer in relation to the Notes.

10.4 **Indemnity in favour of the Paying Agents**

The Issuer shall indemnify on demand each Paying Agent against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs, other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 9.1 (*Fees*) and otherwise than by reason of its own negligence wilful default or fraud, as a result or arising out of or in relation to its acting as the agent of the Issuer in relation to the Notes. The indemnity contained in this Clause 10.4 shall survive the termination or expiry of this Agreement and the resignation or removal of the Agent.

10.5 **Indemnity in favour of the Issuer**

Each Paying Agent shall severally indemnify the Issuer against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result of the negligence, fraud or wilful default of such Paying Agent or of its officers, directors or employees. The indemnity contained in this Clause 10.5 shall survive the termination or expiry of this Agreement.

- 10.6 Notwithstanding the foregoing, under no circumstances will a Party be liable to the other Parties or any other person for any indirect, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of business, goodwill, opportunity or profit), even if advised of such loss or damage.
- 10.7 Each party shall, within ten business days of a written request by another party, supply to that other party such forms, documentation and other information relating to it, its operations, or the Notes as that other party reasonably requests for the purposes of that other party's compliance with Applicable Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information pursuant to this Clause 10.7 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality.
- 10.8 Notwithstanding anything else herein contained, the Parties may refrain without liability from doing anything that would or might in its reasonable opinion be contrary to any Applicable Law of any state or jurisdiction (including but not limited to the European Union, the United States of America or, in each case, any jurisdiction forming a part of it, England & Wales) or any applicable directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is in its reasonable opinion necessary to comply with any such law, directive or regulation.
- 10.9 The Parties shall be entitled to refrain from acting, without liability, if conflicting, unclear or equivocal instructions have been received or in order to comply with any Applicable Law. In the event that it is determined that instructions are unclear, equivocal or conflicting, and provided it is legally permissible for them to do so, the relevant Party will advise the instructing party accordingly as soon as reasonably practicable.

11. CHANGES IN PAYING AGENTS

11.1 Resignation

Any Paying Agent may (without needing to give any reason and without suffering any liability therefor) resign its appointment upon not less than 30 days' notice to the Issuer (with a copy, in the case of a Paying Agent other than the Fiscal Agent, to the Fiscal Agent); *provided, however, that:*

- 11.1.1 if such resignation would otherwise take effect less than 30 days before or after the maturity date or other date for redemption of the Notes or any interest payment date in relation to the Notes, it shall not take effect until the thirtieth day following such date; and
- 11.1.2 in the case of the Fiscal Agent, such resignation shall not take effect until a successor has been duly appointed consistently with Clause 11.4 (*Additional*

and successor agents) or Clause 11.5 (*Paying Agents may appoint successors*) and notice of such appointment has been given to the Noteholders.

11.2 **Revocation**

The Issuer may revoke its appointment of any Paying Agent by not less than 30 days' notice to such Paying Agent (with a copy, in the case of a Paying Agent other than the Fiscal Agent, to the Fiscal Agent); *provided, however, that*, in the case of the Fiscal Agent, such revocation shall not take effect until a successor has been duly appointed consistently with Clause 11.4 (*Additional and successor agents*) or Clause 11.5 (*Paying Agents may appoint successors*) and notice of such appointment has been given to the Noteholders.

11.3 **Automatic termination**

The appointment of any Paying Agent shall terminate forthwith if (a) such Paying Agent becomes incapable of acting, (b) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of such Paying Agent, (c) such Paying Agent admits in writing its insolvency or inability to pay its debts as they fall due, (d) an administrator or liquidator of such Paying Agent or the whole or any part of the undertaking, assets and revenues of such Paying Agent is appointed (or application for any such appointment is made), (e) such Paying Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness, (f) an order is made or an effective resolution is passed for the winding-up of such Paying Agent or (g) any event occurs which has an analogous effect to any of the foregoing. If the appointment of the Fiscal Agent is terminated in accordance with the preceding sentence, the Issuer shall forthwith appoint a successor in accordance with Clause 11.4 (*Additional and successor agents*).

11.4 **Additional and successor agents**

The Issuer may appoint a successor fiscal agent and additional or successor paying agents (any such successor or additional agent shall be a reputable and experienced financial institution that complies with the eligibility requirements of the clearing systems) and shall forthwith give notice of any such appointment to the continuing Paying Agents and the Noteholders, whereupon the Issuer, the continuing Paying Agents and the additional or successor fiscal agent or paying agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

11.5 **Paying Agents may appoint successors**

If any Agent gives notice of its resignation in accordance with Clause 11.1 (*Resignation*) and by the twentieth day before the expiry of such notice a successor has not been duly appointed in accordance with Clause 11.4 (*Additional and successor agents*), such Agent may itself, following such consultation with the Issuer as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution that complies with the eligibility requirements of the clearing systems and give notice of such appointment to the Issuer, the remaining Paying Agents and the

Noteholders, whereupon the Issuer, the remaining Paying Agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

11.6 Release

Upon any resignation or revocation taking effect under Clause 11.1 (*Resignation*) or 12.2 (*Revocation*) or any termination taking effect under Clause 11.3 (*Automatic termination*), the relevant Paying Agent shall:

- 11.6.1 be released and discharged from its obligations under this Agreement (save that it shall remain entitled to the benefit of and subject to Clause 9.3 (*Taxes*), Clause 11 (*Terms of Appointment*) and Clause 11 (*Changes in Paying Agents*));
- 11.6.2 in the case of the Fiscal Agent, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Fiscal Agent, of the records maintained by it in accordance with Clause 8.1 (*Records*); and
- 11.6.3 forthwith (upon payment to it of any amount due to it in accordance with Clause 9 (*Fees and Expenses*) or Clause 10.4 (*Indemnity in favour of the Paying Agents*)) transfer all moneys and papers (including any unissued Notes held by it hereunder and any documents held by it pursuant to Clause 8.9 (*Documents available for inspection*)) to its successor and, upon appropriate notice, provide reasonable assistance to its successor for the discharge of its duties and responsibilities hereunder.

11.7 Merger

Any legal entity into which an Paying Agent is merged or converted or any legal entity resulting from any merger or conversion to which such Paying Agent is a party or any legal entity to which any Paying Agent sells all or substantially all of its corporate trust and agency business shall, to the extent permitted by applicable law, be the successor to such Paying Agent without any further formality, whereupon the Issuer, the other Paying Agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement. Notice of any such merger or conversion shall forthwith be given by such successor to the Issuer and might be given to other Paying Agents and the Noteholders.

11.8 Changes in Specified Offices

If any Paying Agent decides to change its Specified Office (which may only be effected within the same city unless the prior written approval of the Issuer has been obtained), it shall give notice to the Issuer (with a copy to the other Paying Agents) of the address of the new Specified Office stating the date on which such change is to take effect, which date shall be not less than 30 days after the date of such notice. The Issuer shall at the expense of the relevant Agent and not less than 14 days prior to the date on which such change is to take effect (unless the appointment of the relevant Paying Agent is to terminate pursuant to any of the foregoing provisions of this Clause 11 (*Changes in*

Paying Agents) on or prior to the date of such change) give notice thereof to the Noteholders.

12. NOTICES

12.1 Addresses for notices

All notices and communications hereunder shall be made in writing (by letter or email) and shall be sent as follows:

12.1.1 if to the Issuer, to it at:

Address: Paseo del Conde de los gaitanes, 177
28109 Alcobendas (Madrid)
Spain
Attention: Head of Finance Department - Rosa Velasco Miranda
E-mail: rvelasco@ree.es

12.1.2 if to a Paying Agent, to it at the address, fax number or email address specified against its name in Schedule 6 (*Specified Offices of the Paying Agents*) (or, in the case of a Paying Agent not originally a party hereto, specified by notice to the parties hereto at the time of its appointment) for the attention of the person or department specified therein;

or, in any case, to such other address, fax number or email address for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose.

12.2 Effectiveness

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

12.3 Notices to Noteholders

Any notice required to be given to Noteholders under this Agreement shall be given in accordance with the Conditions and at the expense of the Issuer; *provided, however, that*, so long as all the Notes are represented by the Temporary Global Note and/or the Permanent Global Note, notices to Noteholders shall be given in accordance with the terms of the Temporary Global Note and/or the Permanent Global Note.

12.4 Notices in English

All notices and other communications hereunder shall be made in the English language or shall be accompanied by a certified English translation thereof. Any certified English translation delivered hereunder shall be certified a true and accurate translation by a professionally qualified translator or by some other person competent to do so.

13. RECOGNITION OF BAIL-IN

Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements, or understanding between the Paying Agent and the Issuer (each a "**BRRD Party**"), each BRRD Party acknowledges and accepts that a BRRD Liability arising under this Agreement may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

- (a) the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of a BRRD Party (Relevant BRRD Party) to the other BRRD Party under this agreement, that (without limitation) may include and result in any of the following, or some combination thereof:
 - (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;
 - (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the Relevant BRRD Party or another person, and the issue to or conferral on the other BRRD Party of such shares, securities or obligations;
 - (iii) the cancellation of the BRRD Liability;
 - (iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and
- (b) the variation of the terms of this Agreement, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority.
- (c) For the purpose of this Clause 13:

"**Bail-in Legislation**" means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time.

"**Bail-in Powers**" means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation.

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

"**BRRD Liability**" means a liability in respect of which the relevant Write Down and Conversion Powers in the applicable Bail-in Legislation may be exercised.

"**EU Bail-in Legislation Schedule**" means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at https://www.lma.eu.com/application/files/1415/4868/7122/EU_BAIL-IN_LEGISLATION_SCHEDULE_131334-2-14_v6.0.pdf.

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Bail-in Powers.

14. **LAW AND JURISDICTION**

14.1 **Governing law**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

14.2 **English courts**

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

14.3 **Appropriate forum**

The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

14.4 **Process Agent**

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Agents. Nothing in this paragraph shall affect the right of any Agent to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

15. **RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

16. **MODIFICATION**

This Agreement may be amended by further agreement among the parties hereto.

17. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing any such counterpart.

18. **ENTIRE AGREEMENT**

18.1 This Agreement contains the whole agreement between the parties relating to the subject matter of this Agreement at the date of this Agreement to the exclusion of any

terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Agreement.

- 18.2 Each party acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated into it.
- 18.3 So far as is permitted by law and except in the case of fraud, each party agrees and acknowledges that its only right and remedy in relation to any representation, warranty or undertaking made or given in connection with this Agreement shall be for breach of the terms of this Agreement to the exclusion of all other rights and remedies (including those in tort or arising under statute).
- 18.4 In Clauses 18.1 to 18.3, "this Agreement" includes any fee letters and all documents entered into pursuant to this Agreement.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

SCHEDULE 1
FORM OF TEMPORARY GLOBAL NOTE

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

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS OF THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.



Red Eléctrica Corporación, S.A.
*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 400,000,000 0.875 per cent. Notes due April 2025

ISIN: XS2154441120

TEMPORARY GLOBAL NOTE

1. INTRODUCTION

This Temporary Global Note is issued in respect of the EUR 400,000,000 0.875 per cent. Notes due April 2025 (the "**Notes**") of Red Eléctrica Corporación, S.A. (the "**Issuer**"). The Notes have the benefit of a deed of covenant dated 14 April 2020 and are the subject of a fiscal agency agreement dated 14 April 2020 (as amended or supplemented from time to time, the "**Fiscal Agency Agreement**") and made between the Issuer, Citibank Europe PLC, as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any additional or successor paying agents appointed from time to time in connection with the Notes). The Issuer has executed a public deed (*escritura pública*) in relation to the Notes dated 6 April 2020, granted

before the notary public of Alcobendas, Mr. Eduardo Martín Alcalde, with protocol number 830 of his official records (the "**Public Deed**"). The Conditions are attached to the Public Deed.

2. REFERENCES TO CONDITIONS

Any reference herein to the "**Conditions**" is to the terms and conditions of the Notes set out in Schedule 3 (*Terms and Conditions of the Notes*) hereto and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Temporary Global Note.

3. PROMISE TO PAY

3.1 Pay to Bearer

The Issuer, for value received, promises to pay to the bearer of this Temporary Global Note the principal sum of

EUR 400,000,000
(EURO FOUR HUNDRED MILLION)

on 14 April 2025 or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions; *provided, however, that* such interest shall be payable only:

- 3.1.1 in the case of interest falling due before the Exchange Date (as defined below), to the extent that a certificate or certificates issued by Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**", together with Euroclear, the international central securities depositories or "**ICSDs**") dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 1 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the Specified Office (as defined in the Conditions) of the Fiscal Agent; or
- 3.1.2 in the case of interest falling due at any time, to the extent that the Issuer has failed to procure the exchange for a permanent global note of that portion of this Temporary Global Note in respect of which such interest has accrued.

3.2 Principal Amount

The principal amount of Notes represented by this Temporary Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Temporary Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Temporary Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating

the principal amount of Notes represented by this Temporary Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

4. **NEGOTIABILITY**

This Temporary Global Note is negotiable and, accordingly, title to this Temporary Global Note shall pass by delivery.

5. **EXCHANGE**

On or after the day following the expiry of 40 days after the date of issue of this Global Note (the "**Exchange Date**"), the Issuer shall procure (in the case of first exchange) the delivery of a permanent global note (the "**Permanent Global Note**") in substantially the form set out in the Schedule 2 (*Form of Permanent Global Note*) to the Fiscal Agency Agreement to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- 5.1 presentation and (in the case of final exchange) surrender of this Global Note to or to the order of the Fiscal Agent; and
- 5.2 receipt by the Fiscal Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg dated not earlier than the Exchange Date and in substantially the form set out in Schedule 2 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and received by the Fiscal Agent; *provided, however, that* in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by this Temporary Global Note.

6. **WRITING DOWN**

On each occasion on which:

- 6.1 the Permanent Global Note is delivered or the principal amount of Notes represented thereby is increased in accordance with its terms in exchange for a further portion of this Global Note; or
- 6.2 Notes represented by this Temporary Global Note are to be cancelled in accordance with Condition 5(i) (*Redemption and Purchase - Cancellation*), the Issuer shall procure that details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs.

7. **PAYMENTS**

7.1 **Recording of Payments**

Upon any payment being made in respect of the Notes represented by this Temporary Global Note, the Issuer shall procure that details of such payment shall be entered pro

rata in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Temporary Global Note shall be reduced by the principal amount so paid.

7.2 Discharge of Issuer's obligations

Payments due in respect of Notes for the time being represented by this Temporary Global Note shall be made to the bearer of this Temporary Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

7.3 Payment Business Day

If the currency of any payment made in respect of Notes represented by this Temporary Global Note is euro, the applicable Payment Business Day shall be any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of any payment made in respect of the Notes represented by this Temporary Global Note is not euro, the applicable Payment Business Day shall be any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

8. CONDITIONS APPLY

Until this Temporary Global Note has been exchanged as provided herein or cancelled in accordance with the Fiscal Agency Agreement, the bearer of this Temporary Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Notes in definitive form in substantially the form set out in the Schedule 3 (*Form of Definitive Note and Coupon*) to the Fiscal Agency Agreement and the related interest coupons in the denomination of EUR 100,000 and in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note.

9. NOTICES

Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by this Temporary Global Note (or by this Temporary Global Note and the Permanent Global Note) and this Temporary Global Note is (or this Temporary Global Note and the Permanent Global Note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, except that so long as the Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or published on the website of the Luxembourg Stock Exchange (www.bourse.lu)).

10. **AUTHENTICATION**

This Temporary Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank Europe PLC as fiscal agent.

11. **EFFECTUATION**

This Temporary Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

11. **GOVERNING LAW**

This Temporary Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the manual signature of a duly authorised person for and on behalf of the Issuer.

RED ELÉCTRICA CORPORACIÓN, S.A.

By:
(*duly authorised*)

ISSUED on 14 April 2020

AUTHENTICATED for and on behalf of

CITIBANK EUROPE PLC as fiscal agent without recourse, warranty or liability

By:
(*duly authorised*)

EFFECTUATED for and on behalf of

EUROCLEAR BANK S.A./N.V. as common safekeeper without recourse, warranty or liability

By:
(*duly authorised*)

SCHEDULE 1
FORM OF ACCOUNTHOLDER'S CERTIFICATION



Red Eléctrica Corporación, S.A.
*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 400,000,000 0.875 per cent. Notes due April 2025

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (a) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) are owned by United States person(s) that (i) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the issuer or the issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (c) (whether or not also described in clause (a) or (b)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to EUR[•] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any rights or collection of any interest) cannot be made until we do so certify.

SCHEDULE 2
FORM OF EUROCLEAR/CLEARSTREAM, LUXEMBOURG CERTIFICATION



Red Eléctrica Corporación, S.A.
*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 400,000,000 0.875 per cent. Notes due April 2025

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "**Member Organisations**") substantially to the effect set forth in the temporary global note issued in respect of the securities, as of the date hereof, EUR[•] principal amount of the above-captioned Securities (a) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source ("**United States persons**"), (b) is owned by United States persons that (i) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) ("**financial institutions**") purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (c) (whether or not also described in clause (a) or (b)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

We further certify (1) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global security excepted in such certifications and (2) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which

SCHEDULE 3
TERMS AND CONDITIONS

[Terms and Conditions appended to the Temporary Global Note]

SCHEDULE 2
FORM OF PERMANENT GLOBAL NOTE

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

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S OF THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.



Red Eléctrica Corporación, S.A.
*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 400,000,000 0.875 per cent. Notes due April 2025

ISIN: XS2154441120

PERMANENT GLOBAL NOTE

1. INTRODUCTION

This Global Note is issued in respect of the EUR 400,000,000 0.875 per cent. Notes due April 2025 (the "**Notes**") of Red Eléctrica Corporación, S.A. (the "**Issuer**"). The Notes (insofar as they are represented by this Global Note) have the benefit of a deed of covenant dated 14 April 2020 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer and are the subject of a fiscal agency agreement dated 14 April 2020 (as amended or supplemented from time to time, the "**Fiscal Agency Agreement**") and made between the Issuer, Citibank Europe PLC, as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the other paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any additional or successor paying agents appointed from time to time in

connection with the Notes). The Issuer has executed a public deed (*escritura pública*) in relation to the Notes dated 6 April 2020, granted before the notary public of Alcobendas, Mr. Eduardo Martín Alcalde, with protocol number 830 of his official records (the "**Public Deed**"). The Conditions are attached to the Public Deed.

2. REFERENCES TO CONDITIONS

Any reference herein to the "**Conditions**" is to the terms and conditions of the Notes set out in the Schedule 1 (*Terms and Conditions of the Notes*) hereto and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Note.

3. PROMISE TO PAY

3.1 Pay to bearer

The Issuer, for value received, promises to pay to the bearer of this Global Note, in respect of each Note represented by this Global Note, its principal amount on 14 April 2025 or on such earlier date or dates as the same may become payable in accordance with the Conditions, and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

3.2 Principal Amount

The principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear, the international central securities depositaries or "**ICSDs**"). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

4. NEGOTIABILITY

This Global Note is negotiable and, accordingly, title to this Global Note shall pass by delivery.

5. EXCHANGE

This Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of this Global Note, for Notes in definitive form ("**Definitive Notes**") in substantially the form set out in the Schedule 3 (*Form of Definitive Note and Coupon*) the Fiscal Agency Agreement if either of the following events occurs:

- (a) Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs.

6. DELIVERY OF DEFINITIVE NOTES

Whenever this Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and with interest coupons ("**Coupons**") attached, in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note to the bearer of this Global Note against the surrender of this Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

7. FAILURE TO DELIVER DEFINITIVE NOTES OR TO REPAY

If:

- (a) Definitive Notes have not been delivered in accordance with paragraph 6 (*Delivery of Definitive Notes*) above by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of this Global Note for Definitive Notes; or
- (b) this Global Note (or any part hereof) has become due and payable in accordance with the Conditions or the date for final redemption of this Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of this Global Note on the due date for payment,

then this Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a)) or at 5.00 p.m. (London time) on such due date (in the case of (b)) and the bearer of this Global Note will have no further rights hereunder (but without prejudice to the rights which the bearer of this Global Note or others may have under the Deed of Covenant). The Deed of Covenant has been deposited at the Specified Office of the Fiscal Agent and a copy of it may be inspected at the Specified Office of each Paying Agent.

8. WRITING DOWN

On each occasion on which:

- (a) a payment of principal is made in respect of this Global Note;
- (b) Definitive Notes are delivered; or
- (c) Notes represented by this Global Note are to be cancelled in accordance with Condition 5(i) (*Redemption and Purchase - Cancellation*), the Issuer shall procure that details of the exchange or cancellation shall be entered pro rata in the records of the ICSDs.

9. WRITING UP

9.1 Initial Exchange

If this Global Note was originally issued in exchange for part only of a temporary global note representing the Notes, then all references in this Global Note to the principal amount of Notes represented by this Global Note shall be construed as references to the principal amount of Notes represented by the part of the temporary global note in exchange for which this Global Note was originally issued which the Issuer shall procure is entered by the ICSDs in their records.

9.2 Subsequent Exchange

If at any subsequent time any further portion of such temporary global note is exchanged for an interest in this Global Note, the principal amount of Notes represented by this Global Note shall be increased by the amount of such further portion, and the Issuer shall procure that the principal amount of Notes represented by this Global Note (which shall be the previous principal amount of Notes represented by this Global Note *plus* the amount of such further portion) is entered by the ICSDs in their records.

10. PAYMENTS

9.1 Recording of Payments

Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.

10.1 Discharge of Issuer's obligations

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

10.2 Payment Business Day

If the currency of any payment made in respect of Notes represented by this Global Note is euro, the applicable Payment Business Day shall be any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of any payment made in respect of the Notes represented by this Global Note is not euro, the applicable Payment Business Day shall be any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

11. CONDITIONS APPLY

Until this Global Note has been exchanged as provided herein or cancelled in accordance with the Fiscal Agency Agreement, the bearer of this Global Note shall be

subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if it were the holder of Definitive Notes and the related Coupons in the denomination of EUR 100,000 and in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note.

12. EXERCISE OF CALL OPTION

In connection with an exercise of the option contained in Condition 5(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, this Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

13. NOTICES

Notwithstanding Condition 14 (*Notices*), while all the Notes are represented by this Global Note (or by this Global Note and a temporary global note) and this Global Note is (or this Global Note and a temporary global note are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 14 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, except that, for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website if the Luxembourg Stock Exchange (*www.bourse.lu*).

14. AUTHENTICATION

This Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank Europe PLC, as fiscal agent.

15. EFFECTUATION

This Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

16. GOVERNING LAW

This Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the manual signature of a duly authorised person for and on behalf of the Issuer.

RED ELÉCTRICA CORPORACIÓN, S.A.

By:
(*duly authorised*)

ISSUED as of 14 April 2020

AUTHENTICATED for and on behalf of

CITIBANK EUROPE PLC as fiscal agent without recourse, warranty or liability

By:
(*duly authorised*)

EFFECTUATED for and on behalf of

EUROCLEAR BANK, S.A./N.V. as common safekeeper without recourse, warranty or liability

By:
(*duly authorised*)

SCHEDULE 1

TERMS AND CONDITIONS OF THE NOTES

[Terms and Conditions appended to the Permanent Global Note]

SCHEDULE 3
FORM OF DEFINITIVE NOTE AND COUPON

[On the face of the Note:]

[currency][denomination]

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



Red Eléctrica Corporación, S.A.
*(incorporated with limited liability under
the laws of the Kingdom of Spain)*

EUR 400,000,000 0.875 per cent. Notes due April 2025

ISIN: XS2154441120

This Note is one of a series of notes (the "**Notes**") in the denomination of €100,000 and in the aggregate principal amount of €750,000,000 issued by Red Eléctrica Corporación, S.A. (the "**Issuer**").

The Issuer has executed a public deed (*escritura pública*) in relation to the Notes dated 6 April 2020, granted before the notary public of Alcobendas, Mr. Eduardo Martín Alcalde with protocol number 830 of his official records (the "**Public Deed**"). The Conditions are attached to the Public Deed.

The Issuer, for value received, promises to pay to the bearer the principal sum of

€400,000,000

(FOUR HUNDRED MILLION)

on 14 April 2025, or on such earlier date or dates as the same may become payable in accordance with the conditions endorsed hereon (the "**Conditions**"), and to pay interest on such principal sum in arrear on the dates and at the rate specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

Interest is payable on the above principal sum at the rate of 0.875 per cent. per annum, payable annually in arrear on 14 April in each year, all subject to and in accordance with the Conditions.

This Note and the interest coupons relating hereto shall not be valid for any purpose until this Note has been authenticated for and on behalf of Fiscal Agent as fiscal agent.

AS WITNESS the facsimile signature of a duly authorised person on behalf of the Issuer.

RED ELÉCTRICA CORPORACIÓN, S.A.

By

[facsimile signature]
(*duly authorised*)

ISSUED as of [*issue date*]

AUTHENTICATED for and on behalf of
Citibank Europe PLC
as fiscal agent
without recourse, warranty or liability

By

[*manual signature*]
(*duly authorised*)

[On the reverse of the Note:]

TERMS AND CONDITIONS

[At the foot of the Terms and Conditions:]

FISCAL AGENT

CITIBANK EUROPE PLC

Form of Coupon

[On the face of the Coupon:]

OPTION 1 (FIXED RATE)

**RED ELÉCTRICA CORPORACIÓN, S.A.
EUR 400,000,000 0.875 Notes due April 2025**

Coupon for *[currency]**[amount of interest payment]* due on *[interest payment date]*.

Such amount is payable, subject to the terms and conditions (the "**Conditions**") endorsed on the Note to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Note), against presentation and surrender of this Coupon at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).

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

[On the reverse of the Coupon:]

Fiscal Agent: Citibank Europe PLC

1, North Wall Quay
Dublin 1, Ireland

SCHEDULE 4 TERMS AND CONDITIONS OF THE NOTES

The EUR 400,000,000 0.875 per cent. Notes due April 2025 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of Red Eléctrica Corporación, S.A. (the "**Issuer**") are the subject of a fiscal agency agreement dated 14 April 2020 (as amended or supplemented from time to time, the "**Fiscal Agency Agreement**") between the Issuer, Citibank Europe PLC as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and subject to its detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. Copies of the Fiscal Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Fiscal Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. **Form, Denomination and Title**

The Notes are serially numbered and in bearer form in the denomination of EUR100,000 with Coupons attached at the time of issue. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any 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. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

2. **Status**

The Notes constitute direct, general, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer which (unless they qualify as subordinated credits under Article 92 of Law 22/2003 (*Ley Concursal*) dated 9 July 2003 (the "**Insolvency Law**")) in the event of the insolvency (*concurso*) of the Issuer will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, and in particular, save for such payment obligations that are preferred by law under Articles 84, 90 and 91 of the Insolvency Law.

In the event of the insolvency (*concurso*) of the Issuer, under the Insolvency Law, and assuming that the Notes continue being unsecured, claims relating to the Notes (unless they qualify as subordinated credits under Article 92 of the Insolvency Law) will be ordinary credits (*créditos ordinarios*) as defined in the Insolvency Law. Ordinary credits rank below credits against the insolvency estate (*créditos contra la masa*) and credits with a privilege (*créditos privilegiados*). Ordinary credits rank above

subordinated credits. Accrued and unpaid interest due in respect of the Notes at the commencement of an insolvency proceeding (*concurso*) of the Issuer will qualify as subordinated credits. Under Spanish law, accrual of interest on the Notes shall be suspended from the date of any declaration of insolvency.

3. **Negative Pledge**

So long as any Note remains outstanding the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Notes equally and rateably therewith, or (ii) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

In these Conditions:

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility; and
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market); and

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

4. **Interest**

The Notes will bear interest from 14 April 2020 (the "**Issue Date**") at the rate of 0.875 per cent. per annum, (the "**Rate of Interest**") payable in arrear on 14 April in each year (each, an "**Interest Payment Date**"), subject as provided in Condition 6 (*Payments*).

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (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 seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable on each Interest Payment Date shall be EUR 875 in respect of each Note of EUR100,000 denomination. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Note divided by the Calculation Amount, where:

"**Calculation Amount**" means EUR100,000;

"**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period, divided by the number of days in the Regular Period in which the relevant period falls; and

"**Regular Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

5. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 14 April 2025 (the "**Maturity Date**"), subject as provided in Condition 6 (*Payments*).

(b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their principal amount, together with interest accrued to the date fixed for redemption, if:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of

Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 14 April 2020; and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;

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

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent:

- (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

- (c) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer in whole or, in part on any Interest Payment Date (each a "**Call Settlement Date**") at an amount equal to the higher of:

- (i) 100 per cent. of the principal amount of such Notes; and
- (ii) the sum of present values of the principal amount outstanding of the Notes to be redeemed and interest thereon to maturity (exclusive of interest accrued to the Call Settlement Date) calculated at the Rate of Interest discounted to the Call Settlement Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Bond Rate (as defined below) plus the Redemption Margin (the "**Make Whole Redemption Price**"), *provided however that* if a Call Settlement Date occurs on or after 14 January 2025 the amount at which the Notes may be redeemed will be equal to 100 per cent of the principal amount of the Notes,

plus (in either case) accrued interest to (but excluding) the relevant Call Settlement Date.

The Issuer shall give not less than 30 nor more than 60 days' notice of the exercise of the option specified in this Condition 5(c) to the Noteholders (which notice shall be irrevocable, but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer,

and shall oblige the Issuer to redeem the Notes specified in such notice on the relevant Call Settlement Date subject to the fulfilment or waiver of such conditions precedent).

Where:

"**business day**" has the meaning given to that term in Condition 6(f) (*Payments on business days*);

"**DA Selected Bond**" means the government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the Remaining Term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the same currency as the Notes and with a comparable remaining maturity to the Remaining Term of the Notes;

"**Determination Agent**" means an independent adviser, investment bank or financial institution of recognised standing selected by the Issuer;

"**Quotation Time**" means 11.00 a.m. Frankfurt time;

"**Reference Bond**" means DBR 0.500% February 2025 or if this is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"**Reference Bond Price**" means, with respect to the Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"**Reference Date**" means the date falling three London business days prior to the Call Settlement Date;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and the Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage

of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

"**Redemption Margin**" means 0.25; and

"**Remaining Term**" means the term to maturity.

- (d) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 5(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 5(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed.
- (e) *Redemption following a Substantial Purchase Event*: If a Substantial Purchase Event (as defined below) has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*), redeem or purchase (or procure the purchase of), at its option, the Notes in whole, but not in part, in accordance with these Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption or purchase.

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

A "**Substantial Purchase Event**" shall be deemed to have occurred if at least 80 per cent. of the aggregate principal amount of the Notes originally issued (which for these purposes shall include any further Notes issued subsequently) is purchased by the Issuer or any of its Subsidiaries (and in each case is cancelled in accordance with Condition 5(i)).

- (f) *Residual Maturity Call Option*: The Issuer may, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**")), at its option, redeem the Notes, in whole but not in part, at their principal amount together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than three months before the Maturity Date.

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

- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (c) (*Redemption at the option of the Issuer*) above.

- (h) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, *provided that* all unmatured Coupons are purchased therewith.
- (i) *Cancellation*: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them may be cancelled or may be resold, at the option of the Issuer or the relevant Subsidiary.

6. **Payments**

- (a) *Principal*: Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.
- (b) *Interest*: Payments of interest shall, subject to paragraph (g) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

- (c) *Interpretation*: In these Conditions:

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

and

"**TARGET System**" means the TARGET2 system.

- (d) *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 in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deduction for unmatured Coupons*: If a Note is presented without all unmatured Coupons relating thereto, then:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate

amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

- (f) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, with respect to place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the TARGET System is open.
- (g) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (h) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

7. Taxation

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (a) presented for payment by, or on behalf of, a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of the holder having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (b) presented for payment by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration concerning the nationality, residence or identity of the holder (or providing information, documentation or other evidence of the same) or other similar claim for exemption to the relevant tax authority or to (or on behalf of) the Issuer, where such declaration or claim is upon request required or imposed by the Spanish tax authorities; or
- (c) to, or to a third party on behalf of, a holder if the Issuer does not receive in a timely manner certain information about the Notes of such holder as it is required by the applicable Spanish tax laws and regulations, including a duly executed and completed certificate from the Fiscal Agent, pursuant to Law 10/2014 of 26 June, and any implementing legislation or regulation (for example, Royal Decree 1065/2007, of 27 July); or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the TARGET System by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

8. Events of Default

If any of the following events occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within fourteen days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within twenty one days of the due date for payment thereof; or
- (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 and such default remains unremedied for 30 days after written notice thereof to the Issuer; or
- (c) *Cross-default*:
 - (i) any Relevant Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Relevant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
 - (iii) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Relevant Indebtedness,

provided that the amount of Relevant Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR50,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Enforcement proceedings*: a distress, attachment, execution, or other legal process is levied, enforced or sued out, on or against all or a material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 90 days; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Issuer; or
- (f) *Insolvency etc*: (i) the Issuer becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or the whole or a substantial part of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made), (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of

its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

- (g) *Winding up etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) *Analogous event*: any event occurs which under the laws of the Kingdom of Spain has an analogous effect to any of the events referred to in paragraphs (d) to (g) above (including, but not limited to, any suspension of payments or bankruptcy (*concurso de acreedores*)); or
- (i) *Failure to take action etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the Kingdom of Spain is not taken, fulfilled or done; or
- (j) *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,

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further action or formality.

9. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

10. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. **Paying Agents**

In acting under the Fiscal Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any

obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain a fiscal agent.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. Meetings of Noteholders; Modification

- (a) *Meetings of Noteholders:* The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders, who for the time being are entitled to receive notice of a meeting of Noteholders, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Fiscal Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders to any such modification unless it is of a formal, minor or technical

nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

13. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

14. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London and in Europe (which is expected to be the *Financial Times*) or published on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu/>), or, in either case if such publication is not practicable, in a leading English language daily newspaper having general circulation in London and in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

15. **Currency Indemnity**

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

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

16. **Governing Law and Jurisdiction**

(a) *Governing law:* Save as described below, the Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. The formalities relating to the issuance of the Notes, Condition 2 (*Status*) and any non-contractual obligations arising out of or in connection with Condition 2 (*Status*) are governed by Spanish law.

(b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including

a dispute regarding any non-contractual obligation arising out of or in connection with the Notes).

- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Service of Process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

SCHEDULE 5
PROVISIONS FOR MEETINGS OF THE NOTEHOLDERS

1. **Definitions**

In this Agreement and the Conditions, the following expressions have the following meanings:

"Block Voting Instruction" means, in relation to any Meeting, a document in the English language issued by a Paying Agent:

- (a) certifying that certain specified Notes (the "**deposited Notes**") have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the deposited or blocked Notes and notification thereof by such Paying Agent to the Issuer;
- (b) certifying that the depositor of each deposited Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such deposited Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (c) listing the total number and (if in definitive form) the certificate numbers of the deposited Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (d) authorising a named individual or individuals to vote in respect of the deposited Notes in accordance with such instructions;

"Chairman" means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 7 (*Chairman*);

"Extraordinary Resolution" means a resolution passed at a Meeting duly convened and held in accordance with this Schedule by a majority of not less than three quarters of the votes cast;

"Meeting" means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

"Proxy" means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Fiscal Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and

- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

"Relevant Fraction" means:

- (a) for all business other than voting on an Extraordinary Resolution, one tenth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one more than half; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, three quarters;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, and;
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one quarter;

"Reserved Matter" means any proposal;

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the 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 change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

"Voter" means, in relation to any Meeting, the bearer of a Voting Certificate, a Proxy or the bearer of a Definitive Note who produces such Definitive Note at the Meeting;

"Voting Certificate" means, in relation to any Meeting, a certificate in the English language issued by a Paying Agent and dated in which it is stated:

- (a) that certain specified Notes (the "**deposited Notes**") have been deposited with such Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) the surrender of such certificate to such Paying Agent; and
- (b) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the deposited Notes;

"Written Resolution" means, except in the case of a resolution adopted pursuant to an Electronic Consent pursuant to paragraph 18.1 below, a resolution in writing signed by or on behalf of holders of Notes, who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, holding not less than 75 per cent. in nominal amount of the Notes outstanding, 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;

"24 hours" means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and in each of the places where the Paying Agents have their Specified Offices (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

"48 hours" means 2 consecutive periods of 24 hours.

2. **Issue of Voting Certificates and Block Voting Instructions**

The holder of a Note may obtain a Voting Certificate from any Paying Agent or require any Paying Agent to issue a Block Voting Instruction by depositing such Note with such Paying Agent or arranging for such Note to be (to its satisfaction) held to its order or under its control or blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. A Voting Certificate or Block Voting Instruction shall be valid until the release of the deposited Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

3. **References to deposit/release of Notes**

Where Notes are represented by the Temporary Global Note and/or the Permanent Global Note or are held in definitive form within a clearing system, references to the

deposit, or release, of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

4. **Validity of Block Voting Instructions**

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Fiscal Agent, or at some other place as may be advised by the Fiscal Agent, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Issuer requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting. The Fiscal Agent shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

5. **Convening of Meeting**

The Issuer may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes.

6. **Notice**

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given by the Issuer to the Noteholders and the Paying Agents. The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes may be deposited with, or to the order of, any Paying Agent for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

7. **Chairman**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

8. **Quorum**

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes; *provided, however, that*, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by the Temporary Global Note and/or the Permanent Global Note, a single Proxy representing the holder thereof shall be deemed to be two Voters for the purpose of forming a quorum.

9. Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; *provided, however, that:*
 - (i) the Meeting shall be dissolved if the Issuer so decides; and
 - (ii) no Meeting may be adjourned more than once for want of a quorum.

10. Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

11. Notice following adjournment

Paragraph 6 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

12. Participation

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer and the Fiscal Agent;
- (c) the financial advisers of the Issuer;
- (d) the legal counsel to the Issuer and the Fiscal Agent; and
- (e) any other person approved by the Meeting.

13. Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is

declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this paragraph shall not apply and the resolution will immediately be decided by means of a poll.

14. **Poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

15. **Votes**

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, the number of votes obtained by dividing the aggregate principal amount of the outstanding Note(s) represented or held by him by the unit of currency in which the Notes are denominated.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

16. **Validity of Votes by Proxies**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Fiscal Agent has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; *provided, however, that* no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction to vote at the Meeting when it is resumed.

17. Powers

A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to approve any proposal by the Issuer for any modification of any provision of the Deed of Covenant or any arrangement in respect of the obligations of the Issuer thereunder;
- (d) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes and the Deed of Covenant;
- (e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or the Deed of Covenant or any act or omission which might otherwise constitute an Event of Default under the Notes;
- (f) to authorise the Fiscal Agent or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (g) to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and
- (h) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

18. Electronic communication

For so long as the Notes are in the form of a Global Note held on behalf of, one or more of Clearstream, Luxembourg, Euroclear or any other relevant clearing system (the "**relevant clearing system**"), then, in respect of any resolution proposed by the Issuer or the Fiscal Agent:

18.1 Electronic Consent

where the terms of the resolution proposed by the Issuer or the Fiscal Agent (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, each of the Issuer and the Fiscal Agent shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Fiscal Agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the date of the blocking of their accounts in the relevant clearing systems(s) (the "**Consent Date**"). Any resolution passed in such

manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Neither the Issuer nor the Fiscal Agent shall be liable or responsible to anyone for such reliance.

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, the Consent Date by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Consent Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other parties to this Agreement. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Fiscal Agent (unless the Fiscal Agent is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "Consent Date" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Fiscal Agent which is not then the subject of a meeting that has been validly convened in accordance with paragraph 5 above; and

18.2 **Written Resolution**

where Electronic Consent is not being sought, the Issuer and the Fiscal Agent shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Fiscal Agent, as the case may be, (a) by accountholders in the clearing system(s) with entitlements to such Global Note and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Fiscal Agent shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Clearstream, Luxembourg, Euroclear or any other relevant clearing system and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream,

Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Fiscal Agent shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

19. **Extraordinary Resolution binds all holders**

An Extraordinary Resolution shall be binding upon all Noteholders and holders of Coupons whether or not present at such Meeting and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and the Paying Agents (with a copy to the Issuer) within 14 days of the conclusion of the Meeting.

20. **Minutes**

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21. **Written Resolution or Electronic Consent**

A Written Resolution or Electronic Consent shall take effect as if it were an Extraordinary Resolution.

SCHEDULE 6
SPECIFIED OFFICES OF THE PAYING AGENTS

The Fiscal Agent:

Citibank Europe PLC
1 North Wall Quay
Dublin 1
Ireland
Attention: Agency and Trust

SCHEDULE 7
DUTIES UNDER THE ISSUER – ICSDS AGREEMENT

For so long as the Notes are, or are to be, represented by the Temporary Global Note or the Permanent Global Note, the Fiscal Agent will comply with the following provisions:

1. *Initial issue outstanding amount:* The Fiscal Agent will inform each of the ICSDs, through the Common Service Provider appointed by the ICSDs to service the Notes, of the initial issue outstanding amount (the "**IOA**") for the Notes on or prior to the relevant Issue Date.
2. *Mark up or mark down:* If any event occurs that requires a mark up or mark down of the records which an ICSD holds for its customers to reflect such customers' interest in the Notes, the Fiscal Agent will (to the extent known to it) promptly provide details of the amount of such mark up or mark down, together with a description of the event that requires it, to the ICSDs (through the Common Service Provider) to ensure that the IOA of the Notes remains at all times accurate.
3. *Reconciliation of records:* The Fiscal Agent will at least once every month reconcile its record of the IOA of the Notes with information received from the ICSDs (through the Common Service Provider) with respect to the IOA maintained by the ICSDs for the Notes and will promptly inform the ICSDs (through the Common Service Provider) of any discrepancies.
4. *Resolution of discrepancies:* The Fiscal Agent will promptly assist the ICSDs (through the Common Service Provider) in resolving any discrepancy identified in the IOA of the Notes.
5. *Details of payments:* The Fiscal Agent will promptly provide the ICSDs (through the Common Service Provider) details of all amounts paid by it under the Notes (or, where the Notes provide for delivery of assets other than cash, of the assets so delivered).
6. *Change of amount:* The Fiscal Agent will (to the extent known to it) promptly provide to the ICSDs (through the Common Service Provider) notice of any changes to the Notes that will affect the amount of, or date for, any payment due under the Notes.
7. *Notices to Noteholders:* The Fiscal Agent will (to the extent known to it) promptly provide to the ICSDs (through the Common Service Provider) copies of all information that is given to the holders of the Notes.
8. *Communications from ICSDs:* The Fiscal Agent will promptly pass on to the Issuer all communications it receives from the ICSDs directly or through the Common Service Provider relating to the Notes.
9. *Default:* The Fiscal Agent will (to the extent known to it) promptly notify the ICSDs (through the Common Service Provider) of any failure by the Issuer to make any payment or delivery due under the Notes when due.

SCHEDULE 8
PROCEDURES FOR COMPLIANCE WITH SPANISH TAX LEGISLATION

The following is a summary of the procedures implemented to facilitate collection of the relevant information necessary to enable the Issuer to comply with its reporting obligations pursuant to Additional Provision One of Law 10/2014 and Royal Decree 1065/2007, as amended by Royal Decree 1145/2011.

The following is only a summary and is subject to any changes in Spanish tax law and/or regulations, or the interpretation thereof, which the Spanish tax authorities may promulgate from time to time.

1. *Certificate:* In connection with each payment in respect of the Notes, the Fiscal Agent shall deliver to the Issuer by close of business on the Business Day immediately preceding the day on which such payment is made (the "**Certificate Time**") a duly completed and executed certificate in the form set forth in Annex 1 hereto. This certificate will reflect the information required to be reported in it at the Certificate Time. Such certificate may be delivered by email, in .pdf form, or by fax, *provided that* the original of the relevant certificate is received by the Issuer by no later than the 10th day of the month immediately following the relevant day for payment as described above.
2. *Preparations for payment:* The Fiscal Agent will prepare the credit confirmation for Euroclear and Clearstream, Luxembourg based on the documentation (if any) received from the Common Service Provider, and *provided that* no communication to the contrary has been previously received from the Issuer before that time.
3. *Payment Upon Receipt of Certificate:*
 - (a) The Issuer will transfer to Fiscal Agent for value on the relevant payment date (as described under paragraph 1 above) 100% of the amount then due and payable in respect of the Notes (as applicable).
 - (b) On the relevant payment date, the Fiscal Agent will transfer to Euroclear and Clearstream, Luxembourg 100% of the amount due and payable in respect of the Notes.
 - (c) Euroclear and Clearstream, Luxembourg and their Participants and Customers will credit the relevant amounts to the accounts of those persons who were holders of Notes as of the payment date.

4. *Payment Upon Failure to Deliver Certificate:*

Without prejudice to the rights and obligations provided for in Clause 10.5 (*Indemnity in favour of the Issuer*), if the Fiscal Agent fails or is otherwise unable to deliver the certificate referred to above by the Certificate Time, it shall withhold Spanish income tax on behalf of the holders of the Notes from the relevant payment at the then-applicable rate (currently 19%).

If this paragraph 4 applies, the Fiscal Agent shall deliver the certificate referred to above as soon as practicable after the Certificate Time and, in any event, no later than the Business Day immediately before the 10th calendar day of the month immediately

following the relevant payment date. In such circumstances, the Issuer shall instruct the Fiscal Agent to immediately transfer the amount withheld by way of reimbursement of the amounts withheld on the relevant payment date and completion of the corresponding income payment in respect of the holders of the Notes. If following clarifications by the Spanish tax authorities, procedures in relation to Royal Decree 1065/2007 are subsequently amended, the Issuer and the Fiscal Agent will implement such procedures as may be required to enable the Issuer to comply with its obligations under applicable legislation as clarified by the Spanish tax authorities.

Set out below is the Annex provided by Royal Decree 1065/2007, as amended by Royal Decree 1145/2011. Sections in English have been translated from the original Spanish. In the event of any discrepancy, the Spanish version will prevail.

ANNEX 1

The translation into English of this certificate is for information only and, in the case of discrepancy with the Spanish language version, such Spanish version will prevail

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as passed by Royal Decree 1065/2007, of 27 July.

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal (...) (1), en nombre y representación de (entidad declarante), con número de identificación fiscal (...) (1) y domicilio en (...) en calidad de (marcar la letra que proceda):

(name), with tax identification number (...) (1), in the name and on behalf of (entity), with tax identification number (...) (1) and address in (...) as (function - mark as applicable):

- (a) **Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
- (a) Management Entity of the Public Debt Market in book entry form.
- (b) **Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
- (b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) **Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
- (c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) **Agente de pagos designado por el emisor.**
- (d) Fiscal Agent appointed by the Issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

1. En relación con los apartados 3 y 4 del artículo 44:

1. In relation to paragraphs 3 and 4 of Article 44:

1.1 Identificación de los valores.....

1.1 Identification of the securities.....

1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados).....

1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved.....

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

2. En relación con el apartado 5 del artículo 44.

3. In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores.....

2.1 Identification of the securities.....

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

2.2 Income payment date (or refund if the securities are issued at discount or are segregated)

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro ena dede

I declare the above in on the.... of of

- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia**
- (2) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SIGNATURES

The Issuer

For and on behalf of

RED ELÉCTRICA CORPORACIÓN, S.A.

By:  TOMÁS JOSÉ GALLEGO ARJIZ

The Fiscal Agent

For and on behalf of

CITIBANK EUROPE PLC

SIGNATURES

The Issuer

For and on behalf of

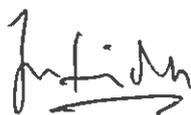
RED ELÉCTRICA CORPORACIÓN, S.A.

By:

The Fiscal Agent

For and on behalf of

CITIBANK EUROPE PLC



JUSTIN NG