GUINCHO FINANCE

(Article 62 Asset Identification Code 201811HFTBSTNXXS0106)

€84,000,000.00 Class A Asset-Backed Floating Rate Notes due 2038

€14,000,000.00 Class B Asset-Backed Floating Rate Notes due 2038

€25,000,000.00 Class J Asset-Backed Variable Return Notes due 2038

€3,100,000.00 Class R Note due 2038

Issued by

Hefesto STC, S.A.

(incorporated in Portugal as a securitisation company with limited liability under registration number 507 450 531)

This document ("**Prospectus**") is dated 27 November 2018 and constitutes a prospectus for the admission to trading on a regulated market of the Class A Notes (as defined below) for the purposes of the Prospectus Directive (as defined below). The Class B Notes, the Class J Notes and the Class R Note (all as defined below) will not be admitted to trading. Capitalised terms used but not otherwise defined herein shall have the meanings given to them under this Prospectus, notably in the Schedule (*Definitions*) to the Terms and Conditions of the Notes (see "*Terms and Conditions of the Notes*").

The €84,000,000.00 Class A Asset-Backed Floating Rate Notes due 2038 (the "**Class A Notes**" or the "**Senior Notes**"), the €14,000,000.00 Class B Asset-Backed Floating Rate Notes due 2038 (the "**Class B Notes**" or the "**Mezzanine Notes**" and together with the Class A Notes, the "**Rated Notes**"), the €25,000,000.00 Class J Asset-Backed Variable Return Notes due 2038 (the "**Class J Notes**" or the "**Junior Notes**" and together with the Rated Notes, the "**Notes**") and the €3,100,000.00 Class R Note due 2038 (the "**Class R Note**") were issued by Hefesto STC, S.A. (the "**Issuer**") on 16 November 2018 (the "**Issue Date**"). The Notes and the Class R Note were originally subscribed by Banco Santander Totta, S.A. ("**BST**" or the "**Originator**") on 16 November 2018. The Class B Notes and the Class J Notes were originally sold by BST to institutional investors on 19 November 2018.

Interest on the Notes and on the Class R Note and the Class J Return Amount are payable on 31 May 2019 and thereafter semi-annually in arrears on the last calendar day of November and last calendar day of May in each year (or, if such day is not a Business Day, the next succeeding Business Day, unless such day would fall in the next calendar month, in which case it will be brought forward to the immediately preceding Business Day).

Interest on the Notes and on the Class R Note is payable in respect of each Interest Period at an annual rate equal to the sum of the European Interbank Offered Rate ("**EURIBOR**") for six-month euro deposits (except that, in relation to the Interest Determination Date for the first Interest Period it shall be the result of the interpolation between the offered quotations for EURIBOR 6 months and EURIBOR 12 months), plus in relation to the Class A Notes, a margin of 2% (two per cent.) per annum, in relation to the Class B Notes, a margin of 6% (six per cent.) per annum, in relation to the Class J Notes, a margin of 12% (twelve per cent.) per annum and, in relation to Class R Note, a margin of 2% (two per cent.) per annum. The holders of the Class J Notes will additionally be entitled to the Class J Return Amount to the extent of available funds.

Amounts payable under the Class A Notes, Class B Notes, Class J Notes and Class R Note are calculated by reference to EURIBOR which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

As far as the Issuer is aware, the transitional provisions in Article 51, including its pars. (1) and (3), of the Benchmark Regulation apply such that EMMI is not currently required to obtain authorisation or registration.

Payments on the Notes and the Class R Note will be made in euro after any Tax Deduction (as defined below). The Notes and the Class R Note will not provide for additional payments by way of gross-up in the case that interest payable under the Notes, the Class R Note or the Class J Return Amount payable under the Class J Notes is or becomes subject to income taxes (including withholding taxes) or other taxes. See "**Principal Features of the Notes – Taxes**".

Unless the Notes and the Class R Note have previously been redeemed in full as described in Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*), the Notes and the Class R Note will be redeemed by the Issuer on the Final Legal Maturity Date at their Principal Amount Outstanding.

If any of the Notes in a Class cannot be redeemed in full on the Final Legal Maturity Date as a result of the Issuer having insufficient amounts of Available Distribution Amount on the Final Legal Maturity Date for such purpose, the amount of any principal then unpaid in respect of such Notes shall be cancelled (see "**Principal Features of the Notes**").

Payments of principal on the Notes and the Class R Note on any Interest Payment Date will be made sequentially by redeeming all principal due on the Class R Note, thereafter by redeeming all principal due on the Class A Notes, and thereafter by redeeming all principal due on the Class B Notes, with payments of principal on the Class J Notes being made thereafter and to the extent and in the conditions foreseen in the relevant Payment Priorities.

The Notes will be subject to optional redemption (in whole but not in part) at their Principal Amount Outstanding (together with accrued interest) in accordance with article 45(2) of the Securitisation Law, at the option of the Issuer on any Interest Payment Date following the occurrence of certain events, as detailed in Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*).

The main source of funds for the payment of principal, interest and other amounts due under the Notes and the Class R Note will be the right of the Issuer to receive payments in respect of receivables originated in Portugal by BST, consisting essentially of defaulted and non-performing term loans (i.e. loans where one or more interest or principal payments was not made when due, in accordance with the Portuguese law, which is the applicable contract law), granted by the Originator to Borrowers, a part of which is secured and serviced by Whitestar Asset Solutions, S.A. and HG PT, Unipessoal, Lda. and the other part of which is unsecured and serviced by Proteus Asset Management, Unipessoal Lda. (each a "**Servicer**" and together the "**Servicers**").

The Notes and the Class R Note are limited recourse obligations and are obligations solely of the Issuer and are not the obligations of, or guaranteed by, and will not be the responsibility of the Originator, the Sole Arranger and Lead Manager or any other entity.

This Prospectus has been approved by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários* or the "**CMVM**") as competent authority under Directive 2003/71/EC (as amended; the"**Prospectus Directive**") as a prospectus in relation to the admission to trading of the Class A Notes described herein. The CMVM only approves this Prospectus as meeting the requirements imposed under Portuguese and EU law pursuant to the Prospectus Directive. The approval of this Prospectus by the CMVM as competent authority for the purposes of Prospectus Directive does not imply any guarantee as to the information contained herein, the financial situation of the Issuer or as to the opportunity of the issue or sale or the quality of the Notes or the Class R Note.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND SALES OR OFFERS OF SECURITIES GENERALLY

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

The Notes and the Class R Note referred to in this Prospectus have not been registered under the US Securities Act 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States or to, or for the account or benefit of U.S. persons (other than distributors and as described in the section entitled "**Distribution and Sale**") unless the Notes and the Class R Note are registered under the Securities Act, or are offered or sold pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or the Class R Note or determined if this Prospectus is accurate or complete. Any representation to the contrary is a criminal offense in the United States. Accordingly, the Notes and the Class R Note have not been, and will not be, registered under the Securities Act and have been or are being offered and sold only outside the United States, in offshore transactions in compliance with Regulation S. The Notes and the Class R Note are subject to certain restrictions on transfer in the United States, the European Economic Area and otherwise, as described in "**Distribution and Sale**".

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

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO RETAIL INVESTORS

The Notes and the Class R Note are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive

2002/92/EC, as amended (the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes and the Class R Note or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes and the Class R Note or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. The Class A Notes are intended to be admitted to trading on a regulated market. The Class A Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA.

Application has been made to Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A. ("**Euronext**") for the Class A Notes to be admitted to trading on Euronext Lisbon, a regulated market managed by Euronext. No application will be made to list the Class A Notes on any other stock exchange. The Class B Notes, the Class J Notes and the Class R Note will not be listed. This Prospectus will be made available on CMVM's website (www.cmvm.pt). Notwithstanding the inclusion of information relating to the Class B Notes, the Class J Notes and the Class R Note, this Prospectus pertains solely to the application made in respect of the Class A Notes. Therefore, this Prospectus constitutes a prospectus issued in compliance with the Prospectus Directive and the relevant implementing measures in Portugal, with the purpose of providing information with regard to the Class A Notes only and not with regard to the Class B Notes, Class J Notes or the Class R Note.

Particulars of the dates of, parties to and general nature of each document to which the Issuer is a party are set out in various sections of this Prospectus.

The Rated Notes have been rated by DBRS Ratings Limited ("**DBRS**"), Moody's Investors Service Ltd. ("**Moody's**") and Scope Ratings GmbH ("**Scope**") and together, the "**Rating Agencies**", while the Class J Notes and the Class R Note are unrated. The Rated Notes have received the ratings set out below:

	DBRS	**Moody's**	**Scope**
Class A Notes	BBB(low) (sf)	Baa3 (sf)	BBB- (sf)
Class B Notes	CCC (sf)	Caa3 (sf)	B- (sf)

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

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EC) No. 462/2013 of the European Parliament and of the Council of 21 May 2013 ("**CRA Regulation**") (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. DBRS, Moody's and Scope are established in the European Union and registered, at the date of this Prospectus, under the CRA Regulation. The list of registered and certified rating agencies is published by the European Securities and Markets Authority ("**ESMA**") on its website (www.esma.europa.eu/) in accordance with the CRA Regulation.

The Notes and the Class R Note have been registered with the Central de Valores Mobiliários ("**CVM**"), operated by Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. ("**Interbolsa**"), in its capacity as securities settlement system.

The Issuer is authorised by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários* or the "**CMVM**") as a securitisation company (*sociedade de titularização de créditos*).

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: You must read the following before continuing. The following applies to the Prospectus and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions.

NOTHING IN THIS PROSPECTUS OR ELECTRONIC TRANSMISSION THEREOF CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THIS PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ISSUER HAS BEEN STRUCTURED SO AS NOT TO CONSTITUTE A "COVERED FUND" FOR THE PURPOSES OF A FINAL RULE (THE "**FINAL RULE**") IMPLEMENTING SECTION 13 OF THE U.S. BANK HOLDING COMPANY ACT OF 1956 (THE "**US VOLCKER RULE**"). IN MAKING THIS DETERMINATION, THE ISSUER IS RELYING ON AN EXEMPTION FOR LOAN SECURITISATIONS ESTABLISHED UNDER THE FINAL RULE.

You are reminded that the Prospectus has been made available on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to the offering, such as this Prospectus or any form of application, or other document or information in respect of the Notes, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

By accessing the Prospectus, you shall be deemed to have confirmed and represented that (a) you have understood and agree to the terms set out herein, (b) you consent to the access or delivery of the Prospectus by electronic transmission, (c) you are not a U.S. person (within the meaning of Regulation S under the Securities Act) or acting for the account or benefit of a U.S. person and any electronic mail address that you have given to us and to which this Prospectus may have been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia, (d) if you are a person in the United Kingdom, then you are a person who (i) is an investment professional within the meaning of article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **FPO**) or (ii) is a high net worth entity falling within article 49(2)(a) to (d) of the FPO, and (e) if you are a person in Portugal, then you are a person who is a qualified investor (*investidor qualificado*) within the meaning of article 30 of the Portuguese Securities Code (*Código dos Valores Mobiliários*).

The Retention Holder intends to rely on an exemption provided for in Section_20 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") regarding non-U.S. transactions that meet certain requirements. Consequently, without the express prior written consent of the Retention Holder (a "**U.S. Risk Retention Consent**"), on 16 November 2018 (the "**Issue Date**") the Notes may only be purchased by persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules (the "**Risk Retention U.S. Person**"). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Certain investors may be required to execute a written certification of representation letter by the Retention Holder in respect of their status under the U.S. Risk Retention Rules. See "*Risk Factors –U.S. Risk Retention Requirements*".

EU RISK RETENTION: BST, as an originator for the purposes of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "**CRR**"), Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "**AIFM Regulation**") and Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the "**Solvency II Implementing Rules**"), will retain a material net economic interest, on an ongoing basis, until the Principal Amount Outstanding of the Notes and the Class R Note is reduced to zero, of not less than 5% (five per cent.) in the securitisation (the "**Retention Obligation**"). As at the Issue Date, such interest comprised certain randomly selected exposures equivalent to no less than 5% (five per cent.) of the nominal amount of the securitised exposures, where such exposures would otherwise have been securitised in the securitisation, as required by the text of each of paragraph (c) of article 405(1) of the CRR, paragraph (c) of article 51(1) of the AIFM Regulation and paragraph (c) of article 254(2) of the Solvency II Implementing Rules. The Originator undertook not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Receivables. Any change to the manner in which such interest is held will be notified to the Noteholders. The Investor Report will also provide semi-annual confirmations as to the Originator's continued holding retained exposures equal in total to at least 5% (five per cent.) of the securitised exposures. The Originator further undertook, in the Receivables Sale Agreement, that it will ensure that Noteholders and the Class R Noteholder have readily available access to all information as would be necessary to conduct comprehensive and well-informed stress tests and to fulfil their monitoring and due diligence duties under articles 405 to 410 of the CRR, which does not form part of this Prospectus following the Issue Date.

PARTICULAR ATTENTION IS DRAWN TO THE SECTION HEREIN ENTITLED "*RISK FACTORS*".

This Prospectus is made available in an electronic form. You are reminded that documents made available via this medium may be altered or changed during the process of electronic transmission or access and consequently none of the Issuer, the Sole Arranger and Lead Manager nor the Transaction Parties or any person who controls any such person or any director, officer, employee or agent of any such person (or affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy version available to you on request from the Issuer and J.P. Morgan Securities plc.

Sole Arranger and Lead Manager

J.P. Morgan

The date of this Prospectus is 27 November 2018

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RISK FACTORS

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

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under this Prospectus are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks not currently known or which are currently deemed immaterial may also have a material adverse effect on the Receivables, the Notes, business, financial condition or results of operations of the Issuer or result in other events that could lead to a decline in the trading price and/or value of the Notes. Except as otherwise provided below, the risk factors below relate generally to all the Notes, including the Class A Notes, which is the only Class of Notes in respect of which this Prospectus has been approved for the admission to trading of such Class of Notes on a regulated market.

RISKS RELATING TO THE NOTES

Absence of a Secondary Market

There is currently no market for the Notes and there can be no assurance that a secondary market for the Notes will develop or, if it does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the entire life of the Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes until final redemption thereof. The market price of the Notes could be subject to fluctuation in response to, among other things, variations in the value of the relevant mortgage backed credits, the market for similar securities, prevailing interest rates, changes in regulation and general market and economic conditions.

Noteholders should also be aware of the prevailing and widely reported global credit market conditions and the general lack of liquidity in the secondary market for instruments similar to the Notes. Since the referendum occurred on 23 June 2016, where the United Kingdom voted to leave the European Union ("**UK Referendum**"), there has been increased volatility and disruption of the capital, currency and credit markets, including the market for securities similar to the Notes.

Potential investors should be aware that these prevailing market conditions affecting securities similar to the Notes could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the securitised portfolio.

The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Restrictions on Transfer under US law

The Notes have not been, and will not be, registered under the US Securities Act 1933, as amended ("**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The offering of the Notes will be made pursuant to exemptions from the registration provisions under Regulation S under the Securities Act ("**Regulation S**") and from state securities laws. No person is obliged or intends to register the Notes under the Securities Act or any state securities laws. Accordingly, the Notes 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), as described under the section "*Distribution and Sale*". Investors should take their own advice as to any restrictions on transfer that may apply under US law in light of their investment intentions.

Liability under the Notes is solely of the Issuer

The Notes will be direct limited recourse obligations solely of the Issuer and do not establish any liability or other obligation of any other entity. The Notes are not the obligations of, nor are they guaranteed by, any other person mentioned in this Prospectus including but not limited to the Noteholders, the Common Representative, the Principal Paying Agent, the Portuguese Paying Agent, the Transaction Manager, the Accounts Bank, the Payment Account Bank, the Cap Collateral Bank, the Servicers, the Asset Manager, the Monitoring Agent, the Cap Counterparty, the Shareholder and EMIR Reporting Agent (together the "**Transaction Creditors**"), the Originator or the Sole Arranger and Lead Manager.

No holder of any Notes will be entitled to proceed directly or indirectly against any of the Transaction Parties (other than indirectly against the Issuer via the Common Representative) under the Notes. No Transaction Party (other than the Issuer in respect of all of the Notes) or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes.

Limited Recourse Nature of the Notes

The Notes will be direct limited recourse obligations solely of the Issuer in respect of the Transaction Assets and the ability of the Issuer to meet its obligations in respect of the payment of principal, interest and other amounts due in respect of the Notes will be dependent upon, among other things, the receipt by the Issuer of the Collections made on its behalf by the Servicers or the Asset Manager, as applicable, from the Receivables Portfolio and any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party. Other than the foregoing, the Issuer will not have any other funds available to it to make payments under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes under the applicable Payment Priorities. Consequently, there is no assurance that, over the life of the Notes or on the redemption date of the Notes (whether on maturity, upon acceleration following the delivery of an Enforcement Notice or upon the early redemption in part or in whole as permitted under the Conditions, or upon redemption by acceleration of maturity following the service of an Enforcement Notice or otherwise), there will be sufficient funds to enable the Issuer to repay the Notes in full.

Therefore, the Noteholders will have a claim under the Notes against the Issuer only to the extent of the cash flows generated by the Receivables and any other amounts paid to the Issuer pursuant to the Transaction Documents, subject to the payment of amounts ranking in priority to payment of amounts due in respect of the Notes.

If there are insufficient funds available to the Issuer to pay in full, after payment of all other claims ranking in priority in accordance with the applicable Payment Priorities, all principal, interest and other amounts due in respect of the Notes at the Final Legal Maturity Date or upon acceleration following the delivery of an Enforcement Notice or upon the early redemption in part or in whole as permitted under the Conditions, then any such insufficiency will be borne by the Noteholders, subject to the applicable Payment Priorities, and the Noteholders will have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be deemed discharged in full. The Issuer will not be obliged to pay any amounts

representing a shortfall and any claims in respect of such shortfall shall be extinguished. No recourse may be had for any amount due in respect of any Notes, or any other obligations of the Issuer against any officer, member, director, employee, security holder or incorporator of the Issuer or their respective successors or assigns.

None of the Transaction Parties, the Originator, the Sole Arranger and Lead Manager or any other person has assumed any obligation in case the Issuer fails to make a payment due under any of the Notes.

Limited Resources of the Issuer

The Notes will not be obligations or responsibilities of any of the parties to the Transaction Documents other than the Issuer and shall be limited recourse obligations to the Receivables sold to the Issuer, segregated under the terms of the Securitisation Law and corresponding to this transaction (as identified by the corresponding asset code 201811HFTBSTNXXS0106 awarded by the CMVM pursuant to article 62 of the Securitisation Law) and the other Transaction Assets available to the Issuer.

The obligations of the Issuer under the Notes are without recourse to any other assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, officers, employees, managers or shareholders. None of such persons or entities has assumed or will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on or in respect of the Notes.

The Issuer will not have any assets available for the purpose of meeting its payment obligations under the Notes other than the Receivables, Collections thereunder, amounts arising under disposals of Properties by the Asset Manager transferred to the Commercial Asset Management Collections Account and the Residential Asset Management Collections Account, as applicable, by the Asset Manager, its rights pursuant to the Transaction Documents and the amounts standing to the credit of certain of the Transaction Accounts. The Issuer's ability to meet its obligations in respect of the Notes, its operating expenses and its administrative expenses is wholly dependent upon:

(a) collections and recoveries made from the Receivables and the Properties by the Servicers and the Asset Manager;

(b) arrangements made pursuant to the Transaction Accounts; and

(c) the performance by all of the parties to the Transaction Documents (other than the Issuer) of their respective obligations under the Transaction Documents.

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

Notes are Subject to Optional Redemption

The Notes are subject to optional redemption in whole by the Issuer, in accordance with article 45 of the Securitisation Law, notably article 45(2)(a) (regarding non-performing assigned credits), in certain events, as specified in Condition 9.2 (*Optional Redemption in Whole for Taxation Reasons*), Condition 9.3 (*Junior Noteholder Put Option*), and Condition 9.4 (*Redemption in Whole at the Option of the Issuer (10% clean-up call)*). Such optional redemption feature of Notes may limit their market value. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to the occurrence of the events allowing the Issuer to exercise such optional redemption. An investor may not be able to reinvest the

redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Ranking and Status of the Rated Notes

In accordance with the Pre-Enforcement Payment Priorities, prior to (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), all payments of interest due on the Class R Note will rank in priority to payments of interest due on the Rated Notes and on the Class J Notes, and all payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class B Notes and on the Class J Notes, and all payments of interest due on the Class B Notes will rank in priority to payments of interest due on the Class J Notes.

In accordance with the Pre-Enforcement Payment Priorities, prior to (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), all payments of principal due on the Class R Note will rank in priority to payments of principal due on the Rated Notes and on the Class J Notes, and all payments of principal due on the Class A Notes will rank in priority to payments of principal due on the Class B Notes and on the Class J Notes and all payments of principal due on the Class B Notes will rank in priority to payments of principal due on the Class J Notes.

In accordance with the Post-Enforcement Payment Priorities, after (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), any payments of interest due under the Class R Note will rank in priority to all payments due under the Rated Notes and the Class J Notes, payments of principal under the Class R Notes will rank in priority to all payments due under the Rated Notes and the Class J Notes (other than interest payments under the Class A Notes) and any payments of interest due on the Class A Notes will rank in priority to any payments of principal due under the Class R Note and to all payments due under the Class B Notes and the Class J Notes, and any payments due on the Class B Notes will rank in priority to payments due on the Class J Notes.

The Notes are not protected by the Deposit Guarantee Fund

Unlike a bank deposit, the Notes are not protected by the Deposit Guarantee Fund (*Fundo de Garantia de Depósitos* or "**FGD**") or any other government savings or deposit protection scheme. The Issuer is not a participating entity in the FGD. As a result, the FGD will not pay compensation to an investor in the Notes upon any payment failure of the Issuer. If the Issuer goes out of business or becomes insolvent, Noteholders may lose all or part of their investment in the Notes.

Estimated Weighted Average Lives of the Notes

The yield to maturity of the Notes will depend on, among other things, the amount and timing of payments of principal and interest (including sale proceeds arising on the enforcement of the Receivables and the disposal of any mortgaged Properties and repurchases due to breaches of representations and warranties) on the Receivables.

Upon payments being made or other amounts collected in respect of the Receivables earlier than expected for non-performing receivables of this nature the principal repayment of the Notes may be earlier than expected and, therefore, the yield on the Notes may be adversely affected. The timing and the amount in which collections will actually be received cannot be predicted and is influenced by a wide variety of economic and other factors, including the financial and other circumstances of the Borrowers and the

dynamics of the property market. As a result of these factors no assurance can be given as to the level at which the Notes will be performing during their life.

Interest rate risk

There could be a rate mismatch between interest accruing on the Rated Notes and on the Receivables Portfolio due to the fact that interest on the Receivables is calculated at a different rate from the Rated Notes.

As a result of such mismatch, an increase in the level of Six Month EURIBOR payable on the Rated Notes could adversely impact the ability of the Issuer to make payments on the Rated Notes. To reduce the effect of such interest rate mismatch, the Issuer has entered into the Cap Transaction whereby the Cap Counterparty is obliged to make payments to the Issuer if Six Month EURIBOR exceeds the rate specified in the Cap Agreement.

The notional amount with respect to the Cap Transaction will be the notional amount set forth therein for the relevant Interest Period. Noteholders should be aware that entry by the Issuer into the Cap Transaction and the Cap Transaction does not completely eliminate the interest rate risk related to the Rated Notes described above.

See for further details "*Overview of Certain Transaction Documents - The Cap Transaction*".

Entering into force of Law 32/2018, of 18 July on negative interest rates

Pursuant to the entry into force on 19 July 2018 of Law 32/2018, of 18 July ("**Negative Interest Rate Law**"), which amended Decree-Law 74-A/2017 of 23 June 2017, which partially transposed Directive 2014/17/EU, of the European Parliament and of the Council of 4 February 2014, on credit agreements for consumers relating to residential immovable property (the "**Residential Loans Directive**")), when the sum of the relevant index rate such as EURIBOR and the relevant margin is negative, this negative interest rate amount will have to either (i) be discounted from the principal amounts outstanding of the relevant loans or (ii) be converted into a credit which may in the future set off against positive interest rates (and ultimately be paid to the Borrowers if it has not fully been set off at maturity). At this stage, it is not possible to foresee the impact of the Negative Interest Rate Law on the Receivables or on the payments to be made in connection with the Receivables. As at 31 October 2018, the Receivables corresponding to mortgage loan contracts amount to approx. 21% in relation to the gross book value of the Receivables Portfolio.

Monies deposited in the Transaction Accounts may be subject to payment of negative interest rates by the Issuer

The Issuer will have monies deposited in the Transaction Accounts and the Issuer may be required to pay negative interest to the Accounts Bank, the Payment Account Bank or the Cap Collateral Account Bank from time to time instead of collecting positive interest from the Accounts Bank, the Payment Account Bank or the Cap Collateral Account Bank from time to time, as there are no assurances that a zero floor on interest applying to monies deposited in such accounts will apply. In result of the foregoing, or if for any other reason the Accounts Bank, the Payment Account Bank or the Cap Collateral Account Bank, as applicable, is not required or able to return to the Issuer the full amounts deposited in the relevant Transaction Accounts, when due, the Issuer may not be able to meet all its payment obligations.

Changes or uncertainty in respect of EURIBOR and/or other interest rate benchmarks may affect the value or payment of interest under the notes

Various interest rate benchmarks (including the Euro Interbank Offered Rate ("**EURIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented including the EU Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

In March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the "**EMMI**") published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the

EURIBOR specification, to develop a transaction based methodology for EURIBOR and to align the relevant methodology with the Benchmark Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for EURIBOR.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

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

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) if EURIBOR or any other relevant interest rate benchmark is discontinued or is otherwise unavailable, then the rate of interest on the Notes will be determined for a period by relevant the fall-back provisions, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks (in the Euro-zone interbank market in the case of EURIBOR), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time); and

(c) if EURIBOR or any other relevant interest rate benchmark is discontinued, there can be no assurance that the applicable fall-back provisions under the Cap Transaction would operate to allow the transactions under the Cap Transaction to effectively mitigate interest rate risk in respect of the Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Notes and/or the Cap Transaction due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the issuer to meet its payment obligations in respect of the Notes.

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

Pursuant to article 20 of the Benchmark Regulation and to Regulation (EU) 2016/1368, EURIBOR has been considered a critical benchmark, and it is therefore subject to mandatory administration, in accordance with article 21 of the Benchmark Regulation. Accordingly, the administrator of EURIBOR shall become part of the register of benchmark administrators referred to in article 36 of the Benchmark Regulation. However, as at the date of this Prospectus, the administrators of EURIBOR are not included in ESMA's register of administrators under Article 36 of the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 including its paragraphs 1 and 3, of the Benchmark Regulation apply, such that the

administrators of EURIBOR are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Interest payable on the Notes may rank below other payments under Payment Priorities

Payments to Noteholders of each Class are made in accordance with the relevant Payment Priorities, in particular the Pre-Enforcement Payment Priorities or the Post-Enforcement Payment Priorities, as applicable on the relevant Interest Payment Date (see "*Overview of the Transaction*" – "*Pre-Enforcement Payment Priorities*" and "*Overview of the Transaction*" – "*Post-Enforcement Payment Priorities*").

For instance, on any Interest Payment Date, payments of interest to be made to the Class A Noteholders will always rank below Issuer's Tax liability payments, Common Representative's Fees and Liabilities, other Issuer Expenses, and interest due and payable under the Class R Note.

Furthermore, interest shall accrue on any unpaid interest amount on the Notes at the Interest Rate applicable from time to time to the relevant Class of Notes until such unpaid amount is paid in full. If, on any Interest Payment Date, there are insufficient funds to pay interest in respect of any Class of Notes (other than Class A Notes or the Class R Note), the interest in respect of such Class of Notes will not then be regarded as payable but will instead be deferred until the next Interest Payment Date or such date as interest in respect of such Class of Notes becomes due and repayable.

If the funds available are not sufficient, the Issuer may not be able, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes.

Ratings are Not Recommendations and Ratings may be Lowered, Withdrawn or Qualified

There is no obligation on the part of any of the Transaction Parties under the Notes or the Transaction Documents to maintain any rating for itself or the Rated Notes. None of the Transaction Parties or any other person has assumed any obligation in case the Issuer fails to meet payments due under the Notes. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each securities rating should be evaluated independently of any other securities rating. In the event that the ratings initially assigned to the Rated Notes are subsequently lowered, withdrawn or qualified for any reason, no person will be obliged to provide any credit facilities or credit enhancement to the Issuer for the original ratings to be restored. Any such lowering, withdrawal or qualification of a rating may have an adverse effect on the liquidity and market price of the Rated Notes.

The Rating Agencies' ratings address the credit risks associated with the transaction. The rating addresses the expected loss posed to investors by the legal final maturity of the Notes.

In Moody's opinion, the structure allows for timely payment of interest for the Class A and ultimate payment of principal at par on or before the rated final legal maturity date for all rated notes. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed but may have a significant effect on yield to investors.

Scope's Structured Finance Ratings constitute an opinion about the relative credit risks and reflect the expected loss associated with the payments contractually promised by an instrument on a particular payment date or by its legal maturity.

DBRS's rating on Class A addresses timely payment of interest for the Class A and ultimate payment of principal with respect to the Class A by the Final Legal Maturity Date. DBRS's rating on Class B addresses ultimate payment of interest for the Class B and ultimate payment of principal with respect to the Class B by the Final Legal Maturity Date.

The Issuer notes that the Class A Notes have been assigned a rating of "BBB(low) (sf)" by DBRS, a rating of "BBB- (sf)" by Scope and a rating of "Baa3 (sf)" by Moody's, and the Class B Notes have been assigned a rating of "CCC (sf)" by DBRS, a rating of "B- (sf)" by Scope and a rating of "Caa3 (sf)" by Moody's.

The ratings take into consideration the characteristics of the Receivables and the structural, legal and tax aspects associated with the Rated Notes. However, the ratings assigned to the Rated Notes do not represent any assessment of the likelihood or rate of principal prepayments. The ratings do not address the possibility that the holders of the Rated Notes might suffer a lower than expected yield due to earlier collections being obtained under the Receivables.

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

The Class J Notes and the Class R Note are unrated.

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

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

In addition, payments of principal and interest on, and other amounts due in respect of, the Notes will be made by the Portuguese Paying Agent. Upon availability of payment amounts by the Portuguese Paying Agent (or upon receipt of any such amounts by other clearing systems through which the Notes may be held on a secondary level by Noteholders, such as Euroclear or Clearstream, Luxembourg, as applicable), Interbolsa (or such other clearing systems) will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Notes as shown on their records. None of the Issuer, the Common Representative, the Principal Paying Agent or the Portuguese Paying Agent or any of their agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Notes or for maintaining, supervising or reviewing any records relating to such Notes.

Although Interbolsa (or other clearing systems through which the Notes may be held on a secondary level by Noteholders, such as Euroclear or Clearstream, Luxembourg, as applicable) has certain procedures in respect of the Notes, they are under no obligation to perform or continue to perform such procedures to the extent not required by law, and such procedures may be discontinued at any time. None of the Issuer, the Common Representative, the Principal Paying Agent or the Portuguese Paying Agent or any of their agents will have any responsibility for the performance by Interbolsa (or other clearing systems through which the Notes may be held on a secondary level by Noteholders, such as Euroclear or Clearstream, Luxembourg, as applicable) or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

RISKS RELATING TO THE ISSUER

Liquidity Risk for the Issuer and the Notes

The Issuer will be subject to the risk of delays (as compared to expected timings for receivables of this nature and any underlying assets securing such receivables) in the receipt of collections under the Receivables, including arising under disposal of Properties originally securing such Receivables (when applicable). Even

though the Issuer has the ability to use the amounts standing to the credit of the Cash Reserve Account to make interest payments on the Class A Notes (although, it should be noted that amounts available to the Issuer under the Cash Reserve Account are limited to a maximum amount), there can be no assurance that the levels or timeliness of payments of Collections (including those that may arise out of the disposal of Properties by the Asset Manager) and other recoveries received from the Receivables will be adequate to ensure fulfilment of the Issuer's obligations in respect of the Notes on each Interest Payment Date or on the Final Legal Maturity Date.

There is also a risk of mismatch between interest due on the Receivables and other recoveries received from the Receivables being determined on different bases than that on which the Interest Amount rate payable on the Notes is determined.

Additionally, the rate of return on any cash held by or on behalf of the Issuer may be lower than the rate of interest payable on the Notes.

Even though the Issuer has entered into the Cap Transaction to hedge interest rate exposure in relation to the Rated Notes, such hedging will not completely eliminate the interest rate risk related to the Rated Notes, and an increase in the level of the six-month EURIBOR could also adversely impact the ability of the Issuer to make payments on the Notes.

Segregation of Transaction Assets and the Issuer Obligations

The Notes and the obligations owing to the Transaction Creditors will have the benefit of the segregation principle provided in article 62 of the Securitisation Law. Accordingly, the Issuer Obligations are limited in recourse, in accordance with the Securitisation Law, solely to the assets owned by the Issuer which collateralise the Notes, specifically the Transaction Assets.

Both before and after an Event of Default (which includes an Insolvency Event in relation to the Issuer), the Transaction Assets will be available for satisfying the obligations of the Issuer to the Noteholders in respect of the Notes and to the Transaction Creditors pursuant to the Transaction Documents.

The Transaction Assets and all amounts deriving therefrom may not be used by any creditors of the Issuer other than the Noteholders and the Transaction Creditors and may only be used by the Noteholders and the Transaction Creditors in accordance with the terms of the Transaction Documents including the relevant Payment Priorities (see "*Overview of the Transaction" – "Pre-Enforcement Payment Priorities*" and "*Post-Enforcement Payment Priorities*"). In the event that the Issuer's obligations are enforced, no amount will be paid in respect of any Class of Notes, until all amounts owing in respect of any Class of Notes ranking in priority to such Notes (if any) and any other amounts ranking in priority to payments in respect of such Notes have been paid in full. Therefore, any payments in respect of Class A Notes are subject to the priority of payments in respect of, *inter alia*, the Class R Note (see "Risk Factors – *Ranking and Status of the Rated Notes*").

Equivalent provisions, as required by the Securitisation Law, will apply in relation to any other series of notes issued by the Issuer.

In connection with the above Risk Factor, investors should also, amongst others, see risk factor "**Credit Risk of the Asset Manager**" below.

Ranking of Claims of Transaction Creditors and Noteholders

Both before and after an Event of Default (which includes the occurrence of an Insolvency Event in relation to the Issuer), amounts deriving from the Transaction Assets will be available for the purposes of satisfying the Issuer Obligations to the Transaction Creditors and Noteholders in priority to the Issuer's obligations to any other creditor.

In addition, pursuant to the Common Representative Appointment Agreement, the Paying Agency and Transaction Management Agreement and the Conditions, the claims of certain Transaction Creditors will

rank senior to the claims of the Noteholders in accordance with the relevant Payment Priorities (see "*Overview of the Transaction" – "Pre-Enforcement Payment Priorities*" and "*Post-Enforcement Payment Priorities*").

Both before and after an Event of Default (which includes the occurrence of an Insolvency Event in relation to the Issuer) and the delivery of an Enforcement Notice, amounts deriving from the assets of the Issuer other than the Transaction Assets will not be available for purposes of satisfying the Issuer's Obligations to the Noteholders and the other Transaction Creditors as they are legally segregated from the Transaction Assets.

Centre of main interests is expected to be Portugal, but if not, then Portuguese insolvency proceedings do not apply to the Issuer

The Issuer has its registered office in Portugal. As a result, there is a rebuttable presumption that its centre of main interests ("**COMI**") is in Portugal and consequently that any main insolvency proceedings applicable to it would be governed by Portuguese law. In the decision by the European Court of Justice ("**ECJ**") in relation to Eurofood IFSC Limited, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000, of 29 May 2000, on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Portugal, has mainly Portuguese-resident directors, is registered for tax in Portugal, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Portugal, and is held to be in a different jurisdiction within the European Union, Portuguese insolvency proceedings would not be applicable to the Issuer.

RISKS RELATING TO THE TRANSACTION PARTIES AND THE TRANSACTION

Credit Risk of the Transaction Parties

The ability of the Issuer to meet its payment obligations in respect of the Notes depends partially on the full and timely payments by the parties to the Transaction Documents of the amounts due to be paid thereby including, in particular, amounts arising under disposals of Properties by the Asset Manager transferred to the Commercial Asset Management Collections Account and the Residential Asset Management Collections Account by the Asset Manager and on the non-existence of unforeseen extraordinary expenses to be borne by the Issuer which are not already accounted for by the Rating Agencies in relation to the Transaction Documents. If any of the parties to the Transaction Documents fails to meet its payment obligations or if the Issuer has to bear the referred unforeseen extraordinary expenses, there is no assurance that the ability of the Issuer to meet its payment obligations under the Notes will not be adversely affected or that the rating initially assigned to the Rated Notes is subsequently lowered, withdrawn or qualified.

No Fiduciary Role

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

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

Limited rights of the Common Representative under the Transaction Documents

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

The Common Representative will not be granted the benefit of any contractual rights or any representations, warranties or covenants by the Originator or the Servicers or the Asset Manager under the Receivables Sale Agreement or the Receivables Servicing Agreements or the Asset Management Agreements but will acquire the benefit of such rights from the Issuer through the Co-ordination Agreement. Accordingly, although the Common Representative may give certain directions and make certain requests to the Originator and the Servicers on behalf of the Issuer under the terms of the Receivables Sale Agreement, the Receivables Servicing Agreements and the Asset Management Agreements, the exercise of any action by the Originator and the Servicer, in response to any such directions and requests, will be made, respectively, to and with the Issuer only and not with the Common Representative. Therefore, if an Event of Default has occurred (which includes the occurrence of an Insolvency Event in relation to the Issuer), the Common Representative may not be able to circumvent the involvement of the Issuer in this transaction by, for example, pursuing actions directly against the Originator or the Servicers or the Asset Manager under the Receivables Sale Agreement or the Receivables Servicing Agreements or the Asset Management Agreements. Although the Notes have the benefit of the segregation provided for by the Securitisation Law, the above may impair the ability of the Noteholders and the Transaction Creditors to be repaid amounts due to them in respect of the Notes and under the Transaction Documents.

The Common Representative is not obliged to act in certain circumstances

The Common Representative may, at any time, at its absolute discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents after the occurrence of an Event of Default as the Common Representative may think fit to enforce its rights in respect of the Notes and under the other Transaction Documents, as well as at any time, at its absolute discretion and without notice, deliver an Enforcement Notice to the Issuer.

However, the Common Representative shall not be bound to take any such proceedings, actions or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Condition 12 (*Events of Default and Enforcement*) unless it shall have been directed to do so (i) by a Resolution of the holders of the Most Senior Class of Notes outstanding or (ii) in writing by the holders of at least 25% (twenty five per cent.) of the Principal Amount Outstanding of the Most Senior Class of Notes outstanding and, provided that, in each case, it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or to which it may incur by so doing.

In certain events, the applicable order of priority of payments will be set out under a post-enforcement waterfall

The terms of the Notes provide that, after (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), payments will rank in order of priority set out under the heading "*Overview of Transaction – Post-Enforcement Payment Priorities*". In the event that the Issuer's obligations are enforced, no amount will be paid in respect of any Class of Notes until all amounts owing in respect of any Class of Notes ranking in priority to such Notes (if any) and any other amounts ranking in priority to payments in respect of such Notes have been paid in full.

Termination of the Cap Transaction may expose the Issuer to interest rate fluctuations or require additional costs in replacing the Cap Agreement

The benefits of the Cap Transaction may not be achieved in the event of the early termination of the Cap Transaction, including termination upon the failure of the Cap Counterparty to perform its obligations thereunder.

The Cap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Cap Transaction (see for further details "*Overview of Certain Transaction Documents – The Cap Transaction*"). In case of an early termination of the Cap Transaction, unless one or more comparable interest rate caps are entered into, the Issuer may have insufficient funds to make payments under the Notes and this may result in a downgrading of the rating of the Rated Notes.

Any collateral transferred to the Issuer by the Cap Counterparty pursuant to the Cap Transaction and any amount payable by the Issuer to the replacement cap counterparty or by the replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement (the "**Replacement Cap Premium**") will not generally be available to the Issuer to make payments to the Noteholders and the Transaction Creditors and shall only be paid or transferred (as applicable) in accordance with the Cap Collateral Account Priority of Payments.

In the event of the insolvency of the Cap Counterparty, the Issuer will be treated as a general and unsecured creditor in respect of any claim it has for a termination amount due to it under the Cap Transaction. Consequently, the Issuer will be subject to the credit risk of the Cap Counterparty in addition to the risk of the debtors of the Receivables.

The Cap Counterparty (or its guarantor or credit support provider) is required to have certain ratings. Although contractual remedies are provided in the event of a downgrading of the Cap Counterparty, any replacement arrangement with a third party may not be as favourable as the current Cap Agreement and the Noteholders may therefore be adversely affected.

If the Cap Transaction is terminated, the Issuer will be exposed to changes in associated interest rates, and the Issuer as a result may have insufficient funds to make payments due on the Notes.

See for further details "*Overview of Certain Transaction Documents - The Cap Transaction*".

Non-performing nature of the Receivables

As substantially all of the Receivables are currently non-performing loans and may be subject to insolvency or recovery proceedings, Collections arising from the Receivables may have to be pursued in the Portuguese courts under such proceedings which may involve significant delay, expenses and negotiations with the Borrowers, each of which may result in lower than anticipated recoveries. To the extent that there are lower than anticipated recoveries, the ability of the Issuer to pay the Notes in full may be adversely affected.

The recovery of overdue amounts in respect of the Receivables will be affected by the length of enforcement proceedings in respect of the Receivables, which in Portugal can take a considerable amount of time depending on the type of action required and where such action is taken. The length of the judicial proceedings together with the relevant increased legal and judicial costs negatively affect the amount of cash flow available to meet payment obligations under the Notes.

Recoveries under the Receivables are uncertain and contingent on various factors that are not controlled by the Issuer

Among the specific factors that may result in the amounts and timing of actual Collections differing from the expected recovery amounts is the unpredictability of the amount of and timing of recoveries on the Receivables, as mentioned. Since the Receivables are non-performing, the Borrowers are not making regular payments or any payments at all but the Receivables are immediately due for repayment in full because of their legal maturity or because they have been legally terminated after the occurrence of a default or event of

default under the terms of the loan contract or agreement, including any agreement or document related to such contract or agreement, entered into by and between the Seller and a Borrower by which the Seller has granted the Borrower a Receivable, as amended or supplemented from time to time (each, a "**Receivables Agreement**").

The amount of and timing of Collections is in part a function of the ability to negotiate restructurings or discounted pay-offs with the Borrowers or, in the case of Borrowers who are unwilling or unable to enter into and perform such transactions, the ability to enforce the underlying security (or to enforce on other available assets of the Borrowers), the timing of foreclosure proceedings in Portuguese courts and the market circumstances under which any Properties (or other Borrower assets) are sold in the context of such proceedings or, upon its acquisition by the Asset Manager, in the context of market sales of the Properties. Such actions will involve significant periods of time and expense that are difficult to predict and quantify and, particularly in respect of the Properties market sales, there is no assurance on whether such sale will be completed and under which amount. Resolution costs and the administrative and operating expenses related to servicing the Receivables will depend in part on the actual resolution strategy adopted by the relevant Servicer and any enforcement through court proceedings or forced administration will increase the related resolution costs.

In addition to existing mortgages (in the case of the Secured Receivables), there may be other prior-ranking interests such as the rights of tenants or other third-party rights, including retention rights, which may have an adverse effect on the value of the Properties or which may affect the amount for which the Properties can be sold. It is also likely that there will be certain Receivables with respect to which there will be limited, if any, Collections.

The Unsecured Receivables are not secured by mortgages and therefore the corresponding Collections may be lower when compared to the Secured Receivables and may be equal to zero in many, most or all the cases, as they may vary according to the assets of the Borrowers that are available for enforcement (or, in case of insolvency, the insolvency estate of the Borrower), the existence of security over the Borrower's assets in favour of third parties and the ranking of other creditors of the Borrower.

The Receivables Portfolio includes the receivables arising under an unsecured loan agreement granted by the Originator to Guincho Asset Management Holdings, D.A.C. (see for further details "*Overview of the Transaction"*), for the purpose of funding the purchase of the shares of the Asset Manager. The maturity of the Loan Agreement corresponds to the Final Discharge Date and therefore Collections in relation to this specific Receivable will only occur at the Final Discharge Date. Any failure or delay of Guincho Asset Management Holdings, D.A.C. to repay the Loan Agreement and pay any interest due thereunder could ultimately adversely affect the ability of the Issuer to meet its obligations to make payments due on the Notes in the Final Discharge Date.

For all the reasons described herein, a significant deterioration or delay of the expected cash flow to arise under the respective Receivables may occur, which in turn might adversely affect the ability of the Issuer to make payments on the Notes.

Special Recovery Proceeding and Insolvency Proceeding may impact the amount and timing of Collections

A debtor (an enterprise – *empresa*) that is in a difficult economic situation or in a situation of imminent insolvency, but proves it is economically viable (in essence, such debtor is in a distressed financial situation but an insolvency has not been declared by a court) is entitled to initiate a special recovery proceeding. This proceeding is a stand-alone urgent judicial proceedings outside of the scope of insolvency proceedings, based on out of court negotiations that shall be confirmed by a court. Said proceedings aims to promote a rehabilitation of debtors facing financial difficulties by providing a moratorium on any creditor action while a recovery plan is being agreed ("*Processo Especial de Revitalização*" or "**PER**") and is contained in the Portuguese code for the insolvency and recovery of Companies (*Código de Insolvência e Recuperação de*

Empresas or "**CIRE**"). A debtor that has already been declared insolvent is not entitled to the special recovery procedure.

The special recovery proceedings commences with a joint declaration of the debtor and one or more creditors, who are not specially related to the debtor and who make up, at least, 10% of the non-subordinated claims and with a proposal of a recovery plan accompanied, at least, with the description of the debtor's financial situation (addressed to the court that is competent to open insolvency proceedings in respect of the debtor). Once the formal requirements for opening the proceedings are verified the court will automatically open the proceedings. Once the special recovery proceedings are commenced, a judicial administrator (who will supervise and control the management of the debtor's estate during the negotiations between the debtor and the creditors) will be appointed by the court and will take part in the negotiations with the debtor and the relevant credits that join the proceeding pertaining to the recovery plan. Once that appointment is made, the debtor must notify, through registered letter, all its creditors that did not partake in the initiation of the proceedings.

From thereon, at any time during the negotiations, any creditor may join this proceeding by informing the judicial administrator of their intention to participate in the negotiations. If a creditor intends to participate in the negotiations it must communicate that intention to the debtor within the timeframe of the negotiations through registered letter. In respect of secured creditors, although the plan is also binding for these creditors, the priority of their security can only be affected with their specific consent.

Any creditor that intends to join these proceedings must submit to the judicial administrator a written claim referred to as "proof of debt". The judicial administrator will then review the claims and a list of all accepted claims will be published. From the publication of said list, the special recovery proceeding is expected to last for a two-month period (which can be extended by a month provided the judicial administrator and the debtor agree to the extension).

Approval of the recovery plan requires the vote of more than two-thirds of all of the debtor's creditors (by value) and more than half of those votes must correspond to non-subordinated claims (by value) (creditors who abstain from voting are not counted). The quorum is calculated based on the list of claims reviewed and published by the judicial administrator. Once approved, the plan must be validated by the court and then it will be binding to all creditors of the debtor. Once the plan is validated by the court, the special recovery proceeding ends and the recovery plan must be implemented by the debtor.

While negotiations are taking place in relation to the recovery plan, no legal action claiming the payment of a debt can be commenced and similar pending actions will be suspended. If the recovery plan is validated by the judge, those actions will be considered terminated or continued (according to the provisions of the plan), and the payment of claims existing prior to the proceedings will be made according to the plan.

If the recovery plan is not approved by the required majorities mentioned above, or if no agreement is reached before it is put to the creditors' vote, the special recovery proceedings will be closed. In case the debtor is not insolvent, the closing of the proceeding leads to the extinction of all its effects and the debtor may proceed with its activity, but it will not be entitled to the special recovery proceeding for a two-year period starting from the date that the first proceeding was closed. In case the debtor is insolvent, the closing of the proceeding leads to the declaration of insolvency of the debtor and to the opening of insolvency proceedings.

There is only one type of insolvency proceedings (*processo de insolvência*) available, under which a debtor can be either (i) liquidated (either in accordance with a statutory/legal regime or through an insolvency plan) or (ii) rescued pursuant to an insolvency plan. The main purpose of these insolvency proceedings is the reimbursement of its creditors and such proceedings can lead either to statutory liquidation proceedings or to the approval of an insolvency plan.

All legal enforcement actions commenced by creditors of the debtor that may affect the assets included in the insolvent estate are suspended when the insolvency proceedings are opened and no further enforcement proceedings or action to enforce security may be commenced against the debtor. Other actions that may directly or indirectly regard the insolvency estate may be annexed to the insolvency proceedings.

Once an insolvency plan has been approved, it will not be possible for any party to enforce its security (unless such enforcement is contemplated by the insolvency plan).

The declaration of insolvency will suspend any enforcement proceedings that could have been initiated against the debtor and impose a moratorium on commencement of new proceedings or enforcement of any security.

In relation to receivables which are considered secured claims under the CIRE because the creditor has *in rem* security over assets in the insolvency estate, the creditor will be paid with the revenues of the sale of the relevant secured asset, provided no privileged creditor ranks with priority over it.

Should any Borrower enter into a special recovery proceeding or if insolvency proceedings are opened, payments due by such relevant Borrower may be suspended (while negotiations are taking place) or part of its debts may be written-down. The impact of such proceedings, and their respective impact on timing and amount of Collections deriving from the Receivables may not be predicted. If any of such circumstances occur, this can affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Delays on the enforcement in respect of the Receivables may affect the ability of the Issuer to timely honour its payment obligations under the Notes

In order to request enforcement of the security (if any) of any property, a creditor must have an enforcement document to validate its request, for instance a condemnatory decision. Once the creditor has such proper enforcement document, an enforcement proceeding may be initiated.

The enforcement proceedings may include several stages, including the opposition by the debtor. In case an opposition is submitted and accepted, parallel proceedings are opened to decide on the opposition. Generally, the opposition, even if accepted by an enforcement judge, will not suspend the enforcement proceedings. An enforcement judge will then decide if the opposition is valid. If the judge decides said opposition to be valid, it shall determine the termination of the enforcement proceedings; if not the enforcement shall continue, in case it had been suspended.

The obligation is then enforced through the seizure of assets of the debtor. If the debt enforced is secured by a mortgage or a pledge, the enforcement measures begin with the seizure of such asset. It is convenient that the creditor indicates the mortgaged / pledged assets securing the debt in the enforcement request. If no security exists or if the creditor does not indicate the assets, in order to initiate the seizure, an enforcement agent conducting such process will take proper measures to find assets that can be seized.

The seizure may be suspended upon the opposition by the debtor to the seizure of certain assets if the debtor pays for the proper deposit but in this case, it shall only suspend the seizure of said assets.

Creditors with registered and known rights over the asset to be seized may claim their credits. The enforcement judge will then analyse the claimed credits and, if necessary, rank them in accordance. However, it must be noted that the creditor (even if beneficiary of the mortgage asset) does not have the right to take possession or become owner of the asset (foreclosure) by virtue of enforcement of the mortgage, being only entitled to be paid in accordance with the payment procedures foreseen in the Portuguese law.

In parallel with the opposition and seizure process (and if no deposit has been made to suspend the proceeding, as mentioned above), the enforcement agent may promote the judicial sale of the relevant assets, if necessary. The sale process is organised by the enforcement agent but in respect of the sale properties, the applicable law determines that it shall be preferentially made by means of electronic auction without any real

estate companies involved. However, if no offer is presented or no offer is accepted and there are no other creditors ranking above a secured creditor, the enforcement agent will move on to the sale by private negotiation process. A creditor holding a right *in rem* security may opt to request the adjudication of the property as payment of its credits.

Even assuming that the Properties provide adequate security for the Secured Receivables, delays could be encountered in connection with the described enforcement and recovery of such Receivables, resulting in corresponding delays in the receipt of related Collections by the Issuer (see "*Selected Aspects of Portuguese Law relevant to the Receivables Portfolio*" - "*Enforcement Proceedings*" for a detailed description of the enforcement proceedings).

Delays in connection with the described enforcement and recovery of Receivables can affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Out-of-court legal procedure for the recovery of companies may have negative effects on the timing of Recoveries

A new out-of-court legal procedure for the recovery of companies — RERE ("*Regime Extrajudicial de Recuperação de Empresas")* — aims to regulate the terms and effects of a restructuring agreement negotiated and entered into between a debtor that is in financial distress or imminently insolvent and one or more of its creditors. It also regulates the effects of the negotiations the parties may enter into towards the reaching of such agreement. The negotiation of the restructuring agreement may only be submitted to the RERE if it is entered into by creditors that represent 15% per cent. of the debtors unsubordinated liabilities. Moreover, in order the successfully submit the negotiations to the RERE the debtor must present a negotiation protocol and a declaration of a certified auditor issued in the 30 (thirty) days before.

The negotiation protocol must contain (i) the identification of the debtor, (ii) the deadline of the negotiations, (iii) the total amount of the debtor's liabilities, (iv) and indication of who is responsible for the cost arising from the negotiation process, (v) an agreement from the creditors to, within the negotiation period abstain from initiating any judicial proceedings against the debtor and (vi) signatures and date.

Except if unanimously agreed upon by the debtor and the creditors, the negotiations are confidential.

The negotiations end either with (i) the deposit of the restructuring agreement, (ii) the deposit of the declaration where the debtor states that the negotiations were terminated with an agreement, (iii) if the debtor is deemed insolvent during the period of the negotiations. The termination of the negotiations must be registered and publicized with an indication of the cause.

The agreement – which must be in writing in a single document and contain (i) a declaration by a certified auditor that the debtor is not insolvent, certifying the amount of its liabilities and (ii) a list of all pending proceedings moved by participating creditors – binds only on the signatory parties and may only modify the creditors' claims and the securities they benefit from in the strict terms set forth therein.

The participation in the agreement is voluntary and its content is freely established by the parties. It can restructure all or just part of the claims held by the participant creditors. No judge will confirm its content. The content of the agreement will only rely on the parties.

The deposit of the agreement implicates the extinction of any judicial proceedings regarding credits comprised in it.

Should the agreement envisage the alteration of any pre-existing guarantees, the consent of the beneficiaries is needed.

Should the parties to the agreement expressly and unanimously decide to deposit the agreement with the Commercial Registry Office and provided that a statutory auditor formally certifies that through that agreement the debtor restructures at least 30% of its liabilities and that, as a result of such agreement, it

achieves positive equity and its equity results superior to its share capital, it will benefit from a more favourable tax treatment, as set forth in sections 268 to 270 of the Portuguese Insolvency Code.

Although the RERE is primarily addressed to non-insolvent companies, exceptionally and temporarily, within the 18 months after the entering into force of the RERE regime, a debtor that is technically insolvent may still make use of this special regime, instead of filing for its insolvency.

Unless the participants agree to give it publicity, the restructuring agreement will be strictly confidential. The confidentiality must be waived to the extent necessary to stay pending judicial procedures, if the parties so agree.

The impact of the above procedure, and its respective impact on timing and amount of Collections deriving from the Receivables may not be predicted. If any of such circumstances occur, this can affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

Consumer Protection laws may require changes to the terms of a loan or relieve a Borrower of its obligations thereunder

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

Decree-Law no. 446/85, of 25 October 1985, as amended by Decree-Law no. 220/95, of 31 August 1995, Decree-Law no. 249/99, of 7 July 1999 (which implemented Directive 93/13/CEE, of 5 April 1993) and Decree-Law no. 323/2001, of 17 December 2001, known as the *Lei das Cláusulas Contratuais Gerais* (the Law of General Contractual Clauses) prohibits, in general terms, the introduction of abusive clauses in contracts entered into with consumers. Pursuant to this law, a clause is in general deemed to be abusive if such clause has not been specifically negotiated by the parties and leads to an unbalanced situation insofar as the rights and obligations of the consumer (regarded as the weaker party) and the rights and obligations of the counterparty (regarded as the stronger party) are concerned in violation of contractual good faith. The introduction of clauses that are prohibited will cause such clauses to be considered null and void.

Decree-Law no. 133/2009, of 2 June 2009 (which implemented Directive EC/2008/48), as amended, which governs consumer loan contracts sets forth relevant regulations for consumer protection by establishing that a contract is deemed to be null and void if mandatory information is not included in the written agreement, including *inter alia* if (i) it does not discloses the annual percentage rate of charge (the *Taxa Anual de Encargos Efetiva Global* which shall be calculated in accordance to the criteria set out on Annex I of Decree-Law 133/2009, of 2 June 2009) related to the loan in question; and (ii) it does not inform the obligor of the existence of a mandatory free termination period of 14 (fourteen) calendar days from signing thus allowing the consumer to revoke the contract during such period. Regarding early repayment fees, Decree-Law no. 133/2009, of 2 June 2009, establishes that the creditor's compensation due by the obligors following the exercise of the right of early repayment is capped at 0.5% (zero point five per cent) of the principal repaid (or 0.25% zero point twenty-five per cent. in the event the repayment is performed less than one year from the date of termination of the agreement).

Decree-Law no. 67/2003, of 8 April (which implemented Directive 1999/44/CE of 25 May), as amended, deals with the sale of assets to consumer and related guarantees with a view to ensure the protection of consumers. This decree law entitles the consumer to demand repair or substitution of the asset, a price reduction or the termination of the contract when the underlying asset does not meet the criteria set out therein (for example, does not comply with the description made in the relevant contract or its characteristics

and performance are not those that a consumer could reasonably expect). These rights must be exercised in the two years commencing on the date of delivery of the asset which can be reduced to one year in case of used assets and if so agreed between the parties.

Decree-Law no. 227/2012, of 25 October, established the principles and rules which credit institutions must comply with in respect of the prevention and remediation of default by banking clients and creates the out-of-court framework to support such clients in the context of the remediation of such situations by establishing an action plan regarding the risk of default (*Plano de Acção para o Risco de Incumprimento - PARI*) and an out-of-court procedure for the remediation of default situations (*Procedimento Extrajudicial de Regularização de Situações de Incumprimento - PERSI*).

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

If any of such circumstances occurs, this can affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

Uncertainty of net cash flows

Each Servicer has made a business plan in respect of relevant Receivables subject to their servicing services (see "*Business Plans for the Receivables Portfolio*"). These business plans have been prepared by each Servicer taking into account, *inter alia*, the Receivables amount, the value of the underlying real estate assets, the status of any relevant judicial proceedings and the legal costs that may be incurred in the recovery process and certain other specific costs related to the Receivables.

However, there could be other costs which may be incurred in respect of the Receivables and which have not been taken into account for the purpose of preparing these business plans.

Each business plan is based on certain judgments, assumptions and estimates about, *inter alia*, future economic events, prospects for the property market, the amounts recoverable on the Receivables, the time it takes to such recoveries, the assumed continued operations of the Servicers and the disposal strategies projected by each Servicer and has been prepared exclusively in order to constitute a base for the calculation of each Servicer's fees and any other calculation set forth in the Transaction Documents. Such assumptions relate to a complex series of independent events and are to a significant degree subjective. Actual results will be affected by many factors outside the control of the Servicers or the Issuer so that none of the Issuer, the Servicers, the Sole Arranger and Lead Manager nor any other Transaction Party will make any representation or warranties on the collectability of the Receivables. The business plans should not be construed as either projections or predictions on the Receivables Portfolio's performance or as legal, tax, financial, investment or accounting advice. The performance of the Receivables Portfolio cannot be predicted, because a large number of factors cannot be determined.

In addition, recoveries in respect of the Receivables depend primarily on the timing of foreclosure actions, the ability of each Servicer to effect out of court settlements and/or assignments of the Receivables, the conditions of the Portuguese real estate market and of the Portuguese economy generally.

These events, alone or in combination, may result in lower than anticipated recoveries and/or net cash flows which in turn may adversely affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

No Independent Investigation in relation to the Receivables

None of the Issuer, the Sole Arranger and Lead Manager, the Transaction Manager, the Common Representative or any other Transaction Party (other than the Originator, the Servicers and, only to the extent

of its specific attributions under the Monitoring Agent Appointment Agreement and to the period as from the Issue Date, the Monitoring Agent – see *"Overview of Certain Transaction Documents – Monitoring Agent Appointment Agreement"*) has undertaken or will undertake any investigations, searches or other actions in respect of any Borrower, the Receivables or any historical information relating to the Receivables and each will rely instead on the representations and warranties made by the Originator in relation thereto set out in the Receivables Sale Agreement.

In accordance with the Monitoring Agent Appointment Agreement, the Monitoring Agent will have limited obligations to examine and monitor the servicing and performance of the Receivables. Any such obligations apply only as from the Issue Date and will therefore not comprise any investigation, searches or other actions prior to the Issue Date. The examination and monitoring activities of the Monitoring Agent in respect of the Receivables include, *inter alia*, (i) audits to samples of invoices of costs and expenses incurred by the relevant Servicer in the recovery activities of the Receivables and by real estate brokers in the recovery activities; (ii) audits to samples of Receivables per each Servicer deemed material, in order to verify if there are any irregularities or inconsistencies which would lead to stop taking further enforcement or collection actions by the relevant Servicer; (iii) audits to a sample of Receivables per each Servicer in order to verify if the enforcement or collection actions have stopped where required and the irregularities or inconsistencies identified have been submitted to the Servicing Committee; (iv) calculations relating to the Cumulative Collection Ratio, the NPV Cumulative Profitability Ratio and the interest paid on the Class A Notes, for the purposes of the assessing the potential trigger of a Subordination Event; (v) examination of the reports produced by the Servicers and drafting of a report on the servicing and performance of the Receivables and the Receivables Recovery Expenses; (vi) monitoring any potential or actual conflicts of interest between the Servicers and the Issuer.

Receivables which have undergone such a limited investigation may be subject to matters which would have been revealed by a full investigation of title, validity and enforceability which may have been remedied or, if incapable of remedy, may have resulted, in the Receivables not being accepted as Receivables under the Transaction or in the Properties not being accepted as security for a Receivable, had such matters been revealed.

In the case of a breach of any of the representations or warranties given by the Seller in the Receivables Sale Agreement, which have a Material Adverse Effect on the existence, validity or enforceability (or the cost of such enforceability) of the Receivables and is not capable of remedy or is not remedied within 30 (thirty) Business Days of being notified by the Issuer, the Issuer's sole remedies in respect of a breach of any such Seller's Representations and Warranties will be to claim damages for breach of that Seller's Representation and Warranty and require that the Seller repurchases the Affected Receivable in accordance with the terms provided for in article 45/2 of the Securitisation Law.

Issuer's claims are enforceable for a limited period of time, in particular within 24 (twenty-four months) after the Issue Date, and therefore if the Issuer becomes aware of a breach of such representations following the period available thereof, the Issuer will not be entitled to claim indemnity by the Originator.

There can be no assurance that the Seller will honour or have the financial resources to meet its obligations to pay any payment of damages in respect of a breach of a Seller's Representation and Warranty or the obligation to repurchase the Affected Receivables pursuant to the terms of the Receivables Sale Agreement. This may affect the quality of the Receivables and accordingly the ability of the Issuer to make payments due on the Notes. (See for further details *"Risk Factors – Reliance on the Seller's Representations and Warranties"*).

Credit Risk of the Asset Manager

On the Issue Date, certain Secured Receivables were assigned by the Originator to the Issuer and by the Issuer to the Asset Manager (in this case, Secured Commercial Receivables representing 33.10% (gross book value) of the total Secured Commercial Receivables for a purchase price of €30,985,090.19 (thirty million,

nine hundred and eighty five thousand ninety euros and nineteen cents) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.), and the Secured Residential Receivables representing 10.15% (gross book value) of the total Secured Residential Receivables for a purchase price of €6,089,495.00 (six million eighty nine thousand four hundred and ninety five euros) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.); which in total amounted to €37,074,585.19), and thereafter further Secured Receivables may be transferred by the Issuer to the Asset Manager.

In addition, any Seller Allocated Properties included in the Receivables Portfolio that, after the Issue Date, are awarded to the Seller under the relevant enforcement Court Proceeding or transferred to the Seller via payment in lieu (*dação em cumprimento*) by the relevant Borrower will be transferred by the Seller to the Asset Manager (whereas the Seller's consideration for such transfer has already been paid by the Issuer to the Seller as part of the purchase price paid by the Issuer to the Seller for the Receivables Portfolio under the Receivables Sale Agreement, the Asset Manager will pay to the Issuer a purchase price per each Seller Allocated Property equal to the Gross Recovery Value plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.).

Accordingly, and from each relevant transfer, any such Secured Receivables and Seller Allocated Properties form part or will form part, as the case may be, of the Asset Manager's estate and are legally held, or will be legally held, as the case may be, by it, while any purchase price for the assignment of such Secured Receivables or Seller Allocated Properties is payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment, such funds being generally raised through (i) the sale of the Seller Allocated Properties or the Properties securing the Secured Receivables, (ii) awarded or otherwise acquired by the Asset Manager under or in connection with enforcement proceedings of the Secured Receivables or (iii) other recoveries in respect of such Secured Receivables.

The Asset Manager is an ordinary commercial company not subject to the supervision of CMVM or any other regulatory authority with the sole purpose of holding the alluded Secured Receivables and performing the actions required from it as described in this Prospectus. Therefore, under its articles of association, the Asset Manager is not permitted to carry out any activity other than the holding of the alluded Secured Receivables and the performance of the actions required from it as described in this Prospectus (See "*Overview of Certain Transaction Documents – Asset Management Agreements*").

Accordingly, the Asset Manager is not expected to have any creditors other than the Portuguese Republic in respect of tax liabilities, if any, and the Transaction Parties with whom it has entered any Transaction Document or otherwise in the terms set forth in any such Transaction Document.

The limited number of general creditors that the Asset Manager may have assuming the above makes its insolvency a remote possibility.

There are contractual arrangements in place to ensure that such Secured Receivables are held by the Asset Manager for the benefit of the Transaction Creditors (See "*Overview of Certain Transaction Documents – Asset Management Agreements*", in particular the paragraphs entitled "*Consultation with the Issuer, the Common Representative and the Monitoring Agent*" and "*Corporate Status of the Asset Manager*").

Specifically, a number of contractual mechanisms, namely under the Asset Management Agreements, have been put in place to preserve the integrity of the Asset Manager, and the assets held by it, for the purposes of this securitisation transaction, to minimise the risk of the Asset Manager's insolvency and mitigate the risk of third party claims being made against the Asset Manager and/or its assets, as follows:

- to transfer any and all amounts (up to the Purchase Price or Transfer Price, as applicable, due by the Asset Manager to the Issuer) received in the Commercial Asset Manager Collections Account and in the Residential Asset Manager Collections Account, with respect to the sale or disposal of any Property, to the Payment Account on a daily basis (which is in the name of the Issuer), as a way to mitigate the risk of sale proceeds remaining in the Asset Manager's legal estate for a longer period;

- to limit its activities to the performance of its obligations as Asset Manager under the Asset Manager Agreements, and not to carry out any other activity, nor assume any further obligations apart from its obligations under the Asset Management Agreements;
- not to create any encumbrance, charge, lien or collateral or any other form of security on any of the Asset Manager's assets, or the Receivables or the Properties; and
- not to issue any new notes, bonds, indenture or any other form of debt security, and to not incur in any financial or trade indebtedness or grant any loan, or group of loans, until (and including) the Final Discharge Date.

Further to the exclusive corporate purpose of the company, the Asset Manager's by-laws provide for limitations on the company's activity, including, (i) obtaining any financing over a certain amount or the granting of security over any of its assets is subject to approval by the shareholders' general meeting, and (ii) the distribution of any financial results is limited under the by-laws, and can only be done upon a decision approved by the majority of the shareholders.

However, under each of the Asset Management Agreements, (i) the Asset Manager undertakes not to incur in any financial or trade indebtedness or grant any loan, or group of loans, until (and including) the Final Discharge Date, and (ii) the Shareholder agrees that no dividends or any other form of equity distributions may occur until (and including) the Final Discharge Date. The Shareholder has also pledged its shares in favour of the Issuer, under the Share Pledge Agreement, to secure its obligations under the Asset Management Agreements, including under limb (ii) above and the Shareholder's obligation not to create any encumbrance, charge, lien or collateral or any other form of security over the shares it holds in the share capital of the Asset Manager or over any of the Asset Manager's assets, including any of the Receivables or the Properties.

Without prejudice to the above, in the event that the Asset Manager becomes insolvent, the Secured Receivables held by the Asset Manager will not benefit from the privileged credit entitlement foreseen under the Securitisation Law for Receivables held by the Issuer and, accordingly, there can be no assurance that, upon the insolvency of the Asset Manager, the structure that has been implemented will ensure that they will benefit from the statutory segregation and the privileged credit entitlement foreseen in the Securitisation Law.

Any failure or delay of the Asset Manager in selling the Properties or transferring to the Issuer any Collections and Realisation Values, the Purchase Price due in respect of the assigned Receivables and Seller Allocated Properties, or any other amounts due to be paid by the Asset Manager to the Issuer under the Asset Management Agreements could ultimately adversely affect the ability of the Issuer to meet its obligations to make payments due on the Notes.

Real estate investments

Certain of the Receivables are secured by real estate assets and subject to the risks inherent in investments in or secured by real property. Such risks include adverse changes in national, regional or local economic and demographic conditions in Portugal and in real estate values generally as well as in interest rates, real estate tax rates, other operating expenses, inflation, the supply of and demand for properties of the type involved, governmental rules and policies (including environmental restrictions and changes in land use) and competitive conditions (including construction of new competing properties) all of which may affect the value of the real estate assets and the collections and recoveries generated by them. There can be no assurance as to the amount of time it will take for a foreclosure process with respect to a real estate asset to be completed or as to the timing of collections in respect of the Receivables secured by real estate assets. There is the risk that an enforcement proceeding may take several years to be completed or settled, which may adversely affect the ability of the Issuer to meet in time its payment obligations or other distributions under the Notes.

The performance of investments in real estate has historically been cyclical. In addition, the purchase price of a real estate asset in the context of a foreclosure procedure is typically significantly lower than the relevant market value, so there can be no assurance that the market value of the Properties and the sale of the Properties by the Asset Manager correspond to the amount owed by the Borrowers under the corresponding loan agreement. If the market value of the Properties and the sale of the Properties by the Asset Manager is less than the amount owed by the Borrowers under the corresponding loan agreement it may adversely affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

Geographical concentration of the Transaction Assets

The security for the Notes may be affected by, among other things, a decline in real estate values. No assurance can be given that the values of the Transaction Assets have remained, will remain or will increase from their levels on the dates of origination of the related Receivables. The real estate market in Portugal in general or in any particular region may from time to time experience a decline in economic conditions and housing markets than in other regions and, consequently, may experience higher rates of loss and delinquency on mortgage loans generally. Although the Borrowers are located throughout Portugal, the Borrowers may be concentrated in certain locations, such as densely populated areas. Any deterioration in the economic condition of the areas in which the Borrowers are located, or any deterioration in the economic condition of other areas that causes an adverse effect on the ability of the Borrowers to repay the Receivables could increase the risk of losses on the Transaction Assets. A concentration of Borrowers in such areas may therefore result in a greater risk of loss than would be the case if such concentration had not been present. Such losses, if they occur, could have an adverse effect on the yield to maturity of the Notes as well as on the repayment of principal and interest due on the Notes.

Reliance on liquidation and sale proceeds for payments on the Notes

As described herein, certain Receivables are secured by mortgages over real estate assets, which will either be sold in the context of the foreclosure procedures as market conditions permit or acquired (*adjudicados*) by the creditor in the proceeding for onwards disposal in the market.

As a result, payments on the Notes are to a very significant extent expected to come from liquidation and sale proceeds of real estate assets. The cash flow realised on the sale of the real estate assets depends, among several other factors, on the Asset Manager's, the Secured Servicers' skill and diligence in servicing the Receivables secured by real estate assets and managing the foreclosure and disposition process, the local real estate market for each such real estate asset and the value of the related real estate assets. In addition, as referred herein, current market conditions and other factors (such as the length of the relevant foreclosure procedure) may cause substantial delays in the ability to foreclose upon the real estate assets and may adversely affect the amount of proceeds received in respect of a real estate asset.

There can be no assurance as to the amount of time it will take for the Asset Manager and the Secured Servicers to complete the foreclosure process with respect to a real estate asset or as to the timing of collections in respect of the Receivables secured by a real estate asset.

Procedural expenses may be disproportionate and will reduce proceeds available for payments on the Notes

Liquidation expenses with respect to Receivables do not necessarily vary directly with the unpaid principal balance of the Receivables. Therefore, assuming that each Servicer took the same steps in foreclosing or collecting/recovering a Receivable having a small remaining unpaid principal balance as it would have taken in the case of a Receivable having a large remaining unpaid principal balance, the amount realized after expenses of foreclosure or collection/recovery process would be smaller as a percentage of the unpaid principal balance or value of real estate asset backing the Receivable having a small remaining unpaid principal balance or value than would be the case with the Receivable or real estate asset backing the

Receivable having a large remaining unpaid principal balance or value, as applicable, which may not be the case.

Such expenses such as judicial and legal fees, real estate taxes, real estate broker fees and maintenance and preservation expenses will reduce the portion of liquidation proceeds available for payment on the Notes.

Asset Manager Deferred Purchase Price

On the Issue Date, some of the Secured Receivables have been assigned to the Asset Manager and the remaining Secured Receivables may be assigned to the Asset Manager during the life of the Notes.

In respect of the Secured Receivables assigned by the Issuer to the Asset Manager on the Issue Date, and in accordance with the Asset Management Agreements and the letter agreement dated the Issue Date between the parties to the Asset Management Agreements, the relevant purchase price was equal to the aggregate amount of €30,985,090.19 (thirty million, nine hundred and eighty five thousand ninety euros and nineteen cents) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.) in relation to Secured Commercial Receivables, and for a purchase price of €6,089,495.00 (six million eighty nine thousand four hundred and ninety five euros) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.) in relation to Secured Residential Receivables . Such purchase price will be payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment, such funds being generally raised through (i) the sale of the Seller Allocated Properties or the Properties securing the Secured Receivables, (ii) awarded or otherwise acquired by the Asset Manager under or in connection with enforcement proceedings of the Secured Receivables or (iii) other recoveries in respect of such Secured Receivables.

In respect of the Secured Receivables assigned by the Issuer to the Asset Manager after the Issue Date, the relevant purchase price will be equal to the Gross Recovery Value (as defined below) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.). Such purchase price will be payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment (notably, by selling Properties in the market or other recoveries).

In respect of each Seller Allocated Property assigned on or after the Issue Date under each Asset Management Agreement, the relevant purchase price will be equal to the Gross Recovery Value (as defined below) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.). Such purchase price will be payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment (notably, by selling Properties in the market or other recoveries).

"**Gross Recovery Value"** means the recovery amounts for each of the Receivables forecasted by the Secured Servicers, as identified in Schedule 12 (*Gross Recovery Value*) of the Asset Management Agreements.

As an assignee of the Secured Receivables, the Asset Manager will become the relevant creditor and may acquire Properties (which are securing the relevant Secured Receivables) from time to time (by way of bidding and being awarded the relevant Properties in the relevant legal proceedings, being awarded the relevant Properties as creditor when no bids from third parties are available or meet the relevant criteria, including minimum price, or otherwise, including transfer in lieu of payment by the Borrower). The Asset Manager, assisted by the Secured Servicers, will then manage the Properties in order to place and sell them in the real estate market.

Due to market conditions or otherwise, it may not be possible to place and sell the Properties in the market in such terms as expected, including delays in closing the relevant transactions and/or closing for lower prices than envisaged in the business plans prepared by each of the Secured Servicers pursuant to the relevant Secured Receivables Servicing Agreements. If any of such circumstances occur, and notably if they materialise for a significant amount of real estate, this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Additionally, and even though there are contractual measures in place, including a financial pledge on the Asset Manager's shares securing the performance of its obligations to the benefit of the Noteholders, to mitigate insolvency and breach of contract risk of the Asset Manager, there is no assurance that the Asset Manager might not become insolvent or breach its material obligations vis-à-vis the Issuer, which may impact the transfer of part or any deferred purchase price remaining to be paid from time to time to the Issuer. If any of such circumstances occur, this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Formalities to be complied with after the Receivables assignment to the Issuer

On the Issue Date, some of the Secured Receivables were assigned to the Asset Manager, and the remaining Secured Receivables may be assigned to the Asset Manager during the life of the Notes. The assignment will become effective on the relevant assignment date, upon the execution of the relevant assignment documentation. Accordingly, and from such transfer, any such Secured Receivables form part of the Asset Manager's estate and are legally held by it, while any purchase price for the assignment of such Secured Receivables by the Issuer is payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment, such funds being generally raised through (i) the sale of the Seller Allocated Properties or the Properties securing the Secured Receivables, (ii) awarded or otherwise acquired by the Asset Manager under or in connection with enforcement proceedings of the Secured Receivables or (iii) other recoveries in respect of such Secured Receivables.

However, in order for the assignment to become effective vis-à-vis third parties, and notably to allow the Asset Manager to become the relevant empowered creditor in the relevant legal proceedings where payment on the Secured Receivables is being sought, the relevant mortgage registration with the relevant real estate registration office needs to be updated (and for which purposes it needs also do be updated to register first the assignment from the Originator to the Issuer), upon completion of which the Asset Manager may then file its empowerment application (*incidente de habilitação*) with the relevant court.

The process for requesting and obtaining these registration and procedural steps has been initiated. The relevant assignment notices, in relation to the assignment from Seller to Issuer, and thereafter from Issuer to Asset Manager, have been executed pursuant to the Transaction Documents, by the Issuer (or the Servicers on its behalf). In addition, the process of updating the mortgages registration, to the name of the Issuer and/or the Asset Manager, as applicable, has been initiated by means of filing all relevant requests with the Portuguese land registry office. The timing for completion of such registrations is uncertain since this depends on the performance of the Portuguese land registry office´s officials. Furthermore, assignment of the procedural position and creditor substitution (*incidente de habilitação*), either by the Issuer or the Asset Manager, as applicable, will be filed for all judicial files with each relevant Portuguese Court, and once filed it cannot be anticipated when all requests will be duly approved since this depends on the performance of the Portuguese Courts. The Transaction Documents contain provisions whereby the Originator will transfer to the Issuer and/or the Asset Manager any proceeds or Properties it receives under the Secured Receivables from the Issue Date, including while such procedural steps are pending, and furthermore, any such proceeds or Properties, even if received by the Originator, do not legally belong to it and do not form part of its insolvency estate. However, it cannot be assured that, in case of insolvency of the Originator, the relevant court or insolvency administrator would follow such understanding. Also, even if such understanding prevails, an insolvency of the Originator may impact timings and procedures for release of any such proceeds or Properties to the Issuer or the Asset Manager. Any failure or delay of the Originator in transferring to the Issuer and/or the Asset Manager any proceeds or Properties it receives in respect of the Secured Receivables from the Issue Date, could ultimately adversely affect the ability of the Issuer to meet its obligations to make payments due on the Notes.

If any of such risks materialises, and notably if they materialise for a significant amount of real estate, this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Limited Liquidity of the Transaction Assets

In the event of the occurrence of an Event of Default and the delivery of an Enforcement Notice, or if for other reasons the Notes are to be redeemed in whole prior to the final Legal Maturity Date, in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*), a disposal of the Transaction Assets of the Issuer, including the then remaining Receivables Portfolio, may be necessary. Generally, the Originator will not be obliged to acquire any such assets and there can be no certainty that any other purchaser could be found as there is not, at present, and the Issuer believes it is unlikely to develop, an active and liquid secondary market for receivables of this type in Portugal. In addition, even if a purchaser could be found for the Transaction Assets, the amount realised by the Issuer in respect of their disposal to such purchaser in such circumstances may not be sufficient to redeem all of the Notes in full at their then Principal Amount Outstanding together with accrued interest.

Change of Counterparties for Criteria Ceasing to be Met

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

These criteria include requirements in relation to the short-term, unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies.

If the concerned party ceases to satisfy the applicable criteria, including such ratings criteria, then the rights and obligations of that party may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Transaction Documents.

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

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

Transaction Party and Rating Trigger Risk

The Issuer faces the possibility that a counterparty will be unable to meet its contractual obligations to it. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, operational failure or other reasons.

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

Termination of Appointment of the Transaction Manager may require increase of costs in replacing the Transaction Manager

In the event of the termination of the appointment of the Transaction Manager, for any events so specified in the Paying Agency and Transaction Management Agreement or any other reason, it would be necessary for the Issuer to appoint a substitute transaction manager. The appointment of the substitute transaction manager is subject to the condition that, *inter alia*, such substitute transaction manager is capable of administering the relevant Transaction Accounts of the Issuer.

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

In order to appoint a substitute transaction manager, it may be necessary to pay higher fees than those paid to the Transaction Manager and depending on the level of fees payable to any substitute, the payment of such fees could potentially adversely affect the rating of the Rated Notes.

Reliance on third parties

The ability of the Issuer to meet its obligations under the Notes will be dependent upon the performance of duties owed by a number of third parties that will agree to perform services in relation to the Notes. For example, the Transaction Manager will provide calculation and management services and the Principal Paying Agent will provide payment and calculation services in connection with the Notes under the Paying Agency and Transaction Management Agreement.

In the event that any of these third parties fails to perform its obligations under the respective agreements to which it is a party, or the creditworthiness of these third parties deteriorates, the Noteholders may be adversely affected.

Reliance on the Seller's Representations and Warranties

If any of the Receivables fails to comply with any of the Seller's Representations and Warranties which could have a material adverse effect on (i) any Receivable, (ii) its related Receivable Agreement or (iii) the Ancillary Receivables Rights, the Originator is obliged to hold the Issuer harmless against any losses which the Issuer may suffer as a result of such failure.

However, such indemnity is only actionable by the Issuer against the Seller during a claim period terminating 24 (twenty-four) months after the Issue Date, and therefore if the Issuer becomes aware of a breach of such representations following the period available thereof, the Issuer will not be entitled to claim indemnity by the Originator.

In the event of the Issuer suffering any losses as referred to above, the Issuer may not receive any indemnity payment from the Originator due to, *inter alia*, lapse of the above claim period, or due to the Originator's default or insolvency. Reputational risks affecting the Originator or its sole shareholder, among other factors, may contribute towards or result in the Originator's default or insolvency. This risk may arise from a variety of circumstances including, without limitation, the Bank of Portugal's regulatory proceedings or investigations into the affairs or internal and compliance procedures of the Originator to deal with anti-money laundering.

Failure to obtain an indemnity from the Originator may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

Assignment of Receivables may be affected by Originator's insolvency in case of bad faith of the Originator and the Issuer

In the event of the Originator becoming insolvent, the Receivables Sale Agreement, and the sale of the Receivables conducted pursuant to it, will not be affected and therefore will neither be terminated nor will such Receivables form part of the Originator's insolvent estate, save if a liquidator appointed to the Originator

or any of the Originator's creditors produces evidence that the Originator and the Issuer have entered into and executed such agreement in bad faith (i.e. with the intention of defrauding creditors). The sale of Ancillary Receivables Rights (if applicable) will only be enforceable against a third party acting in good faith upon registration of the act at the competent registry office, which needs to be made after the Issue Date and may take a significant amount of time.

In the unlikely event that the Receivables Sale Agreement entered into between the Originator and the Issuer were to be considered by a liquidator to have been executed in bad faith, with the intention of defrauding creditors, the Receivables which collateralize the Notes could be deemed by the court as part of the Originator's insolvent estate, adversely affecting the cash-flows available for the Issuer to make payments or other distributions under the Notes.

Assignment and Borrower set-off risks

In order to become effective vis-à-vis third parties, a notice of the assignment and the update of the relevant mortgage registration with the relevant real estate registration office are required upon the assignment of the Receivables to the Issuer and then to the Asset Manager. The relevant assignment notices, in relation to the assignment from Seller to Issuer, and thereafter from Issuer to Asset Manager, have been executed pursuant to the Transaction Documents, by the Issuer (or the Servicers on its behalf). In addition, the process of updating the mortgages registration, to the name of the Issuer and/or the Asset Manager, as applicable, has been initiated by means of filing all relevant requests with the Portuguese land registry office. The timing for completion of such registrations is uncertain since this depends on the performance of the Portuguese land registry office´s officials. Furthermore, assignment of the procedural position and creditor substitution (*incidente de habilitação*), either by the Issuer or the Asset Manager, as applicable, will be filed for all judicial files with each relevant Portuguese Court, and once filed it cannot be anticipated when all requests will be duly approved since this depends on the performance of the Portuguese Courts.

Pending completion of such mortgage registration process and whilst the Originator is still shown as mortgage creditor in the real estate registration office, there is a risk that Borrowers or courts (when enforcement proceedings have been initiated) make payments to the Originator in respect of assigned mortgage credits instead of to the Servicers. If payments are made to the Originator, Noteholders will be exposed to the risk of the Originator performing its contractual obligations under the Transaction Documents to pay such amounts to the Issuer.

Set-off risks in relation to the Receivables are essentially those associated with the Borrower's possibility of exercising against the Issuer any set-off rights the Borrower held against the Originator prior to the assignment of the relevant Receivables. Such set-off rights held by the Borrower against the Originator prior to the assignment of the relevant Receivables are not affected by the assignment of the Receivables to the Issuer and then to the Asset Manager. Such set-off risks will not arise where the Originator had no obligations then due and payable to the relevant Borrower at the time of assignment.

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

The exercise by Borrower of any set-off rights against the Issuer may adversely affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

Reliance on Performance by Servicers

The Issuer has engaged three separate servicers to administer the Secured Residential Receivables, the Secured Commercial Receivables and the Unsecured Receivables separately pursuant to the Secured

Residential Receivables Servicing Agreement, the Secured Commercial Receivables Servicing Agreement, and to the Unsecured Receivables Servicing Agreement, respectively. The Secured Residential Receivables will be serviced by Whitestar Asset Solutions, S.A. and the Secured Commercial Receivables will be serviced by HG PT, Unipessoal, Lda., while the Unsecured Receivables will be serviced by Proteus Asset Management, Unipessoal, Lda.. While each of the Servicers are bound to perform certain services under the relevant Receivables Servicing Agreement, there can be no assurance that they will be willing or able to perform such services in the future. Since the Receivables are non-performing, the recoveries depend largely on the ability of each Servicer to manage such Receivables and to implement any necessary actions in accordance with the Receivables Servicing Agreements, for instance, in implementing any modification and amendment to the terms of the Receivables. The Originator will not perform any servicing activities in respect of the Receivables Portfolio and will not have any direct or indirect ability to influence the servicing and management of the Receivables under this Transaction.

In the event the appointment of a Servicer is terminated by reason of the occurrence of a Servicer Termination Event in respect of the relevant Servicer, there can be no assurance that the transition of servicing will occur without adverse effect on investors or that an equivalent level of performance on collections and administration of the Receivables can be maintained by a successor servicer after any replacement of the relevant Servicer, as many of the servicing and collections techniques currently employed were developed by each respective Servicer. Given that the Receivables are non-performing, a failure to timely appoint a replacement servicer may have a materially adverse impact on the amount and timing of recoveries with respect to the Receivables and a reduction of the amounts available for payments on the Notes.

If the appointment of any Servicer is terminated, the Issuer shall endeavour to appoint a substitute servicer, subject to resolution of the Servicing Committee in accordance with the Servicing Committee Rules and the prior approval of the CMVM. No assurances can be made as to the availability of, and the time necessary to engage, such a substitute servicer.

The Servicers may not resign their respective appointments as Servicer, without a justified reason and furthermore, pursuant to the Receivables Servicing Agreement, such resignation shall only be effective if the Issuer has appointed a substitute servicer.

Under the terms of the Receivables Servicing Agreements, there is a 12 (twelve) month period as from the date of execution of the relevant Receivables Servicing Agreement, during which the Issuer is not entitled to terminate without cause the appointment of the relevant Servicer. During the referred period, the Issuer will only be entitled to terminate the appointment of the relevant Servicer in the event that a Servicer Termination Event or Performance Breach Event occurs in accordance with the relevant Receivables Servicing Agreement.

See for further details *"Overview of Certain Transaction Documents"*.

Accordingly, and absent of due cause for termination, Noteholders face the risk of the Issuer not being able to replace the Servicer for another servicer, even though such a replacement would be in their interest or for a servicer offering different conditions or recovery prospects.

Servicing Committee represents the interest of Class B Noteholders and Class J Noteholders and may make directions on certain aspects of the servicing that may not be aligned or consistent with, the interests of the Class A Noteholders

Prospective investors should be aware that the Class B Noteholders and Class J Noteholders have the entitlement to appoint a committee (the "**Servicing Committee**") which shall exercise powers, authorities, and discretion in relation to certain specific matters related to the servicing of the Receivables Portfolio, including, *inter alia*, resolving on: the approval, in relation to a given Receivable, of any enforcement or settlement which do not comply with the applicable Enforcement Procedures (as identified in the relevant

Receivables Servicing Agreement), but which are deemed to be acceptable by the relevant Servicer; the authorisation for the Issuer to terminate the appointment of any Servicer or Asset Manager; the appointment of a Successor Servicer or Asset Manager; the approval of the organisation of a Bid Process for the sale of the Receivables Portfolio or any Receivable that shall take place under the terms of the Conditions; the approval of the sale, assignment or transfer of any Receivables by a Servicer to third parties whenever certain eligibility conditions are not met; the approval of any enforcement or settlement in respect of a given Receivable which does not comply with the applicable Set of Procedures (as specified in the relevant Receivables Servicing Agreement), the authorisation for the relevant Servicer to incur in additional legal costs and expenses in respect of a given Receivables in case 70% of the Maximum Amount specified in the relevant Receivables Servicing Agreement has been reached; the determination of a given Debt Relationship as an Exhausted Debt Relationship. In addition, the Servicing Committee will resolve on matters related to fees or termination of appointment of certain Transaction Parties, such as the Agents and the Transaction Manager, as well as to the amendment of certain Transaction Documents, such as the Receivables Servicing Agreements, the Asset Management Agreements or the Monitoring Agent Agreement, provided the Class A Noteholders are notified and do not oppose the decision. See "*Overview of Certain Transaction Documents – Servicing Committee Rules*".

Furthermore, in accordance with Condition 15 (*Servicing Committee*), the Noteholders of each Class and the Common Representative agree and acknowledge that they are fully aware of and accept without reservations the rules governing the Servicing Committee (the "**Servicing Committee Rules**") and that any actions, including any Resolutions, taken by the Noteholders of any Class, and any actions taken by the Common Representative, as representative of the Noteholders of any Class, including under any such Resolutions, must respect the terms of the Servicing Committee Rules and any decisions taken by the Servicing Committee thereunder and not infringe the attributions of the Servicing Committee specified under the Servicing Committee Rules (see *"Overview of Certain Transaction Documents – Servicing Committee Rules"*). In accordance with the same Condition, any actions taken by the Noteholders or the Common Representative against the terms of the foregoing paragraph shall be deemed void and of no effect by any Transaction Parties.

There are, however, certain limited attributions (i.e. competences) of the Servicing Committee that, in accordance with the Servicing Committee Rules and the Terms and Conditions of the Notes, can be subject to a Reserved Matter resolution of the Class A Noteholders; in particular, Reserved Matters include, among other things, a proposal to oppose to any decision taken by the Servicing Committee regarding the termination of a Servicer, the Asset Manager or the Monitoring Agent, any replacing entities and any amendments to any Receivables Servicing Agreement, any Asset Management Agreement or the Monitoring Agent Appointment Agreement (other than the Servicing Committee Rules), provided that any such resolution shall be resolved exclusively by the holders of the Class A Notes and within three months from the Class A Noteholders having been notified by the Issuer (in accordance with Condition 20 (*Notices*)) of any such decision by the Servicing Committee; if no such opposition resolution has been duly taken by the Class A Noteholders, then the relevant decisions of the Servicing Committee on the matter will be fully effective (see *"Overview of Certain Transaction Documents – Servicing Committee Rules"*).

Prospective investors should be aware that each member of the Servicing Committee will represent the interest of the relevant Class B or Class J Noteholders by which it has been appointed (and not the interests of the Class A Noteholders or the Noteholders as a whole), and accordingly the decisions taken by the Servicing Committee may differ from those which would apply if the Servicing Committee members would have regard to the interests of the holders of the Notes as a whole, of the Rated Notes or the Class A Notes only. Furthermore, prospective Noteholders should be aware that certain matters in respect of the servicing of the Receivables, such as, *inter alia*, the sale of Receivables that do not meet certain criteria, the classification of Debt Relationship as Exhausted Debt Relationships or the entering into settlement or granting extensions in respect to a given Receivable will be subject to the resolutions taken by the Servicing

Committee, which will take into consideration the interests of the Class B and Class J Noteholders only. This may, *inter alia*, adversely impact the timing in which the Issuer meets its payment obligations or other distributions under the Notes and the Transaction Documents.

Noteholders' interests may be affected as a result of certain resolutions passed in Meetings of Noteholders or modifications and waivers agreed without such Noteholders' consent

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally or otherwise to pass resolutions. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

In addition, subject to Condition 18 (*Modification and Waiver*) and the terms of the Common Representative Appointment Agreement, the Common Representative and the Issuer (and any other relevant parties) may agree, without the consent of the Noteholders, to:

(a) any modification (other than in respect of a Reserved Matter or any provisions of the Conditions, the Notes or the other Transaction Documents referred to in the definition of a Reserved Matter) to the Notes and/or the Conditions which is not prejudicial to the interests of the Most Senior Class of Notes then outstanding; or

(b) any modification (other than in respect of a Reserved Matter or any provisions of the Conditions, the Notes or the other Transaction Documents referred to in the definition of a Reserved Matter) that is of a formal, minor, administrative or technical nature, results from mandatory provisions of Portuguese law or is made to correct a manifest error or an error which, to the satisfaction of the Common Representative, is proven; or

(c) to authorise or waive any proposed breach or breach of the Issuer of any of the covenants or provisions contained in the Notes, the Common Representative Appointment Agreement or other Transaction Documents (other than in respect of a Reserved Matter or any provisions of the Conditions, the Notes or the other Transaction Documents referred to in the definition of a Reserved Matter) which is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding and any of the Transaction Creditors, unless such Transaction Creditor have given their prior written consent to any such authorisation or waiver.

Any such modification shall be binding on the Noteholders and the other Transaction Creditors.

Collections may temporarily be commingled with other assets within the insolvency estate of the Servicer

In accordance with the Securitisation Law, in the event of any Servicer becoming insolvent, all the amounts which such Servicer may then hold in respect of the Receivables will not form part of the respective Servicer's insolvent estate and the replacement of Servicer provisions in the Receivables Servicing Agreement will then apply.

Notwithstanding the above, if an Insolvency Event has occurred and is continuing with respect to such Servicer, there may be an operational risk that Collections may temporarily be, from an operational point of view, commingled with other monies within the insolvency estate of the Servicer.

Delays arising from the occurrence of such an Insolvency Event may adversely affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes.

Payment Interruption Risk

In the event of any Servicer becoming insolvent, it cannot be excluded that cash transfers to the General Collections Account (and thereafter to the Payment Account) may be interrupted immediately thereafter

while alternative payment arrangements are made, the effect of which could be a short-term lack of liquidity that may lead to an interruption of payments to the Noteholders.

The value of Collateral posted to the Issuer under the Cap Transaction may decline and may not be available for distribution to the Noteholders

Under the terms of the Cap Transaction entered into between the Issuer and the Cap Counterparty in respect of the Notes and in compliance with the terms of the Securitisation Law and applicable regulations of the CMVM, the Cap Counterparty is required in certain circumstances to provide collateral to the Issuer in respect of its obligations thereunder (See for further details *"Risk Factors – Absence of English Law Security"* and *"Description of the Transaction Documents – The Cap Transaction*"). There is a risk that the value of any collateral provided by the Cap Counterparty may decline between dates on which further transfers of collateral are required or may be incorrectly determined or monitored. Only the Cap Counterparty and not the Issuer will be required to post collateral, and any collateral shall be transferred by the Cap Counterparty to the Cap Collateral Account. Any funds standing to the credit of the Cap Collateral Account will not form part of the Available Distribution Amount and will therefore not be available for distribution to the Noteholders or other Transaction Parties and any transfer of funds out of the Cap Collateral Account will exclusively be made in accordance with the Cap Collateral Account Priority of Payments.

Absence of English Law Security

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

Notwithstanding the above, certain of the Transaction Documents entered into by the Issuer are governed by English law and the English Transaction Accounts are located in England. In the absence of an assignment pursuant to English law of the Issuer's rights under the English law Transaction Documents, and an English law charge over the English Transaction Accounts, (i) this may hinder the Common Representative taking action following the occurrence of an Event of Default, and (ii) prior to an Insolvency Event in respect of the Issuer, creditors of the Issuer (other than the Transaction Creditors) may have recourse to amounts standing to the credit of the English Transaction Accounts (which would particularly be the case if the Issuer were to create security over the English Transaction Accounts in favour of creditors other than the Transaction Creditors). However, the above concerns are mitigated by virtue of the fact that the Issuer will represent that it has not created (and will undertake that it will not create) any interest in the Transaction Assets in favour of any person other than the Transaction Creditors and that those other creditors of the Issuer in respect of other securitisation transactions are similarly bound by non-petition and limited recourse covenants which would prevent them having recourse to the Transaction Assets.

In the event that it is downgraded to below the levels indicated in the Cap Agreement, the Cap Counterparty may be required from time to time to post collateral to the Issuer under the Cap Transaction, and the Issuer may be required from time to time to return posted collateral to the Issuer. Any such posting or returning of collateral will be made to or from the Cap Collateral Account. Under the Conditions and the Transaction Documents it has been agreed that the funds standing to the credit of the Cap Collateral Account will not form part of the Available Distribution Amount (without prejudice to the limited instances in which there may be a Cap Collateral Account Surplus that is transferred to the Payment Account and so deemed to form

part of the Available Distribution Amount) and that the Cap Collateral Account will be operated only in accordance with the Cap Collateral Account Priority of Payments. Being a Transaction Account, and even though the Cap Collateral Account is contractually excluded from the definition of Transaction Asset, it is an asset of the Issuer in connection with the securitisation under which the Notes are issued and thus subject to the above articles 61, 62 and subsequent of the Securitisation Law to the benefit of the relevant Transaction Parties. Considering the terms of operation of the Cap Collateral Account, the only relevant Transaction Party which (to the extent so foreseen in the Cap Collateral Account Priority of Payments) can claim from the Issuer amounts standing to the credit of the Cap Collateral Account is the Cap Counterparty, who will thus be the only Transaction Party actually enjoying of the special creditor privileged entitlement (*privilégio creditório especial*) foreseen in article 63 of the Securitisation Law over any such funds.

Ratings confirmation in relation to the Notes in respect of certain actions

The terms of certain Transaction Documents require the Rating Agencies to be notified in relation to certain actions proposed to be taken by the Issuer and/or the Common Representative and/or other Transaction Parties and such actions may only be effective to the extent there has been no reduction, qualification or withdrawal by the Rating Agencies of the then current rating of the Rated Notes or in any case lead to such a reduction, qualification or withdrawal.

Any such confirmation to be provided by the Rating Agencies may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide such confirmation in the time available or at all, and the Rating Agency is likely to state that it is not responsible for the consequences thereof. If a confirmation is given by a Rating Agency, it will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction. Such confirmation represents only a restatement of the opinions given as at the Issue Date and cannot be construed as advice for the benefit of any parties to the transaction.

Certain Rating Agencies have indicated that they will no longer provide such confirmations as a matter of policy. To the extent that a confirmation cannot be obtained from a Rating Agency, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions.

TAX RELATED RISKS

Asset Manager Tax Framework

On the Issue Date, some of the Secured Receivables were assigned to the Asset Manager (in this case, for a purchase price of €30,985,090.19 (thirty million, nine hundred and eighty five thousand ninety euros and nineteen cents) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.) in relation to Secured Commercial Receivables, and for a purchase price of €6,089,495.00 (six million eighty nine thousand four hundred and ninety five euros) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.) in relation to Secured Residential Receivables), and the remaining Secured Receivables may be assigned to the Asset Manager during the life of the Notes. Accordingly, and from such transfer, any such Secured Receivables form part of the Asset Manager's estate and are legally held by it, while any purchase price for the assignment of such Secured Receivables by the Issuer is payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment (see below) As an assignee of the Secured Receivables, the Asset Manager will become the relevant creditor and may acquire Properties (which are securing the relevant Secured Receivables) from time to time (by way of bidding and being awarded the relevant Properties in the relevant legal proceedings, being awarded the relevant Properties as creditor when no bids from third parties are available or meet the relevant criteria, including minimum price, or otherwise, including transfer in lieu of payment by the relevant Borrower). The Asset Manager, assisted by the Secured Servicers, will then manage the Properties in order to place and sell them in the real estate market. Accordingly, the funds out of which the Asset Manager will make payments

of deferred purchase price amounts, will generally be raised through (i) the sale of the Seller Allocated Properties or the Properties securing the Secured Receivables, (ii) awarded or otherwise acquired by the Asset Manager under or in connection with enforcement proceedings of the Secured Receivables or (iii) other recoveries in respect of such Secured Receivables.

The Asset Manager was incorporated as a limited liability company and its commercial scope is the acquisition of real estate for subsequent resale and, on the Issue Date, meets such other requirements for operating as a company for purchase and resale of real state (*sociedade de compra para revenda*) and thus benefiting from the special tax regime applicable to such companies.

This means that, and subject to retention of such requirements each year, Properties acquired by the Asset Manager are exempt from Municipal Transaction Tax (*Imposto Municipal sobre as Transações Onerosas de Imóveis* – "**IMT**"). The IMT is based on a range of rates up to 6.5% (six point five per cent.) (depending on the nature and type of the asset) applicable to the higher of the acquisition price or the tax property value (*valor patrimonial tributário*) of the Property. There are certain additional requirements for such IMT exemption, including that the relevant Property must be resold to a third party (that is not also a company for purchase and resale) within 3 (three) years from acquisition and in the same conditions as it was acquired.

Accordingly, there is the risk that the Asset Manager will not be able to successfully place and resell the relevant Properties within the 3 (three) year period from the acquisition, in which case it will be liable to pay IMT. In such case, the Asset Manager should request the assessment of the IMT (which will be assessed according to the provisions in force at that time) and bear the cost of the tax due. If this circumstance materialises, and notably if it materialises for a significant amount of real estate (taking into account that the tax exemption mentioned applies on an asset-per-asset basis), this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Additionally, the Municipal Property Tax (*Imposto Municipal sobre Imóveis* – "**IMI**"), which otherwise could go up to 0.45% (zero point forty-five per cent.) p.a. (depending on the relevant municipality) of the tax property value (*valor patrimonial tributário*) of the Property, is suspended for 3 (three) years as from the relevant acquisition of the Property. If the Property is not resold within such timeframe, IMI will become due in subsequent years, until the resale has taken place.

Accordingly, there is the risk that the Asset Manager may not be able to successfully place and resell the relevant Properties within a 3 (three) years period since the acquisition, in which case it will be liable to pay the IMI tax. If any such circumstance materialises, and notably if it materialises for a significant amount of real estate, this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Additionally, there is no assurance that the tax legislation will not change or that the Portuguese tax authorities will keep their currently publicly known or other views or will not change any such views as to the scope of the current legislation, either more generally or in respect of specified entities and their related circumstances, including the Asset Manager and this securitisation. In the event of tax law changes or as a result of any positions taken by the Portuguese tax authorities or of any court decisions the Asset Manager is deemed to fall outside the above IMT exemption and/or the above IMI suspension, this may require the Issuer or the Asset Manager to become liable to IMT or IMI. If any of such circumstances occur, this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Furthermore, a recent legal amendment foresees that an additional to IMI also applies to the sum of the tax property value (*valor patrimonial tributário*) of real estate for living purposes held at a rate of 0.4% (zero point four per cent.) p.a.. Given the lack of clarity of the law and scarcity of precedents, it cannot be excluded that the Portuguese tax authorities or courts may take the view that it applies as well within such 3 (three) year period. If this circumstance materialises, and notably if it materialises for a significant amount of

real estate, this may affect the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Finally, it should be noted that the transfer of property title over Properties will always trigger 0.8% (zero point eight per cent.) stamp duty (*imposto de selo*) on the higher of the acquisition price or the tax property value (*valor patrimonial tributário*) of the Property, unless a legally specified exemption applies, namely in case of transfer in lieu of payment (*dação em cumprimento*) of Property's pertaining to a debtor declared insolvent by court. The same exemption applies to IMT, if it is due. The Issuer cannot predict how many (and if any) acquisitions of Properties by the Asset Manager fall within such exemption, and thus the actual impact which the availability of such exemption may have on the ability of the Issuer to meet, in time and/or in the respective actual or expected amount, its payment obligations or other distributions under the Notes and the Transaction Documents.

Withholding Taxes (No Gross up for Taxes)

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

The Securitisation Law, the Securitisation Tax Law and Decree-Law 193/2005 have been considered by Portuguese authorities in very limited circumstances and certain tax matters may be handled differently by such authorities in the future

The securitisation law was enacted in Portugal by Decree-Law no. 453/99, of 5 November 1999, as amended by Decree-Law no. 82/2002, of 5 April 2002, by Decree-Law no. 303/2003, of 5 December 2003, by Decree-Law no. 52/2006, of 15 March 2006, and by Decree-Law no. 211-A/2008, of 3 November 2008 (the "**Securitisation Law**"). The Portuguese securitisation tax law was enacted by Decree-Law no. 219/2001, of 4 August 2001 as amended by Law no. 109-B/2001 of 27 December 2001, by Decree-Law no. 303/2003, of 5 December 2003, by Law no. 107-B/2003, of 31 December 2003, by Law no. 53-A/2006, of 29 December 2006 and by Law no. 42/2016, of 28 December (the "**Securitisation Tax Law**"). The tax regime applicable on income arising from debt securities in general was enacted by Decree-Law no. 193/2005, of 7 November, as amended by Decree-Law no. 25/2006, of 8 February, by Decree-Law no. 29-A, of 1 March, and by Law no. 83/2013, of 9 December (the "**Decree-Law 193/2005**").

As at the date of this Prospectus the application of the Securitisation Law by the Portuguese Courts and the interpretation of its application by any Portuguese governmental or regulatory authority has been limited to a few cases, namely regarding effectiveness of the assignment of banking credits towards debtors, despite the absence of debtor notification and format of the assignment agreement. The Securitisation Tax Law has not been considered by any Portuguese Court and there are only a few orders on the interpretation of its application issued by Portuguese governmental authorities. Decree-Law 193/2005 has not been considered by any Portuguese court and there are only a few orders on the interpretation of its application issued by Portuguese governmental authorities. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law, the Securitisation Tax Law and of Decree-Law 193/2005 or

the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

Payments on the Notes may be subject to U.S. withholding under FATCA

The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a new reporting and withholding regime of 30 (thirty) per cent. with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends made on or after 1 January 2017 and certain payments made on or after 1 January 2017 (at the earliest) by entities that are classified as financial institutions under FATCA. As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the U.S. Internal Revenue Service ("**IRS**").

The United States has entered into a Model 1 intergovernmental agreement with Portugal ("**IGA**"), which was signed on 6 August 2015, ratified by Portugal on 5 August 2016 and that entered into force on 10 August 2016.

In this respect, Portugal has implemented, through Law 82-B/2014, of 31 December 2014, Decree- Law 64/2016, of 11 October, amended by Law no. 98/2017, of 24 August 2017, and Ministerial Order ("*Portaria*") no. 302-A/2016, of 2 December 2016 the legal framework regarding the reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. Under this legislation, the Issuer or other non-U.S. financial institutions through which payments on the Notes are made are required to obtain information regarding certain accountholders and report such information to the Portuguese tax authorities, which, in turn, will report such information to the U.S. Internal Revenue Service. The deadline for the financial institutions to report to the Portuguese tax authorities the aforementioned information is regulated by Decree-Law no. 64/2016, of 11 October, as amended, and ends on 31 July of each year.

If an amount in respect of FATCA were to be deducted or withheld from interest, principal or other payments on or with respect to the Notes, the Issuer would have no obligation to pay additional amounts or otherwise indemnify a holder for any such withholding or deduction by the Issuer, the Common Representative, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank or any other party as a result of the deduction or withholding of such amount. As a result, if FATCA withholding is imposed on these payments, investors may receive less interest or principal than expected.

Prospective investors should consult their own advisers about the potential impact and application of FATCA, in particular if they may be classified as financial institutions under the FATCA rules.

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

The Organisation for Economic Co-operation and Development ("**OECD**") approved, in July 2014, a Common Reporting Standard ("**CRS**") with the aim of providing comprehensive and multilateral automatic exchange of financial account information on a global basis. This goal is achieved through an annual exchange of information between the governments of 102 jurisdictions ("participating jurisdictions") that have already adopted the CRS.

On 9 December 2014, Council Directive 2014/107/EU, amending Council Directive 2011/16/EU, introduced the CRS among the EU Member States. This Directive was transposed to Portuguese national law on October 2016, via Decree-Law 64/2016, of 11 October (the "**Portuguese CRS Law**"), amended by Law no. 98/2017, of 24 August 2017, which has amended Decree-Law no. 61/2013, of 10 May, which transposed Directive 2011/16/EU in Portugal.

Under the Portuguese CRS Law, financial institutions established in Portugal are required to report to the Tax Authorities (for the exchange of information with the state of residence) information regarding bank accounts, including custodial accounts, held by individual persons residing in a different Member State or

entities which are controlled by one or more individual persons residing in a different Member State, after having applied the due diligence rules foreseen in the Portuguese CRS Law. The information refers to the account balance at the end of the calendar year, income paid or credited in the account and the proceeds from the sale or redemption of the financial assets paid or credited in the account during the calendar year to which the financial institution acted as custodian, broker, nominee, or otherwise as an agent for the account holder, among others.

Under the Portuguese CRS Law, the first exchange of information was enacted in 2017 for information related to the calendar year 2016. The deadline for the first report was 31 July 2017.

Investors who are in any doubt as to their position should consult their professional advisers.

Notes may be subject to Financial Transaction Tax

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

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

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

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

Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

ADDITIONAL REGULATORY RISKS

Regulatory requirements under the Credit Rating Agencies Regulation may be changed or developed which may impact the Issuer, related third parties or the Noteholders

On 31 May 2013, the finalised text of Regulation (EU) No. 462/2013, of 21 May 2013 (the "**CRA III**") of the European Parliament and of the European Council amending Regulation (EC) No. 1060/2009 (the "**CRA**") on credit rating agencies was published in the Official Journal of the European Union. The majority of the CRA III rules became effective on 20 June 2013 (the "**CRA III Effective Date**") although certain provisions will not apply until later. CRA III provides for certain additional disclosure requirements which are applicable in relation to structured finance instruments. Such disclosures will need to be made via a website (the "**SFI Website**") to be set up by the European Securities and Markets Authority ("**ESMA**"). The precise scope and manner of such disclosure is subject to regulatory technical standards under Commission Delegated Regulation (EU) 2015/3, of 30 September 2014 (the "**CRA III RTS**"), which came into force on 26 January 2015 and which became applicable from 1 January 2017.

The CRA III RTS is therefore applicable to the Rated Notes and the Originator and/or the Issuer and/or an appointed third party will be responsible for the mandated disclosure under the CRA III RTS. In the present case, such disclosure is expected to be made by the Servicers.

In relation to structured finance instruments issued between the date of entry into force of the CRA III RTS and the date of their application, the Issuer and the Originator are only required to comply with the reporting requirements in relation to the structured finance instruments which are still outstanding at the date of application of the CRA III RTS. On 27 April 2016, ESMA published a press release noting that it had encountered several issues in setting up the SFI Website, including the absence of a legal basis for its funding. Consequently, ESMA stated that it was unlikely that the SFI Website would be available to reporting entities by 1 January 2017 and, similarly, it was unlikely that ESMA would be in a position to publish the technical standards by 1 July 2016. Such technical standards have not been published by ESMA at the date of this Prospectus. In addition, no guidance has been issued as to whether, once the SFI Website is set up, affected parties will be required to provide disclosure (in particular in respect of items such as loan level information and investor reports) dating back to 1 January 2017 or will merely have to provide such information going forward from the date on which the SFI Website is operational.

Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**Securitisation Regulation**") lays down a general framework for securitisation and creates a specific framework for simple, transparent and standard securitisation. The Securitisation Regulation only applies to securitisations the securities of which are issued on or after 1 January 2019. As from its application date, the Securitisation Regulation will repeal article 8b of the CRA (which currently requires the Issuer and the Originator to jointly publish information on structured finance instruments, as more particularly described in the preceding paragraphs) and replace it with a new set of disclosure requirements under article 7 of the Securitisation Regulation.

However, according to a transitional provision contained in article 43(8) of the Securitisation Regulation, until the regulatory technical standards are adopted by the Commission pursuant to article 7(3) of the Securitisation Regulation, the information referred to in Annexes I to VIII of the CRA III RTS will have to keep being made available by the originators, sponsors and securitisation special purpose entities in accordance with the procedure set out in article 7(2) of the Securitisation Regulation.

Since the Class A Notes which will be admitted to trading on the regulated market have already been issued as of the date of this prospectus, article 8b of the CRA will nevertheless continue to be applicable to the present transaction.

Please see *"Risk Factors – Changes to European Securitisation Framework may result in additional costs for the Issuer"*.

ESMA has published a consultation paper ("**CP**") on updating the guidelines (Update of the guidelines on the application of the endorsement regime under article 4(3) of the Credit Rating Agencies Regulation) on 4 April 2017 on the application of the endorsement regime under the CRA Regulation. Endorsement is a regime under the CRA Regulation, which allows credit ratings issued by a third-country CRA, and endorsed by an EU CRA, to be used for regulatory purposes in the EU. A credit rating that has been endorsed is considered to have been issued by the endorsing EU CRA. The endorsement regime is available for CRAs of systemic importance with global networks of affiliates.

The CP sets out a number of changes and clarifications to the existing guidelines focusing, in particular, on the obligations of the endorsing CRA and ESMA's supervisory powers over endorsed credit ratings.

On 1 June 2018, the new requirements under CRA III will enter into force, for the purposes of endorsement and equivalence, and by updating the Guidelines now, ESMA is able to revise its methodological framework for assessing third-country legal and supervisory frameworks in advance of this deadline. The consultation period closed on 3 July 2017.

At the date of this Prospectus, there remains uncertainty as to what the consequences would be for the Issuer, related third parties and investors resulting from any potential non- compliance by the Issuer with CRA III upon application of the reporting obligations.

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

Credit ratings included or referred to in this Prospectus have been or, as applicable, may be issued by DBRS, Moody's and Scope, each of which as at the date of this Prospectus is a credit rating agency established in the European Community and registered under the CRA III.

Additionally, CRA III has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intend to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other; and should consider appointing at least one rating agency having not more than a 10 (ten) per cent. total market share (as measured in accordance with article 8(d)(3) of the CRA (as amended by CRA III)) (a small CRA), provided that a small CRA is capable of rating the relevant issuance or entity. In order to give effect to those provisions of article 8(d) of CRA III, the European Securities and Markets Authority (ESMA) is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue. According to ESMA's 2017 market share calculations for the purposes of article 8(d) of the CRA III, each of DBRS and Scope is a small CRA with less than 10 (ten) per cent. market share (1.87% Market Share for DBRS and 0.46% Market Share for Scope).

The Issuer may be considered a covered fund pursuant to the Volcker Rule

Under the final rule (the "Final Rule") implementing Section 13 of the U.S. Bank Holding Company Act of 1956 (the "Volcker Rule"), "banking entities" (which is broadly defined to include U.S. banks, foreign banks with U.S. branches or agencies, bank holding companies, and their affiliates worldwide) are prohibited from, among other things, acquiring or retaining an ownership interest in or sponsoring a "covered fund," subject to certain exceptions. In addition, in certain circumstances, the Volcker Rule restricts "banking entities" from entering into certain transactions with covered funds. The Issuer has been structured so as not to be a "covered fund" for the purposes of the Final Rule. In making this determination, and although other statutory or regulatory exclusions and/or exemptions may be available, the Issuer is relying on an exemption from the Final Rule for "Loan Securitizations" under the Final Rule. However, if the Issuer were determined to be a "covered fund," that status may have a negative impact on the price and liquidity of the Notes in the secondary market. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

Requirements under the U.S. Risk Retention Rules

The Credit Risk Retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act of 1934, as amended from time to time, including as amended by section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset-backed securities on 24 December 2016 and generally require the "sponsor" of a "securitization transaction" to retain at least 5 (five) per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit

exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originator, as sponsor, does not intend to retain at least 5 (five) per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section_20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the securitization transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 (ten) per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to herein as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer is organised under U.S. law, is a branch organized under U.S. law, or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 (twenty-five) per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer that is organised or located in the United States.

The Originator has undertaken to the Issuer that it will comply with all requirements of Section_20 of the U.S. Risk Retention Rules.

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" (and "Risk Retention U.S. Person" as used in this Prospectus) means any of the following:

(a) any natural person resident in the United States;

(b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;[1]

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

  (i) organised or incorporated under the laws of any foreign jurisdiction; and

  (ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.[2]

[1] The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States."

[2] The comparable provision from Regulation S "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts."

The Retention Holder has advised the Issuer that it will not provide a waiver (U.S. Risk Retention Waiver) to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (as determined by fair value under US GAAP) of all classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Closing Date. Consequently, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons. Each holder of a Note or a beneficial interest acquired in the initial distribution of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed and in certain circumstances will be required to have made certain representations to the Issuer and the Originator, including that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 (ten) per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section_20 of the U.S. Risk Retention Rules described herein).

The Originator and the Issuer are relying on the representations made by purchasers of the Notes as to whether or not such purchasers are Risk Retention U.S. Persons and may not be able to determine the proper characterisation of potential investors for determining the availability of the exemption provided for in Section_20 of the U.S. Risk Retention Rules, and neither the Originator, the Issuer nor the Sole Arranger and Lead Manager nor any director, officer, employee, agent or affiliate of them accepts any liability or responsibility whatsoever for any such determination or characterisation.

There can be no assurance that the exemption provided for in Section_20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure on the part of the Originator to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator which may adversely affect the Notes and the ability of the Originator to perform its obligations under the Transaction Documents. Furthermore, a failure by the Originator to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

The Retention Holder, the Issuer and the Sole Arranger and Lead Manager have agreed that none of the Sole Arranger and Lead Manager or any person who controls any of them or any director, officer, employee, agent or affiliate of the Sole Arranger and Lead Manager shall have any responsibility for determining the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section_20 of the U.S. Risk Retention Rules, and none of the Sole Arranger and Lead Manager or any person who controls any of them or any director, officer, employee, agent or affiliate of the Sole Arranger and Lead Manager accepts any liability or responsibility whatsoever for any such determination.

None of the Issuer nor any of the other Transaction Parties or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transaction described in this Prospectus complies with the U.S. Risk Retention Rules on the Issue Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Failure by the Originator to comply with articles 405 to 410 of the CRR, articles 51 and 52 of the AIFMR, articles 254 and 256 of the Solvency II Implementing Rules and of the Bank of Portugal Notice 9/2010 may adversely affect the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market

Articles 405 to 410 of the CRR, as supplemented by Commission Delegated Regulation (EU) No. 625/2014, of 13 March 2014, and including any regulatory technical standards and any implementing technical standards issued by the European Banking Authority or any successor body from time to time and Notice 9/2010 place an obligation on a credit institution or investment firm that is subject to the CRR (a "**CRR Institution**")

which assumes exposure to the credit risk in a securitisation transaction (as defined in article 4(1)(61) of the CRR) to ensure that the originator, sponsor or original lender has explicitly disclosed that it will fulfil its Retention Obligation (as defined below), and to have a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction.

Furthermore, investors should be aware of article 17 of the AIFMD, as supplemented by Section 5 of the AIFMR, which took effect on 22 July 2013 and article 135(2) of Directive 2009/138/EC, of the European Parliament and of the Council, of 25 November 2009, as supplemented by Chapter VIII of the Commission Delegated Regulation (EU) 2015/35, of 10 October 2014 (the "**Solvency II Implementing Rules**"). The provisions of Section 5 of Chapter III of the AIFMR and the provisions of Chapter VIII of the Solvency II Implementing Rules provide for due diligence requirements to be undertaken by, respectively, alternative investment fund managers, required to be authorised under the AIFMD, and insurance or reinsurance undertakings which assume exposure to the credit risk of a securitisation, as well as apply to them, respectively, restrictions on the investment in securities and other financial instruments originated through securitisation, in relation to risk retention requirements. While such requirements are similar to those which apply pursuant articles 405 to 410 of the CRR, they are not identical and, in particular, additional due diligence obligations apply to the relevant alternative investment funds managers and insurance or reinsurance undertakings.

The Originator, which is an originator for the purposes of article 4(1)(13) of the CRR, will undertake in the Receivables Sale Agreement to retain, on an ongoing basis, a material net economic interest of not less than 5 per cent. of the nominal amount of the securitised exposures (the "**Retention Obligation**"). The Originator will retain, on an ongoing basis, the net economic interest in the transaction of not less than 5% (five per cent.) of randomly selected exposures as required by the text of each of paragraph (c) of article 405(1) of the CRR, paragraph (c) of article 51(1) of the AIFM Regulation and paragraph (c) of article 254(2) of the Solvency II Implementing Rules (the "**Retained Interest**"). The Originator will undertake not to hedge, sell or in any other way mitigate its credit risk in relation to such retained exposures. The retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Receivables. The Investor Report will also provide semi-annual confirmations as to the Originator's continued holding retained exposures equal in total to at least 5% (five per cent.) of the securitised exposures. It should be noted that there is no certainty that references to the Retention Obligation and the Retained Interest in this Prospectus or the undertakings of the Originator will constitute adequate due diligence (on the part of the Noteholders) or explicit disclosure (on the part of the Originator) for the purposes of articles 406 and 409 of the CRR, article 52 of the AIFMR, article 256 of the Solvency II Implementing Rules and Notice 9/2010.

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

Articles 405 to 410 of the CRR, articles 51 and 52 of the AIFMR, articles 254 and 256 of the Solvency II Implementing Rules and Notice 9/2010 also place an obligation on, respectively, CRR Institutions, alternative investment fund managers and insurance and reinsurance undertakings, before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. The Originator has undertaken to provide to the Issuer, the Common Representative and the Transaction Manager such information as may be reasonably required by the Noteholders to be included in the Transaction Manager's Investor Report to enable such Noteholders to comply with their obligations pursuant to the CRR, articles 51 and 52 of the AIFMR, articles 254 and 256 of the Solvency II Implementing Rules and Notice 9/2010. Where the relevant requirements of articles 405 to 410 of the CRR, articles 51 and 52 of the AIFMR, articles 254 and 256 of the Solvency II Implementing Rules and Notice 9/2010 are not complied with in any material respect and there is negligence or omission in the fulfilment of its due diligence obligations on the part of a CRR Institution that is investing in the Notes, a

proportionate additional risk weight of no less than 250% (two hundred and fifty per cent.) of the risk weight (with the total risk weight capped at 1250% (one thousand two hundred and fifty per cent.) which would otherwise apply to the relevant securitisation position shall be imposed on such CRR Institution, progressively increasing with each subsequent infringement of the due diligence provisions. Additionally, non-compliance with the requirements of articles 405 to 410 of the CRR, article 51 of the AIFMR and article 254 and 256 of the Solvency II Implementing Rules may adversely affect the price and liquidity of the Notes. Noteholders should make themselves aware of the provisions of the CRR, the AIFMR and the Solvency II Implementing Rules and make their own investigation and analysis as to the impact of the CRR, the AIFMR and the Solvency II Implementing Rules on any holding of Notes.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Issuer as to the Originator's ability to comply with any obligation, including the Retention Obligation and the Retained Interest, provided for in, or otherwise ensuring the compliance of the transaction with, the CRR, the AIFMR, the Solvency II Implementing Rules and Notice 9/2010 and as to the information complying with the relevant CRR, AIFMR rules and the Solvency II Implementing Rules.

Noteholders should take their own advice on compliance with, and in the application of, the provisions of articles 405 to 410 of the CRR, article 51 and 52 of the AIFMR, article 254 and 256 of the Solvency II Implementing Rules and Notice 9/2010.

Changes to European Securitisation Framework may result in additional costs for the Issuer

It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which will apply in general from 1 January 2019.

Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by Basel Committee on Banking Supervision (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors.

There are material differences between the coming new requirements and the current requirements including with respect to the matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences may arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance is to be made through new technical standards.

However, securitisations established prior to the application date of 1 January 2019 that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date should remain subject to the current requirements and should not be subject to the new risk retention and due diligence requirements in general.

Prospective investors should make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), an any other possible legal or regulatory changes affecting securitisations, where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Additionally, if any changes to the Conditions or the Transaction Documents are required or other actions are required from the Issuer as a result of the implementation of any such legal or regulatory changes, the Issuer may be required to bear the costs of making such changes (to be paid through the applicable Payment Priorities).

Changes to the European Market Infrastructure Regulation may give rise to additional costs and expenses for the Issuer

Regulation (EU) no. 648/2012, known as the European Market Infrastructure Regulation (the "**EMIR**") entered into force on 16 August 2012. EMIR provides for certain over-the-counter ("**OTC**") derivative contracts to be submitted to central clearing and imposes, *inter alia*, margin posting and other risk mitigation techniques, reporting and record keeping requirements. EMIR is a Level-1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect.

Under EMIR, OTC derivatives contracts entered into by non-financial counterparties ("**NFC**") which are NFC+ and financial counterparties ("**FC**") entities as defined in EMIR (the "**In-scope Counterparties**") that are not cleared by a central counterparty clearing house (a "**CCP**") may be subject to margining requirements, unless certain exemptions apply. The regulatory technical standards relating to the collateralisation obligations in respect of OTC derivatives contracts which are not cleared (the "**RTS**") are now in force and the obligation for In-scope Counterparties to margin uncleared OTC derivatives contracts is being phased in from the first quarter of 2017 with variation margin obligations applying to all transactions entered into by In-scope Counterparties from 1 March 2017. In any event, on the basis that the Issuer is an NFC-, as defined in EMIR, OTC derivatives contracts that are entered into by the Issuer would not be subject to any margining requirements. If the Issuer's counterparty status as an NFC- changes then certain OTC derivatives contracts that are entered into by the Issuer may become subject to margining requirements.

Further, OTC derivatives contracts that are not cleared by a CCP are also subject to certain other risk mitigation techniques, including arrangements for timely confirmation of OTC derivatives contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivatives contracts. These requirements are already in effect. In order to comply with certain of these risk-mitigation techniques, the Issuer includes appropriate provisions in the Cap Agreement. In addition, under EMIR, counterparties must report all their OTC and exchange traded derivatives contracts to an authorised or recognised trade repository or to ESMA. Accordingly, the Issuer has entered into the EMIR Reporting Agreement pursuant to which Banco Santander, S.A. (the "**EMIR Reporting Agent**") has agreed to carry out certain reporting obligations under EMIR on behalf of the Issuer.

Pursuant to the Master Framework Agreement, the Issuer has appointed Banco Santander, S.A. as its agent in order to perform the reconciliation activity required to be performed by the Issuer under the Cap Transaction and such agent has agreed and acknowledged such appointment and has agreed to cooperate with the Issuer in any administrative activities which the latter is required to perform in order to be compliant with EMIR (without prejudice to the duties of the EMIR Reporting Agent pursuant to EMIR Reporting Agreement).

Aspects of EMIR and its application to securitisation vehicles remain unclear. If the Issuer is required to comply with certain obligations under EMIR which may give rise to additional costs and expenses for the Issuer, this may in turn reduce amounts available to make payments with respect to the Notes.

Prospective investors should also note that certain amendments to EMIR are or may in the future be contemplated. For instance, a proposal published by the European Commission on 4 May 2017 to amend EMIR suggested that special purpose vehicles similar to the Issuer should be reclassified as financial counterparties for the purposes of EMIR. At this time, the extent to which EMIR may be amended, in connection with such proposal or otherwise is unclear. Noteholders should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

MIFID II and MIFIR may require changes to Transaction Documents or additional requirements for the Issuer which may increase costs to be borne by the Issuer

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR (as referred to above) but also by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended, "**MIFID II**") and Regulation (EU) No. 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No. 648/2012 ("**MIFIR**"), together with the relevant secondary and supplementing legislation. From 3 January 2018, MIFID II and MIFIR apply in EU Member States.

Amongst other requirements, MIFIR requires certain standardised derivatives to be traded on exchanges and electronic platforms (the "**Trading Obligation**"). In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer.

Prospective investors should be aware that the regulatory changes arising from MIFID II / MIFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by MIFID II / MIFIR, and technical standards made thereunder, in making any investment decision in respect of the Notes.

In addition to the above, please note that given the prospective dates of entry into force of certain requirements (which, as detailed above, could impact the financial conditions of the Issuer), of MIFID II and MIFIR, certain amendments may be required to be made to the Transaction Documents in order to ensure compliance with such requirements.

MIFID II and MIFIR may pose additional requirements in the future for the Issuer to comply with, which the Issuer cannot foresee as at the date of this Prospectus and is not aware as at the date of this Prospectus.

The Basel Capital Accord ("Basel III") may affect risk weighting of the Notes for the Noteholders

The original Basel Accord was agreed in 1988 by the Basel Committee on Banking Supervision (the "**Committee**"). The 1988 Accord, now referred to as Basel I, helped to strengthen the soundness and stability of the international banking system as a result of the higher capital ratios that it required. The Committee published the text of the new capital accord under the title: "*Basel II; International Convergence on Capital Measurement and Capital Standards: a revised framework*" (the "**Framework**") in June 2004. In November 2005, the Committee issued an updated version of the Framework. On 4 July 2006, the Committee issued a comprehensive version of the framework. This Framework places enhanced emphasis on market discipline and sensitivity to risk and serves as a basis for national and supranational rule-making and approval processes for banking organisations. The Framework was put into effect for credit institutions and investment firms in Europe via the recasting of a number of prior directives, which Member States were required to transpose, and the financial industry services to apply, by 1 January 2007, particularly Directive 2006/48/EC and Directive 2006/49/EC, formally adopted by the Council and the European Parliament on 14 June 2006 ("**CRD**"). The CRD is not self-implementing, implementation dates in participating countries being dependent on the relevant national implementation process in those countries.

Several amendments and developments were announced by the Basel Committee since 2008 to strengthen certain aspects of the Framework, including general information in respect of the supplier and the financial service, contractual terms and conditions, whether or not there is a right of cancellation and strengthening of existing capital requirements.

On 12 September 2010, existing capital requirements were strengthened, the minimum common equity requirement being increased from 2% (two per cent.) to 4.5% (four point five per cent.). In addition, banks were required to hold a capital conservation buffer of 2.5% (two point five per cent.) to withstand future periods of stress bringing the total common equity requirements to 7% (seven per cent.). This reinforced the stronger definition of capital agreed by Governors and Heads of Supervision in July that year and the higher capital requirements for trading, derivative and securitisation activities introduced at the end of 2011.

On 26 October 2011, the European Banking Authority ("**EBA**") issued a methodological note, in accordance with which, by June 2012, the core Tier 1 capital ratio is assessed after the removal of the prudential filters on sovereign assets in the Available-for-Sale portfolio and prudent valuation of the exposure to sovereign debt, reflecting current market prices.

More recently, the Committee has developed a comprehensive set of reform measures known as "**Basel III**" in order to further strengthen the regulation, supervision and risk management of the banking sector. These measures aim, notably, at improving the banking sector's ability to absorb shocks arising from financial and economic stress, improving risk management and governance and strengthening banks' transparency and disclosures.

The new capital reserve rules shall be implemented in stages, between 1 January 2014 and 1 January 2019 (and subsequently transposed into the national laws), with a phase-in period beginning in 2014, the common equity requirements coming into force in 2014, the completing measures in 2019.

The first stage of the Basel III measures has been put in place on 1 January 2014 by Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 ("**CRD IV**", generally required to be transposed by Member States by 31 December 2013 in accordance with article 162 thereof), complemented by the CRR. The CRD has been repealed by the entry into force of CRD IV and CRR. Additionally, European credit institutions are also subject to an annual Supervisory Review and Evaluation Process ("**SREP**") assessment, which takes into account the general framework and principles defined in the CRD IV. The SREP assessments include capital assessment, business model analysis, assessment of internal governance and institution-wide risk controls, assessment of risks to liquidity and funding, SREP liquidity assessment and broader stress testing. The SREP annual review under which the banking supervisors assess the adequacy of capital of an entity, identify risks that are not covered by own funds requirements and the need of 'Pillar 2' capital requirements. Where the SREP for an institution identifies risks or elements of risk that are not covered by the 'Pillar 1' capital requirements or the combined buffer requirement, competent authorities can determine the appropriate level of the institution's own funds under CRD IV and assess whether additional own funds shall be required.

The Basel framework affects risk weighting of the Notes for investors subject to the new framework following implementation (via EU or non-EU regulators). Consequently, Noteholders should consult their own advisers as to the consequences to and effect on them of the application of the framework, as implemented by their own regulator, to their holding of Notes. The Issuer is not responsible for informing Noteholders of the effects of the changes to risk weighting which will result for investors from the adoption by their own regulator of the framework (whether or not implemented by them in its current form or otherwise). The new capital adequacy requirements may impact existing business models. In addition, there can be no assurances that breaches of legislation or regulations by the Issuer will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred.

Certain Transaction Parties may be subject to preventive measures, supervisory intervention and resolution tools under the Bank Recovery and Resolution Directive, which may impact the performance of their respective obligations under the Transaction Documents

In May 2014, the EU Council and the EU Parliament approved a Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/UE of the European Parliament and of the Council, of 15 May 2014, establishing a framework for the recovery and resolution of

credit institutions and investment firms, the "**BRRD**"). The aim of the BRRD is to equip national authorities with harmonised tools and powers to tackle crises at banks and certain investment firms at the earliest possible moment and to minimise costs for taxpayers. The tools and powers include:

(a) preparatory and preventive measures (including the requirement for banks to have recovery and resolution plans);

(b) early supervisory intervention (including powers for authorities to take early action to address emerging problems); and

(c) resolution tools, which are intended to ensure the continuity of essential services and to manage the failure of a credit institution in an orderly way.

EU Member States were required to implement the BRRD in national law by 1 January 2015, save that the bail in tool (which will enable the recapitalisation of a failed or failing credit institution through the imposition of losses on certain of its creditors through the write-down of their claims or the conversion of the claims into the failed or failing credit institution's equity) were to apply from 1 January 2016. The bail- in tool as proposed in the BRRD applies to all "eligible liabilities" (as defined in the BRRD) irrespective of when they were issued.

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

Credit institutions and investment firms, such as the Originator and the Accounts Bank, are thus subject to the BBRD regime as implemented in the relevant EU Member States. If credit institutions or investment firms are part of contracts in a securitisation and one or more of the above-mentioned actions under the BRRD is taken in respect of such credit institutions or investment firms, this may impact the performance of their respective obligations under the relevant contracts.

OTHER RISKS

Risk arising from Portuguese Economic Situation

The date of 17 May 2014 marked the conclusion of the Portuguese Financial Assistance Programme and constituted an important moment for the evolution of the Portuguese economy. During its period of implementation, there was growing progress in the correction of a certain macroeconomic imbalances and measures of structural nature were adopted where needed. Notwithstanding this progress, the return of normal conditions in market funding to the Portuguese economy requires sustained product growth. Such product growth is also crucial to bringing about a reduction in the persistently high level of unemployment observed in the Portuguese economy.

Following its exit from the Financial Assistance Programme, Portugal became subject to Post-Programme Surveillance ("**PPS**") by the European Commission ("**EC**") and the European Central Bank ("**ECB**") and to Post-Program Monitoring ("**PPM**") by the International Monetary Fund ("**IMF**").

As per the Portuguese Government's State Budget for 2019 (SB 2019), the debt-to-GDP ratio was 124.7% of GDP in 2017, 4.5 p.p. lower than in 2016. In 2018, the debt-to- GDP ratio resumed a downward trajectory, and it is expected to reach 121.2% by the end of the year and 118.5% by the end of 2019. Public debt is projected to continue a gradual declining trend. Given the current high level of government debt, Portugal still appears to face high fiscal sustainability risks in the medium-term. However, in the long-term, Portugal faces low fiscal sustainability risks, also due to the positive structural primary balances from 2012, with the Portuguese Government predicting, in the SB 2019, a maintenance at 2.9% in 2017, a small reduction to 2.7% in 2018 and a rise to 3.1% in 2019.

In addition, in 2018, GDP is expected to grow 2.3%, and it is expected an increase of 2.2% in 2019. The economic growth in 2018 is expected to reflect only the domestic demand contribution, which is expected to post a positive contribution of 2.7 p.p., with the deceleration of this contribution (-0.4 p.p. than in 2017), mainly reflecting the strong deceleration of investment ("GFCF"), which is expected to decrease by 4.0 p.p. by comparison to 2017 This decrease is expected to be partially compensated by an acceleration in public consumption (from 0.2% in 2017 up to 1.0% expected for 2018). Meanwhile, net exports are expected to show a negative contribution of 0.3 p.p., penalizing growth for the fifth consecutive year (although in 2016, in a marginal way: -0.01 p.p.), with this negative contribution of net exports in 2018 reflecting decelerations both in exports (6.6% expected in 2018, 1.2 p.p. lower than in 2017) and imports (6.9% expected in 2018, 1.2 p.p. lower than in 2017).

Concerning the challenges facing the economy in 2019, internally, the main challenges are: i) the still weak situation of the banking system; ii) the persistence of some political risks (an heterogeneous majority in the parliament supports a minority government) due to the possibility of a return to political instability (with the next elections to take place in Autumn of 2019), in a context in which the country should continue committed to the additional consolidation objectives of the public finances demanded by Brussels for the medium term, policies that do not have the support of the left-leaning parties supporting the Government. On the positive side, the labour market recovery may continue to exceed expectations, supporting higher growth in domestic demand. Externally, the economy remains vulnerable to the evolution of world demand, which as a central scenario is expected to continue to rise, but is also fraught with risks. The upside risks are mainly due to the possibility of the world economy being able to accelerate more than anticipated. On the negative side, it should be noted that: i) too rapid appreciation of the euro could be detrimental to the competitiveness of the economy; ii) the effects of the recent instability in the financial markets on the conditions of financing of the Portuguese economy; iii) the effects of the reduction of the ECB's monetary policy expansionary environment on Portuguese debt yields; iv) the high geopolitical risk arising from the following factors: a) the uncertainty of the Brexit process; b) uncertainty regarding the American economic policy that Donald Trump is implementing; c) the persistence of geopolitical uncertainty in the Middle East (e.g. Syria) and Eastern Europe (Russia / Ukraine) and US / Russia relations.

The year 2018 in Portugal was marked by a strong decrease in the risk of the country, which was evident in the reduction of the spread of 10-year Portuguese bonds. All the credit agencies currently classify Portuguese sovereign debt above the 'junk' level This development has contributed to the flow of favourable news, which has been known since the beginning of the year. Since 2016, GDP is growing at rates higher than expected and the unemployment rate fells faster than anticipated, with better prospects for meeting the budget targets, with Portugal being expected to achieve in 2018 the deficit of 0.7% - the lowest of all democratic history. In 2019, Portugal is expected to have a situation very close to equilibrium between the revenues and expenses, with a deficit of only 0.2%. Contributing to this country risk reduction were also other favourable developments that have been known throughout the last years, such as the country's exit from the Excessive Deficit Procedure (EDP), positive developments in unemployment, observed economic growth and favourable prospects for the achievement of budgetary targets. Standard & Poor's upgraded Portugal's credit rating to BBB- in September 2017 and Fitch upgraded Portugal's credit rating to BBB in December 2017. Standard & Poor's have published Portugal's revised rating and confirmed a stable outlook in March 2018 and Fitch have published Portugal's revised rating specifying a positive credit outlook. In April 2018 DBRS upgraded Portugal's credit rating to BBB with stable outlook and Moody's upgraded Portugal's credit rating to Baa3 in October 2018.

The Portuguese economy's current situation continues to reveal some risks related to fiscal consolidation and the lack of availability of credit. These risks continue to limit the financing of well-established companies in the country, but less than before.

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

Risks arising from economic conditions in the eurozone

Concerns relating to credit risks (including those of sovereigns and those of entities which are exposed to sovereigns) continue. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the eurozone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the Transaction Parties (including the Originator and/or the Servicers) and/or any Borrower in respect of the Receivables. Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

United Kingdom's exit from the European Union

On 23 June 2016, the United Kingdom ("**UK**") held the UK Referendum. As mentioned above, the result of the referendum's vote was to leave the EU, which creates several uncertainties within the UK, and regarding its relationship with the EU. On 29 March 2017, the UK served notice in accordance with article 50 of the Treaty on European Union of its intention to withdraw from the EU. The notification of withdrawal started a two-year process during which the terms of the UK's exit will be negotiated, although this period may be extended in certain circumstances. The departure of the United Kingdom is expected to occur at 23.00 (GMT) of the 29th of March of 2019.

The result and the resulting negotiations are likely to generate further increased volatility in the markets and economic uncertainty which could adversely affect one or more of the Transaction Parties (including the Originator) and the level of recoveries from the Receivables or any Properties. Until the terms and timing of the UK's exit from the EU are confirmed, it is not possible to determine the full impact that the referendum, the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK.

Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Change of Law

The structure of the transaction and, *inter alia*, the issue of the Notes and ratings assigned to the Rated Notes are based on law, tax rules, rates, procedures and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that law, tax rules, rates, procedures or administration practice will not change after the date of this Prospectus or that such change will not adversely impact the structure of the transaction and the treatment of the Notes including the expected payments of interest and repayment of principal in respect of the Notes.

Limited Provision of Information

Except if otherwise specifically provided in the Transaction Documents, the Issuer will not be under any obligation to disclose to the Noteholders any financial or other information received by it in relation to the Receivables or to notify them of the contents of any notice received by it in respect of the Receivables, which

includes no obligation to keep any Noteholder or any other person informed as to matters arising in relation to the Receivables, except for the information provided in the Investor Report concerning the Receivables and the Notes which will be made available to the Noteholders on or about each Interest Payment Date.

Projections, forecasts and estimates are forward-looking statements and do not assure projected or forecasted results to be attained

Forward looking statements, including estimates, any other projections and forecasts in this document are necessarily speculative in nature and some or all of the assumptions underlying the forward-looking statements may not materialise or may vary significantly from actual results. Accordingly, the projections are only an estimate and there can be no assurance that any projected or forecasted results will be attained. Actual results may vary from the projections, and the variations may be material.

Some important factors that could cause actual results to differ materially from those in any forward looking statements include changes in interest rates; market, financial or legal uncertainties; and political changes, among others. Consequently, the inclusion of forward looking statements in this Prospectus should not be regarded as a representation by the Issuer, the Originator, the Sole Arranger and Lead Manager, the Servicers, or any of their respective affiliates or any other person or entity, of the results that actually will be achieved by the Issuer.

None of the Issuer, the Originator, the Sole Arranger and Lead Manager, the Servicers, or any of their respective affiliates, has any obligation to update or otherwise revise any projections, forecasts or estimates, including any revisions to reflect changes in economic conditions or other circumstances arising after the date of this Prospectus or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not hold true.

Potential Conflict of Interest

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

There can be no assurance that no conflicts of interest will arise and that, when any conflicts of interest arise, the Transaction Parties (other than the Issuer), the Sole Arranger and Lead Manager and its affiliates will act in the best interests of the Issuer or that conflicts of interest will be resolved in the favour of the Issuer. Accordingly, there can be no assurance that the Notes will not be adversely affected in case of any conflicts of interest that arise between such parties or between them and third parties.

Adequacy of the Investment

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments

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

The Issuer believes that the risks described above are certain of the principal risks inherent in the transaction for Noteholders but the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and, accordingly, the Issuer does not represent that the above statements of the risks of holding the Notes are comprehensive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for Noteholders there can be no assurance that these measures will be sufficient or effective to ensure payment to the Noteholders of interest or principal on the Notes on a timely basis or at all.

RESPONSIBILITY STATEMENTS

In accordance with article 243 of the Portuguese Securities Code the following entities are responsible for the information contained in this Prospectus:

The **Issuer, Mr. John Silva Calvão**[3] and **Mr. Homero José de Pinho Coutinho,** in their capacities as directors of the Issuer for the mandate 2018/2020 and **Mr. João Miguel de Matos Ferreira Marques** (who resigned from office on 21 May 2018, effective pursuant to article 404 of the Portuguese Companies Code as of the end of June 2018[4]) and **Mr. Lee Michael Rochford**, in their capacities as directors of the Issuer for the mandate 2015/2017 are responsible for the information contained in this document. Having taken all reasonable care to ensure that such is the case, to the best of the knowledge and belief of the Issuer and of all of the aforementioned individuals the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This statement is without prejudice to any liability which may arise under Portuguese law. The Issuer further confirms that this Prospectus contains all information which is material in the context of the admission to trading of the Class A Notes on a regulated market, that such information contained in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in it are honestly held by it and that there are no other facts the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and all proper enquiries have been made to ascertain and to verify the foregoing.

Mr. Seth W. Cohen and Mr. Stuart Mark Lammin in their capacities as directors of the Issuer for the mandate 2015/2017 (who resigned from office with effect from and including 1 June 2017), in respect of the relevant financial statements of the Issuer incorporated by reference herein for the financial year ended 31 December 2016, are responsible for the accuracy of such financial statements of the Issuer, in the terms required by law. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Mr. Seth W. Cohen or Mr. Stuart Mark Lammin as to the accuracy or completeness of any information contained in this Prospectus (other than the aforementioned financial information) or any other information supplied in connection with the Notes or their distribution.

Mrs. Bárbara Margarida Palmela Beato Godinho Correia de Sousa Botelho, **Mr. Duarte Schmidt Lino and Mr. João Albino Cordeiro Augusto** in their capacities as members of the supervisory board of the Issuer for the mandate 2017/2019, in respect of the relevant financial statements of the Issuer incorporated by reference herein in respect of the financial year ended 31 December 2017, are responsible for the accuracy of the financial statements of the Issuer required by law or regulation to be prepared as from the date on which they began their term of office following their appointment as members of the supervisory board of the Issuer until the end of such term of office and confirm that having taken all reasonable care to ensure that such is the case, such above-mentioned financial statements are, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Mrs. Bárbara Margarida Palmela Beato Godinho Correia de Sousa Botelho, Mr. Duarte Schmidt Lino, or by Mr. João Albino Cordeiro Augusto as to the accuracy or completeness of any information contained in this Prospectus (other than the aforementioned financial information) or any other information supplied in connection with the Notes or their distribution.

[3] Mr. John Silva Calvão has also been the Chief Executive Officer (*Adminstrador Delegado*) at the Issuer for the mandate 2015/2017.

[4] The resignation of Mr. João Miguel de Matos Ferreira Marques has not yet been registered at the commercial registry.

Deloitte & Associados – SROC, S.A., registered with the CMVM with number 20161389, with registered office at Av. Engenheiro Duarte Pacheco, 7, 1070-100 Lisbon, as sole statutory auditor (*fiscal único*) and external auditor of the Issuer for the year ended on 31 December 2016, represented by Paulo Alexandre de Sá Fernandes and Jorge Manuel Araújo de Beja Neves, respectively, has certified and audited the financial statements of the Issuer for such financial year ended on 31 December 2016 as the sole statutory auditor and external auditor of the Issuer and is therefore responsible for the Sole Statutory Auditor and External Auditor Reports and for the legal certification of the accounts for this financial period, which are incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*") and confirms that having taken all reasonable care to ensure that such is the case, such above-mentioned Sole Statutory Auditor and External Auditor Reports and the legal certification of the accounts are, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by Deloitte & Associados – SROC, S.A. as to the accuracy or completeness of any information contained in this Prospectus (other than for the above-mentioned Sole Statutory Auditor and External Auditor Reports and for the legal certification of the accounts).

KPMG & Associados – Sociedade de Revisores Oficiais de Contas S.A., registered with Ordem dos Revisores Oficiais de Contas under number 189 and registered with CMVM under number 20161489, with registered office at Avenida Praia da Vitória, nº 71-A, 8º, 1069-006 Lisboa, as external auditor of the Issuer for the year ended on 31 December 2017, represented by Miguel Pinto Douradinha Afonso has certified and audited the financial statements of the Issuer for such financial year ended on 31 December 2017, and is therefore responsible for External Auditor Report and for the legal certification of the accounts for this financial period, which are incorporated by reference in this Prospectus (see "*Documents Incorporated by Reference*") and confirms that having taken all reasonable care to ensure that such is the case, such above-mentioned External Auditor Report and the legal certification of the accounts are, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by KPMG & Associados – Sociedade de Revisores Oficiais de Contas S.A. as to the accuracy or completeness of any information contained in this Prospectus (other than for the above-mentioned External Auditor Report and the legal certification of the accounts).

Banco Santander Totta, S.A., in its capacity as **Originator**, accepts exclusive responsibility for the (i) information in this Prospectus relating to itself (including all information in the section headed "*Description of the Originator*"), to the description of its rights and obligations under the Receivables Sale Agreement and (ii) all information relating to the Receivables Portfolio and in the section headed "*Characteristics of the Receivables Portfolio*", to the extent such information related to the Receivables Portfolio and in such section is not in respect of a date falling after the Issue Date (such information referred to in (i) and (ii) above, the "**Originator Prospectus Information**"). The Originator accepts responsibility for the Originator Prospectus Information, and, as applicable, on making of certain information available to investors pursuant to articles 405 and following of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, of 26 June, on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended from time to time (the "**CRR**") and Bank of Portugal Notice (*Aviso*) 9/2010 ("**Notice 9/2010**") (together the "**Originator Information**"), and confirms that having taken all reasonable care to ensure that such is the case, such Originator Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Originator as to the accuracy or completeness of any information contained in this Prospectus (other than the Originator Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

HG PT, Unipessoal, Lda., in its capacity as **Servicer of the Secured Commercial Receivables**, accepts responsibility for the information in this document relating to itself in this regard in the section headed "*Description of the Secured Commercial Servicer and its Servicing Procedures*" (the "**Secured Commercial Servicer Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Secured Commercial Servicer Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by it as to the accuracy or completeness of any information contained in this Prospectus (other than the Secured Commercial Servicer Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

Whitestar Asset Solutions, S.A., in its capacity as **Servicer of the Secured Residential Receivables**, accepts responsibility for the information in this document relating to itself in this regard in the section headed "*Description of the Secured Residential Servicer and its Servicing Procedures*" (the "**Secured Residential Servicer Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Secured Residential Servicer Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by it as to the accuracy or completeness of any information contained in this Prospectus (other than the Secured Residential Servicer Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

Proteus Asset Management, Unipessoal, Lda., in its capacity as **Servicer of the Unsecured Receivables**, accepts responsibility for the information in this document relating to itself in this regard in the section headed "*Description of the Unsecured Servicer and its Servicing Procedures*" (the "**Unsecured Servicer Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Unsecured Servicer Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by it as to the accuracy or completeness of any information contained in this Prospectus (other than the Unsecured Servicer Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

GAM – Gncho Asset Management, S.A., in its capacity as **Asset Manager** and **Guincho Asset Management Holdings D.A.C.**, in its capacity of sole shareholder of the Asset Manager (the "**Shareholder**"), each accept responsibility for the information in this document relating to itself in this regard in the section headed "*Description of the Asset Manager and its Shareholder*" (the "**Asset Manager and Shareholder Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Asset Manager and Shareholder Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by each of them, in each their capacities, as to the accuracy or completeness of any information contained in this Prospectus (other than the Asset Manager and Shareholder Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

Banco Santander Totta, S.A., in its capacity as **the Accounts Bank**, accepts responsibility for the information in this document relating to itself in this regard in the section headed "*Description of the Accounts Bank*" (the "**Accounts Bank Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Accounts Bank Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Accounts Bank as to the accuracy or completeness of any information contained in this Prospectus (other

than the Accounts Bank Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

Citibank, N.A., London Branch, in its capacity as **the Transaction Manager**, **Payment Account Bank** and **Cap Collateral Account Bank**, accepts responsibility for the information in this document relating to itself in this regard in the section headed "*Description of the Transaction Manager, Payment Account Bank and Cap Collateral Account Bank*" (the "**Transaction Manager, Payment Account Bank and Cap Collateral Account Bank Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Transaction Manager, Payment Account Bank and Cap Collateral Account Bank Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Transaction Manager, Payment Account Bank and Cap Collateral Account Bank as to the accuracy or completeness of any information contained in this Prospectus (other than the Transaction Manager, Payment Account Bank and Cap Collateral Account Bank Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

KPMG & Associados - SROC, S.A., in its capacity as the **Monitoring Agent,** accepts responsibility for the information in this document relating to itself in the section headed *"Description of the Monitoring Agent"* (the "**Monitoring Agent Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Monitoring Agent Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Monitoring Agent as to the accuracy or completeness of any information contained in this Prospectus (other than the Monitoring Agent Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

Banco Santander S.A., in its capacity as the **Cap Counterparty**, accepts responsibility for the information in this document relating to itself in this regard in the section headed *"Description of the Cap Counterparty"* (the "**Cap Counterparty Information**") and confirms that having taken all reasonable care to ensure that such is the case, such Cap Counterparty Information is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Cap Counterparty as to the accuracy or completeness of any information contained in this Prospectus (other than the Cap Counterparty Information) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

In accordance with article 149, no. 3 (ex vi article 243) of the Portuguese Securities Code, liability of the entities referred to above is excluded if any of such entities proves that the addressee knew or should have known about the shortcomings and/or discrepancies in the contents of this Prospectus as of the date of issuance of its declaration or moment when revocation thereof was still possible. Pursuant to subparagraph b) of article 150 of the Portuguese Securities Code, the Issuer is liable (independently of fault) if any of the members of its board of directors, supervisory board, statutory auditors and any other individuals that have certified or, in any other way, verified the financial statements on which the Prospectus is based is held to be civilly liable for such information.

Further to subparagraph b) of article 243 of the Portuguese Securities Code, the right to compensation based on the aforementioned responsibility is to be exercised within six months following the knowledge of shortcomings and/or discrepancies in the contents of the Prospectus, or, if applicable, in any amendment thereof, and ceases, in any case, two years following (i) the disclosure of the admission Prospectus or, if applicable, (ii) the amendment that contains the defective information or forecast.

The Notes will be obligations solely of the Issuer and will not be obligations of, and will not be guaranteed by, and will not be the responsibility of, any other entity. In particular, the Notes will not be the obligations

of, and will not be guaranteed by the Sole Arranger and Lead Manager or any of the Transaction Parties (other than the Issuer).

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any other entity as to the accuracy or completeness of any other information contained in this Prospectus (other than as referred above) or any other information supplied in connection with the Notes, the Class R Note or their distribution.

J.P. Morgan Securities plc, in its role as Sole Arranger and Lead Manager (the "**Sole Arranger and Lead Manager**") does not accept any responsibility for the information in this document.

None of the Sole Arranger and Lead Manager or any of its affiliates makes any representation or warranty as to the fairness, accuracy, adequacy or completeness of the information, the assumptions on which it is based, the reasonableness of any projections or forecasts contained herein or any further information supplied, or the suitability of any investment for your purpose. None of the Sole Arranger and Lead Manager or any of its affiliates have any responsibility for any loss, damage or other results arising from your reliance on this information. The Sole Arranger and Lead Manager therefore disclaims any and all liability relating to this Prospectus including without limitation any express or implied representations or warranties for statements contained in, and omissions from, the information herein. Neither the Sole Arranger and Lead Manager nor any of its employees, directors, accepts any liability or responsibility in respect of the information herein and shall not be liable for any loss or damages of any kind (including, without limitation, damages for misrepresentation under the Misrepresentation Act 1967) which may arise from reliance by you, or others, upon such information. The Sole Arranger and Lead Manager is acting solely in the capacity of an arm's length counterparty and not in the capacity of financial adviser or fiduciary of any person.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes and the Class R Note other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Originator, the Sole Arranger and Lead Manager or any of their respective affiliates or advisers. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of the Class A Notes contemplated thereunder shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer or the Originator in the other information contained herein since the date hereof. The information contained in this Prospectus was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Sole Arranger and Lead Manager as to the accuracy or completeness of such information. The Sole Arranger and Lead Manager has not separately verified the information contained herein. Accordingly, the Sole Arranger and Lead Manager does not make any representation, express or implied, nor accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or any document or agreement relating to the Notes. The Sole Arranger and Lead Manager shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any document or agreement relating to the Notes. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The contents of this Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Notes.

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

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY US PERSON OR TO ANY PERSON OR ADDRESS IN THE US

The securities to which this Prospectus relates (the "**Securities**") have not been and will not be registered under the United States 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, sold or delivered within the United States or to U.S. persons (other than distributors and as described in the section entitled "**Distribution and Sale**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Securities will be offered, sold or delivered outside the United States to persons who are not US persons (as defined in Regulation S under the Securities Act (the "**Regulation S**")) in offshore transactions in reliance on Regulation S and in accordance with applicable laws.

The Retention Holder intends to rely on an exemption provided for in Section 20 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") regarding non-U.S. transactions that meet certain requirements. Consequently, without the express prior written consent of the Retention Holder (a "**U.S. Risk Retention Consent**"), on the Issue Date the Notes may only be purchased by persons that are not "*U.S. persons*" as defined in the U.S. Risk Retention Rules (the "**Risk Retention U.S. Person**"). Prospective investors should note that the definition of "*U.S. person*" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "*U.S. person*" in Regulation S. Certain investors may be required to execute a written certification of representation letter by the Retention Holder in respect of their status under the U.S. Risk Retention Rules. See "**Risk Factors –U.S. Risk Retention Requirements**".

OTHER DISTRIBUTION RESTRICTIONS

This Prospectus is not being distributed to and must not be passed on to the general public in the United Kingdom. This communication is only directed to those persons in the United Kingdom who are within the definition of Investment Professionals (as defined in article 19 of the Financial Services & Markets Act 2000 (Financial Promotions) Order 2005 (the "**FPO**")). As such this communication is directed only at persons having professional experience in matters relating to investments. This Prospectus is not being distributed to and must not be passed on to the general public in Portugal, and persons in Portugal are only eligible to have access to this Prospectus if they are qualified investors as defined in article 30 of *Código dos Valores Mobiliários*, enacted by Decree-Law no. 486/99, of 13 November 1999, as amended and restated from time to time (the "**Portuguese Securities Code**"). Outside of the UK and Portugal, this Prospectus is only directed at Professional Clients or Eligible Counterparties as defined in the Markets in Financial Instruments Directive 2014/65/EU (as amended, "**MiFID II**") and is not intended for distribution to or use by Retail Clients (as defined in MiFID II). Furthermore, the information in this Prospectus is exclusively directed at persons who are not "retail investors" in the European Economic Area. The expression "retail investor" means a person who is one (or more) of the following (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, as amended (the "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). In addition, the information contained herein is directed exclusively at persons outside the United States who are not U.S. persons (as defined in Regulation S of the Securities Act) or acting for the account or benefit of a U.S. person in offshore transactions in reliance on Regulation S and in accordance with applicable laws.

The distribution of this Prospectus in certain jurisdictions may be restricted by law and, accordingly, recipients of this Prospectus represent that they are able to receive this Prospectus without contravention of any unfulfilled registration requirements or other legal restrictions in the jurisdiction in which they reside or

conduct business. There will be no sale of the Securities described herein in any state or jurisdiction in which such offer, sale or solicitation would be unlawful.

By accessing this Prospectus you shall be deemed to have represented to us that (a) you have understood and agreed to the terms set out herein, (b) you consent to access or delivery of this Prospectus by electronic transmission, (c) you are not a US person (within the meaning of Regulation S) or acting for the account or benefit of a US person and the email address that you have given to us and to which this email has been delivered is not located in the United States, its territories and possessions or the District of Columbia and (d) if you are a person in the United Kingdom, then you are a person who (i) has professional experience matters relating to investments falling within article 19(5) of the FPO(ii) are a person falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the FPO or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

STATISTICAL INFORMATION

This Prospectus contains tables and other statistical analysis (the "**Statistical Information**") which have been prepared in reliance on information provided by BST, notably in the section headed "*Characteristics of the Receivables Portfolio*". (For the avoidance of doubt, BST does not accept any responsibility or liability for variations or changes concerning the Receivables Portfolio which might have occurred or may occur after the Issue Date.) Numerous assumptions may have been used in preparing the Statistical Information, which may or may not be specifically reflected in this Prospectus or be suitable for the circumstances of any particular recipient. As such, subject to the legal requirements on inclusion of information on the prospectus, and to the maximum extent permitted by law, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial, investment or accounting advice. The average life of or the potential yields on any security cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. No assurance can be given that the assumptions on which the possible average lives of or yields on the financial instruments are made will prove to be realistic. Therefore, information about possible average lives of, or yields on, the Securities must be viewed with considerable caution. Any historical information contained in this Prospectus is not indicative of future performance. Opinions and estimates (including statements or forecasts) constitute judgment as of the date indicated, are subject to change without notice and involve a number of assumptions which may not prove valid.

This Prospectus may include "forward-looking statements". Such statements contain the words "anticipate", "believe", "intend", "estimate", "expect", "will", "may", "project", "plan" and words of similar meaning. All statements included in this Prospectus other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the relevant future business environment. These forward-looking statements speak only as of the date of this Prospectus and the Sole Arranger and Lead Manager expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

POST-ISSUE DATE RECEIVABLES INFORMATION

The Receivables Portfolio was acquired by the Issuer on the Issue Date. From such date, the Servicers, acting on behalf of the Issuer, have serviced the Receivables, without BST having any servicing rights, duties or involvement in respect of the Receivables. None of BST, the Sole Arranger and Lead Manager or any of their respective affiliates has any control over or has had any involvement with the servicing of the Receivables conducted by the Servicers, nor have BST, the Sole Arranger and Lead Manager or any of their respective affiliates verified or monitored or carried out any due diligence in respect of the Receivables (or any data or information relating thereto), any Collections thereunder or the performance of the Receivables from the Issue Date, and none of them has prepared, verified or monitored the Business Plans prepared by the Servicers and their respective implementation or execution. Accordingly, the information contained in the sections headed "*Characteristics of the Receivables Portfolio*" (to the extent that it relates to any information dated later than the Issue Date), and "*Business Plans for the Receivables Portfolio*" have been prepared by or on the basis of information provided exclusively by each Servicer (to the extent applicable to the part of the Receivables Portfolio which is serviced by it). No due diligence, review or other verification has been conducted by BST or the Sole Arranger and Lead Manager or any of their respective affiliates regarding any of the foregoing matters, included in such sections or otherwise. None of BST, the Sole Arranger and Lead Manager or any of their respective affiliates assumes or accepts any advisory, fiduciary, agency or other obligations or responsibilities whatsoever with respect to any investors regarding any such information, and each of them fully disclaims and does not accept any responsibility or liability for any such information. In this respect, please see the statements made in relation to BST in the section entitled "*Responsibility Statements*". Please also see the disclaimers set out in that section in relation to the Sole Arranger and Lead Manager.

OTHER CONSIDERATIONS

Losses to investments may occur due to a variety of factors. Before purchasing any securities, you should take steps to ensure that you understand and have made an independent assessment of the suitability and appropriateness thereof, and the nature and extent of your exposure to risk of loss in light of your own objectives, financial and operational resources and other relevant circumstances. You should take such independent investigations and such professional advice as you consider necessary or appropriate for such purpose.

Nothing in this Prospectus should be construed as legal, tax, regulatory, accounting or investment advice or as a recommendation or an offer, commitment, solicitation or invitation by the Issuer, the Originator or the Sole Arranger and Lead Manager to purchase securities from or sell securities to you, or to underwrite securities, or to extend any credit or like facilities to you, or to conduct any such activity on your behalf. The Sole Arranger and Lead Manager is not recommending or making any representations as to suitability of any notes. Neither the Issuer nor the Originator nor the Sole Arranger and Lead Manager undertake to update this Prospectus. You should not rely on any representations or undertakings inconsistent with the above paragraphs. The Sole Arranger and Lead Manager or its affiliates may have interests in the securities mentioned herein, or in similar securities or derivatives, and may have banking or other commercial relationships with the Issuer and the Originator. This may include activities such as acting as manager in, dealing in, holding, acting as market-makers or providing financial or advisory services in relation to any such securities.

In the event you decide to purchase any securities, you will be trading on a principal to principal basis and any resale or on-sale of this product by you to a third party will not be in the capacity of agent for whoever you have purchased the securities from. If you decide to market and/or on-sell any such securities to third party investors you will be solely responsible for such activities and for assessing the suitability and appropriateness of any securities for such investors.

If this Prospectus has been made available, sent to you or is being viewed by you in an electronic form, you are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Originator, the Sole Arranger and Lead Manager nor any person who controls it nor any director, officer, employee nor agent of the Sole Arranger and Lead Manager or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Sole Arranger and Lead Manager.

The Sole Arranger and Lead Manager is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority.

Your receipt and use of this Prospectus constitutes notice and acceptance of the foregoing.

OTHER RELEVANT INFORMATION

Financial Conditions of the Issuer

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

Selling Restrictions Summary

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

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

Projections, Forecasts and Estimates

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

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Receivables, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in Portugal. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes and the Class R Note are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. None of the Sole Arranger and Lead Manager or the Common Representative has attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective investors in the Notes and prospective investors in the Class R Note should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, the Originator, the Sole Arranger and Lead Manager or the Common Representative assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

Third Party Information

Where information is stated in this Prospectus to have been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, so far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respects.

Adequacy of the Investment

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes and the Class R Note, the merits and risks of investing in the relevant Notes and the Class R Note and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Representations about the Notes

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

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

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

Prospectus, and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer or the Sole Arranger and Lead Manager.

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

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

Euro currency

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

Numbers

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

Interpretation

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

Language

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

THE PARTIES

Issuer:	Hefesto, STC, S.A., a limited liability company incorporated under the laws of Portugal, as a special purpose vehicle for the purposes of issuing asset-backed securities, with a share capital of €250,000.00, having its registered office at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, Paço de Arcos, Portugal and having the sole commercial registration and taxpayer number 507 450 531.
Originator:	Banco Santander Totta, S.A., with a share capital of €1,256,723,284.00, with its head office at Rua Áurea, no. 88, 1100-063 Lisbon and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 500 844 321 (also "**BST**" or "**Seller**").
Servicers:	Whitestar Asset Solutions, S.A., a limited liability company incorporated under the laws of Portugal, with a share capital of €50,000.00 and having its registered office at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, Paço de Arcos, Portugal, and having the sole commercial registration and taxpayer number 508 099 161, which will act as servicer of the Secured Residential Receivables Portfolio ("**Whitestar**" or the "**Secured Residential Servicer**"). HG PT, Unipessoal, Lda., a limited liability company incorporated under the laws of Portugal, with a share capital of €5,000.00 and having its registered office at Avenida Duque de Loulé, no. 106, 2nd floor, Lisbon, Portugal, and having the sole commercial registration and taxpayer number 510 891 691, which will act as servicer of the Secured Commercial Receivables Portfolio ("**HG PT**" or the "**Secured Commercial Servicer**" and together with the Secured Residential Servicer, the "**Secured Servicers**"). Proteus Asset Management, Unipessoal, Lda., a limited liability company incorporated under the laws of Portugal, with a share capital of €50,000.00 and having its registered office at Avenida Duque d'Ávila, no. 141, 2nd floor, Lisbon, Portugal, and having the sole commercial registration and taxpayer number 514 323 736, which will act as servicer of the Unsecured Receivables Portfolio ("**Altamira**" or the "**Unsecured Servicer**" and together with the Secured Servicers, the "**Servicers**").
Asset Manager:	GAM – Gncho Asset Management, S.A., a limited liability company incorporated under the laws of Portugal, with a share capital of €50,000.00 and having its registered office at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, Paço de Arcos, Portugal and having the sole commercial registration and taxpayer number 514 671 211, which will provide certain asset management services in relation to certain Properties which on the Issue Date are securing certain Receivables that are part of the Receivables Portfolio.

Shareholder	Guincho Asset Management Holdings D.A.C., an Irish orphan bankruptcy remote Designated Activity Company (a special purpose vehicle, set-up for the specific purpose of this transaction), with head office at Fourth Floor, 3 George's Dock, IFSC, Dublin 1, Ireland, with a share capital of €100.00 and registered with the Irish Companies Registration Office under company number 636976. Guincho Asset Management Holdings D.A.C. is the sole shareholder of the Asset Manager. The Shareholder's shares are currently being held on trust by Wilmington Trust SP Services (Dublin) Limited for the benefit of a Qualifying Beneficiary, which is defined under the Declaration of Trust made by Wilmington Trust SP Services (Dublin) Limited on 9 November 2018 as "any person, a purpose, activity or object of which is exclusively charitable under the laws of Ireland". Under this Declaration of Trust, a "Trustee" shall be the "Original Trustee" (Wilmington Services) or any other future "trustee", appointed in accordance with the Land and Conveyancing Law Reform Act 2009 and section 57 of the Succession Act 1965. The ultimate beneficiary owner of Guincho Asset Management Holdings D.A.C. will be the Qualifying Beneficiary. On the date hereof, the legal owner of Guincho Asset Management Holdings D.A.C. is Wilmington Trust SP Services (Dublin) Limited who holds the beneficial interest in the shares of the Shareholder on trust for the Qualifying Beneficiary.
Common Representative:	Citicorp Trustee Company Limited, in its capacity as common representative of the Noteholders pursuant to article 65 of the Securitisation Law in accordance with the Conditions and the terms of the Common Representative Appointment Agreement.
Transaction Manager:	Citibank, N.A., London Branch, in its capacity of transaction manager, in accordance with the terms of the Paying Agency and Transaction Management Agreement.
Accounts Bank:	Banco Santander Totta, S.A., it its capacity of accounts bank, in accordance with the terms of the Portuguese Accounts Agreement.
Payment Account Bank;	Citibank, N.A., London Branch, in its capacity of payment account bank, in accordance with the terms of the English Account Agreement.
Cap Collateral Account Bank:	Citibank, N.A., London Branch, in its capacity of cap collateral account bank, in accordance with the terms of the English Account Agreement.
Principal Paying Agent	Citibank, N.A., London Branch, in accordance with the terms of the Paying Agency and Transaction Management Agreement.
Portuguese Paying Agent:	Citibank Europe plc, in accordance with the terms of the Paying Agency and Transaction Management Agreement.

Monitoring Agent:	KPMG & Associados - SROC, S.A., in accordance with the Conditions and the terms of the Monitoring Agent Appointment Agreement.
Cap Counterparty:	Banco Santander, S.A., in the capacity of cap counterparty under the Cap Transaction.
EMIR Reporting Agent:	Banco Santander, S.A., in the capacity of EMIR reporting agent.
Sole Arranger and Lead Manager:	J.P. Morgan Securities plc, a company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registered in England & Wales under registration number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP.
Transaction Creditors:	The Noteholders, the Common Representative, the Principal Paying Agent, the Portuguese Paying Agent, the Transaction Manager, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Servicers, the Asset Manager, the Monitoring Agent, the Cap Counterparty, the Class R Noteholder, the Shareholder and the EMIR Reporting Agent.
Information on the direct and indirect ownership or control between the Transaction Parties	The Transaction Parties have no direct or indirect ownership or control relationships, other than those stated here below: *1) Common Representative, Portuguese Paying Agent and Principal Paying Agent, Transaction Manager, Payment Account Bank and Cap Collateral Account Bank:* Citigroup Inc. indirectly owns the Common Representative (Citicorp Trustee Company Limited), the Portuguese Paying Agent (Citibank Europe Plc) and the Principal Paying Agent, the Transaction Manager, Payment Account Bank and Cap Collateral Account Bank (Citibank N.A., London Branch). The Portuguese Paying Agent (Citibank Europe Plc) is directly wholly owned by Citibank Holdings Ireland Limited, which is in turn indirectly held by Citibank Overseas Investment Corporation, which is in turn directly held by Citibank N.A. The Principal Paying Agent, the Transaction Manager, Payment Account Bank and Cap Collateral Account Bank (Citibank N.A., London Branch) is a branch of Citibank N.A, which is in turn wholly owned by Citicorp LLC which is directly held by Citigroup Inc. *2) Issuer and Secured Residential Servicer:* The Issuer (Hefesto STC, S.A.) and the Secured Residential Servicer (Whitestar Asset Solutions, S.A.) are both directly held by AGHL Portugal Investments Holdings S.A., which in turn is fully owned by Arrow Global Investments Holdings Limited, which is fully owned by Arrow Global Guernsey Holdings Limited, which is fully owned by Arrow Global One Limited, which is fully owned by Arrow Global Group PLC (a listed company).

3) Asset Manager and Shareholder:

The Asset Manager (GAM – Gncho Asset Management, S.A.) is wholly owned by the Shareholder (Guincho Asset Management Holdings D.A.C.

4) Originator, the Accounts Bank and Cap Counterparty:

Banco Santander Totta, S.A. (the Originator and Accounts Bank) is owned in 98.763% by Sociedade Santander Totta SGPS, SA, which is directly owned in 99.848% by Santusa Holding, SL, which in turn is wholly owned by Banco Santander, S.A. (the Cap Counterparty).

PRINCIPAL FEATURES OF THE NOTES

The following provides a summarised overview of certain aspects of the Conditions of the Notes of which prospective investors should be aware and should be read as an introduction to the Prospectus. This overview is not intended to be exhaustive and prospective investors should read the detailed information set out in this document and reach their own views prior to making any investment decision.

Notes:	The Issuer has issued on the Issue Date in accordance with the terms of the Common Representative Appointment Agreement and the Conditions the following Notes (the "**Notes**"): €84,000,000.00 Class A Asset-Backed Floating Rate Notes due 2038, with the ISIN PTHEFZOM0001; €14,000,000.00 Class B Asset-Backed Floating Rate Notes due 2038, with the ISIN PTHEF1OM0004; €25,000,000.00 Class J Asset-Backed Variable Return Notes due 2038, with the ISIN PTHEF2OM0003.
Issue Date:	16 November 2018.
Issue Price:	The Class A Notes have been issued at 100% (one hundred per cent.) of their principal amount, the Class B Notes have been issued at 100% (one hundred per cent.) of their principal amount and the Class J Notes have been issued at 100% (one hundred per cent.) of their principal amount.
Form and Denomination:	The Notes are in dematerialised book-entry form (*forma escritural*) and nominative (*nominativa*) in the specified denomination of €100,000 (one hundred thousand euro) each in the case of the Class A Notes and the Class B Notes, and €1,000 (one thousand euros) in the case of the Class J Notes.
Title:	The person showing in an individual securities account of an affiliate member of Interbolsa as holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of any payment) whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such holder. Title to the Notes will pass by registration in the relevant individual securities account held with an affiliate member of Interbolsa. Transfers of interest in the Notes between Euroclear participants, between Clearstream, Luxembourg participants and between Euroclear participants on the one hand and Clearstream, Luxembourg participants on the other hand will be affected in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg respectively. References herein to the "holders" of Notes or "Noteholders" are to the persons in whose names such Notes are so registered in the securities account with the relevant affiliate member of Interbolsa.
Status and Ranking:	The Notes constitute direct, secured and limited recourse obligations of

	the Issuer and the other related Issuer obligations benefit from the statutory segregation provided by the Securitisation Law. The Notes represent the right to receive interest and principal or distribution amounts payments, as and if applicable, from the Issuer in accordance with the relevant Terms and Conditions, the Class R Note Conditions, the Common Representative Appointment Agreement and the relevant Payment Priorities. Payments of principal on the Notes and on the Class R Note on each Interest Payment Date will be made sequentially by redeeming principal due on the Class R Note, thereafter by redeeming principal due on the Class A Notes, thereafter by redeeming principal due on the Class B Notes, and thereafter by redeeming principal due on the Class J Notes to the extent foreseen in the relevant Payment Priorities. All payments of interest due on the Class R Note will rank in priority to payments due on the Class A Notes and all payments of interest and principal due one the Class R Note will rank in priority to payments due on the Class B Notes and to payments due on the Class J Notes; all payments of interest (and, if the Post-Enforcement Payment Priorities applies or if a Subordination Event has occurred, principal) due on the Class A Notes will rank in priority to payments due on the Class B Notes and all payments of interest and principal due on the Class A Notes will rank in priority to payments due on the Class J Notes; all payments of interest or principal due on the Class B Notes will rank in priority to payments due on the Class J Notes.
Limited Recourse:	All obligations of the Issuer to the Noteholders or to the Transaction Parties in respect of the Notes or the other Transaction Documents, including, without limitation, the related Issuer obligations are limited in recourse and, as set out in Condition 19 (*No action by the Noteholders or any other Transaction Party*), the Noteholders and/or the Transaction Parties will only have a claim in respect of the specific pool of assets of the Issuer which collateralises the obligations of the Issuer arising under the Transaction Documents (including any receivables arising under the Receivables, the Collections, the Transaction Accounts, the Issuer's rights in respect of the Transaction Documents and any other right and/or benefit either contractual or statutory relating thereto purchased or received by the Issuer in connection with the Notes) and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other assets or its contributed capital.
Statutory Segregation and Security for the Notes:	The Notes and the other obligations of the Issuer under the Transaction Documents owing to the Transaction Creditors have the benefit of the statutory segregation provided for by article 62 of the Securitisation Law, which provides that the assets and liabilities (*património autónomo*) of the Issuer in respect of each transaction entered into by the Issuer are completely segregated from the other assets and liabilities of the Issuer. In accordance with the terms of article 61 and the subsequent articles of the Securitisation Law, the right of recourse of the Noteholders is limited

	to the specific pool of assets, including the Receivables, the Collections, the Transaction Accounts, the Issuer's rights in respect of the Transaction Documents and any other right and/or benefit, either contractual or statutory, relating thereto, purchased or received by the Issuer in connection with the Notes. Accordingly, the obligations of the Issuer in relation to the Notes under the Transaction Documents are limited in recourse, in accordance with the Securitisation Law, to the Transaction Assets.
Use of Proceeds:	On or about the Issue Date, the Issuer applied the gross proceeds of the Notes solely towards the payment of the Purchase Price of the Receivables included in the Receivables Portfolio.
Class R Note:	On or about the Issue Date, the Issuer applied the gross proceeds of the issuance of the €3,100,000.00 Class R Note due 2038 issued by the Issuer with the ISIN PTHEF3OM0002 ("the "**Class R Note**") to fund the Cash Reserve Account up to the Cash Reserve Account Required Amount.
Rate of Interest:	The Notes of each Class represent entitlements to payment of interest in respect of each successive interest period from the Issue Date at an annual rate in respect of each Class equal to EURIBOR for 6 (six) months deposits in Euro (the "**Six-Month EURIBOR**") (or in the case of the first Interest Period, the linear interpolation between EURIBOR for 6 (six) months and EURIBOR for 12 (twelve) months deposits in Euro), plus the following Relevant Margins: Class A Notes 2% Class B Notes 6% Class J Notes 12%, provided that if the interest rate applicable during a given interest period on a Class of Notes in accordance with the foregoing would be negative, the relevant amount shall be deemed 0.00% (zero per cent.).
Class J Return Amount:	In respect of any Interest Payment Date, the Class J Notes bear an entitlement to payment of the Class J Return Amount in the amount calculated by the Transaction Manager to be paid from the Available Distribution Amount on such Interest Payment Date. This amount will only be payable to the extent that funds are available to the Issuer for that purpose under the following Payment Priorities.
Interest Accrual Period:	Interest on the Class A and Class B Notes and the Class J Return Amount (if any) will be paid semi-annually in arrears. Interest will accrue from, and including, the immediately preceding Interest Payment Date (or, in the case of the First Interest Payment Date, the Issue Date for the relevant Notes) to, but excluding, the relevant Interest Payment Date.
Interest Payment Date:	Interest on the Class A, Class B and Class J Notes accrues on a daily basis and will be payable semi-annually in arrears in Euro on the last calendar day of May and on the last calendar day of November each year or, if such date is not a Business Day, on the following Business Day,

	unless such day would fall in the next calendar month, in which case it will be brought forward to the immediately preceding Business Day (each such date, an "**Interest Payment Date**").
Business Day:	A TARGET Settlement Day or, if such TARGET Settlement Day is not a day on which banks are open for business in London and in Lisbon, the next succeeding TARGET Settlement Day on which banks are open for business in London and in Lisbon. "**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro. "**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.
Unpaid Interest:	Any unpaid interest amount on any Class of Notes shall accrue additional interest at the interest rate applicable from time to time to the relevant Class of Notes until such unpaid amount is paid in full. If there are any Interest Amounts in respect of any class of Notes other than the Class A Notes which are due but not paid on any Interest Payment Date (other than the Final Legal Maturity Date), such amounts shall not be regarded as payable on such date and shall accrue interest during the period from (and including) the Interest Payment Date upon which such unpaid amounts are deferred to (and excluding) the date of actual payment thereof.
Final Redemption:	Unless the Notes have previously been redeemed in full as described in Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*), the Notes will be redeemed by the Issuer on the Final Legal Maturity Date at their Principal Amount Outstanding. If any of the Notes in a Class cannot be redeemed in full on the Final Legal Maturity Date as a result of the Available Distribution Amount on the Final Legal Maturity Date being insufficient for such purpose, any principal amount then outstanding in respect of such Notes shall be cancelled.
Final Legal Maturity Date:	The Interest Payment Date falling on November 2038.
Taxation in respect of the Notes:	Repayment of principal, if applicable, and payment of interest and other amounts due under the Notes will be subject to income taxes, including applicable withholding taxes (if any), and other taxes (if any) and neither the Issuer nor any other person will be obliged to pay additional amounts in relation thereto. Income generated by the holding (distributions) or transfer (capital gains) of the Notes is generally subject to Portuguese tax for securitisation debt notes ("*obrigações*") if the holder is a Portuguese resident or has a permanent establishment in Portugal to which the income might be attributable. Pursuant to Decree-Law 193/2005, any payments of interest made in respect of the Notes to Noteholders who are not Portuguese residents and do not have a permanent establishment in Portugal to which the income might be attributable will be exempt

from Portuguese income tax provided the requirements and procedures for the evidence of non-residence are complied with. The above-mentioned exemption from income tax does not apply to non-resident individuals or companies if the individual's or company's country of residence is any of the jurisdictions listed as tax havens in Ministerial Order no. 150/2004, of 13 February 2004 (as amended) and, in the case of application of Decree-Law 193/2005, with which Portugal does not have a double tax treaty in force or a tax information exchange agreement in force.

Regulatory Capital Requirements:

Articles 405 to 410 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "**CRR**"), as supplemented by Commission Delegated Regulation (EU) No. 625/2014, of 13 March 2014, and including any regulatory technical standards and any implementing technical standards issued by the European Banking Authority or any successor body, from time to time, and Bank of Portugal Notice (*Aviso*) 9/2010 ("**Notice 9/2010**") place an obligation on a credit institution or investment firm that is subject to the CRR (a "**CRR Institution**") which assumes exposure to the credit risk in a securitisation transaction (as defined in article 4(1)(61) of the CRR) to ensure that the originator, sponsor or original lender has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest in the securitisation of not less than 5% (five per cent.) of the nominal amount of the securitised exposures. There shall be no arrangements, on the Issue Date or thereafter pursuant to which such material net economic interest (by selling or hedging it or otherwise) will decline over time materially faster than such securitised exposures, although it may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying exposures.

(See "*Risk Factors" — "Failure by the Originator to comply with articles 405 to 410 of the CRR, articles 51 and 52 of the AIFMR, articles 254 and 256 of the Solvency II Implementing Rules and of the Bank of Portugal Notice 9/2010 may adversely affect the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market*", and "*Changes to European Securitisation Framework may result in additional costs for the Issuer*").

Also, the provisions of Section 5 of Chapter III of Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, referred to as the Alternative Investment Fund Manager Regulation (the "**AIFMR**") and the provisions of Chapter VIII of Commission Delegated Regulation (EU) 2015/35, of 10 October 2014 (the "**Solvency II Implementing Rules**") provide for due diligence requirements to be undertaken by, respectively, alternative investment fund managers required to be

authorised under the AIFMD and insurance or reinsurance undertakings which assume exposure to the credit risk of a securitisation, as well as apply to them, respectively, restrictions on the investment in securities and other financial instruments originated through securitisation, in relation to risk retention requirements. While such requirements are similar to those which apply pursuant to articles 405 to 410 of the CRR, they are not identical and, in particular, additional due diligence obligations apply to the relevant alternative investment funds managers and insurance or reinsurance undertakings.

Articles 405 to 410 of the CRR, articles 51 and 52 of the AIFMR, articles 254 and 256 of the Solvency II Implementing Rules and Notice 9/2010 also place an obligation on CRR Institutions, alternative investment fund managers and insurance and reinsurance undertakings, respectively, before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in timely manner performance information on the exposures underlying their securitisation positions.

No Purchase of Notes by the Issuer: The Issuer may not at any time purchase any of the Notes.

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

	DBRS	Moody's	Scope
Class A Notes	BBB(low) (sf)	Baa3 (sf)	BBB- (sf)
Class B Notes	CCC (sf)	Caa3 (sf)	B- (sf)

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

The ratings take into consideration the characteristics of the Receivables and the structural, legal and tax aspects associated with the Class A Notes and the Class B Notes, including the nature of the underlying assets.

The Class J and Class R Notes are unrated.

Optional Redemption in Whole: Subject to the provisions of the Securitisation Law in force (and notably article 45(2)(a) thereof, since all the Receivables, other than the Receivable originated under the Loan Agreement, are non-performing credits), and of Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*), the Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date:

(a) when, on the Calculation Date immediately preceding such Interest Payment Date, the Adjusted Aggregate Principal Outstanding Balance of the Receivables is equal to or less than 10% (ten per cent.) of the Adjusted Aggregate Principal

Outstanding Balance of all of the Receivables as at the Collateral Determination Date; or

(b) after the date on which, by virtue of a change in Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would be required to make a Tax Deduction from any payment in respect of the Notes (other than by reason of the relevant Noteholder having some connection with the Portuguese Republic, other than the holding of the Notes); or

(c) after the date on which, by virtue of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would not be entitled to relief for the purposes of such Tax law for any material amount which it is obliged to pay, or the Issuer would be treated as receiving for the purposes of such Tax law any material amount which it is not entitled to receive under the Transaction Documents; or

(d) after the date of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law) which would cause the total amount payable in respect of any of the Notes to cease to be receivable by the Noteholders including as a result of any of the Borrowers being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables or the Issuer being obliged to make a Tax Deduction in respect of any payment in relation to any Note,

provided that, if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class J Notes at their Principal Amount Outstanding, the Class J Notes shall be deemed to be redeemed in full and all the claims of the Class J Noteholders for any shortfall in the Principal Amount Outstanding of the Class J Notes shall be extinguished.

Redemption in whole of the Notes by the Issuer referred to in any of the items above may only occur provided that the relevant assignment of credits by the Issuer under article 45 of the Securitisation Law fully complies with the Bid Process and is monitored by the Monitoring Agent and approved by the Servicing Committee.

For the purposes of (a) above, "Adjusted Aggregate Principal Outstanding Balance" means the Aggregate Principal Outstanding Balance multiplied by the Discount Factor, and "Discount Factor" means the result of the division of the Purchase Price by the Aggregate Principal Outstanding Balance of the Receivables as at the Collateral Determination Date.

Junior Noteholder Put Option: Subject to the provisions of the Securitisation Law in force and of Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*), the Issuer may redeem all (but not some only) of

the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date, provided that the following conditions are met (the "**Put Option Conditions**"):

(a) the Issuer has received from the majority of the Class J Noteholders a written resolution confirming that the Class J Noteholders are exercising their option (the "**Junior Noteholder Put Option**") to decide to have all (but not some only) of the Notes redeemed at their Principal Amount Outstanding;

(b) the Issuer has received confirmation from the Transaction Manager that it will have the necessary available funds in the Available Distribution Amount to discharge all its outstanding liabilities in respect of the Notes and all amounts required under the relevant Payment Priorities to be paid in priority or *pari passu* with the Notes;

(c) such confirmation from the Transaction Manager as described in item (b) above is evidence acceptable to the Common Representative that the Available Distribution Amount is sufficient to redeem all (but not some only) of the Notes in accordance with the relevant Payment Priorities;

(d) the Class J Noteholders exercising the Junior Noteholder Put Option have established to the satisfaction of the Issuer that they hold the relevant Class J Notes on the date on which the Junior Noteholder Put Option is exercised and that they will be the holders of such Class J Notes on the Put Option Date;

(e) the exercise of the Junior Noteholder Put Option by the Class J Noteholders is valid to discharge all of the Issuer's obligations under or in connection with the Notes towards the Noteholders and the Transaction Creditors pursuant to Condition 9 (*Final Redemption, Mandatory Redemption in part and Optional Redemption*) and confirmation that funds are available to the Issuer to meet its payment obligations of a higher or equal priority; and

(f) the exercise of the Junior Noteholder Put Option satisfies all the applicable legal requirements, including the ones arising under the Securitisation Law, notably under article 45 thereof;

(g) the assignment of the Receivables Portfolio for the purposes of the exercise of the Junior Noteholder Put Option complies with the Bid Process and is monitored by the Monitoring Agent,

and, subject to the reception of a certificate (in form and substance satisfactory to it) signed on behalf of the Transaction Manager confirming that all Put Option Conditions have been or will be duly met up to the relevant Interest Payment Date, the Issuer shall give not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Common Representative, the Transaction Manager, the Principal

Paying Agent, the Noteholders, the Cap Counterparty and the Rating Agencies of the exercise of the Junior Noteholder Put Option.

It is expressly stated and agreed that the exercise of the Junior Noteholder Put Option by the Class J Noteholder shall be conditional upon there being sufficient funds to redeem the Notes, and the Issuer shall have no obligation whatsoever to actually redeem the Notes in the event that there are no such sufficient funds, and the Issuer shall not be obliged to use any efforts to procure that such sufficient funds are made available to it. In case the Notes are not redeemed on the relevant Interest Payment Date, the exercise of the Put Option will become ineffective, which shall not affect the Class J Noteholders' right to exercise further Junior Noteholder Put Option in accordance with the terms of Condition 9 (*Final Redemption, Mandatory Redemption in part and Optional Redemption*).

Under the provisions of Condition 9 (*Final Redemption, Mandatory Redemption in part and Optional Redemption*), the Class A Noteholders and the Class B Noteholders acknowledge, agree and confirm that, subject to the satisfaction of the Put Option Conditions, the Issuer may redeem all (but not some only) of the Notes upon the exercise of the Junior Noteholder Put Option.

PRINCIPAL FEATURES OF THE CLASS R NOTE

The following provides a summarised overview of certain aspects of the Class R Note Conditions of which prospective investors in the Notes should be aware and should be read as an introduction to the Prospectus. This overview is not intended to be exhaustive and prospective investors should read the detailed information set out in this document and reach their own views prior to making any investment decision.

Class R Note:	The Issuer has issued on the Issue Date in accordance with the terms of the Class R Note Conditions the following note: €3,100,000.00 Class R Note due 2038, with the ISIN PTHEF3OM0002.
Issue Date:	16 November 2018.
Issue Price:	The Class R Note has been issued at 100% (one hundred per cent.) of its principal amount.
Form and Denomination:	The Class R Note is in dematerialised book-entry form (*forma escritural*) and nominative (*nominativa*) in the specified denomination of €3,100,000.00 (three million and one hundred thousand euros).
Title:	The person showing in an individual securities account of an affiliate member of Interbolsa as holder of the Class R Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of any payment) whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such holder. Title to the Class R Note will pass by registration in the relevant individual securities accounts held with an affiliate member of Interbolsa. Transfers of interest in the Class R Note between Euroclear participants, between Clearstream, Luxembourg participants and between Euroclear participants on the one hand and Clearstream, Luxembourg participants on the other hand will be affected in accordance with procedures established for these purposes by Euroclear and Clearstream, Luxembourg respectively. References herein to the "holder" of the Class R Note or "Class R Noteholder" are to the person in whose name such Class R Note is so registered in the securities account with the relevant affiliate member of Interbolsa.
Status and Ranking:	The Class R Note constitutes direct, secured and limited recourse obligations of the Issuer and the Class R Note and the other related Issuer Obligations benefit from the statutory segregation provided by the Securitisation Law. The Class R Note represents the right to receive interest and principal or distribution amounts payments, as and if applicable, from the Issuer in accordance with the Class R Note Conditions and the relevant Payment Priorities. On each Interest Payment Date, the Class R Note will

	amortise by an amount equal to the difference between the Class R Note principal outstanding balance and the Cash Reserve Account Required Amount, subject to the relevant Payment Priorities. Payments of principal on the Notes and on the Class R Note on each Interest Payment Date will be made sequentially by redeeming principal due on the Class R Note, thereafter by redeeming principal due on the Class A Notes, thereafter by redeeming principal due on the Class B Notes, and thereafter by redeeming principal due on the Class J Notes to the extent foreseen in the relevant Payment Priorities.
Limited Recourse:	All obligations of the Issuer to the Class R Noteholder or to the Transaction Parties in respect of the Class R Note or the other Transaction Documents, including, without limitation, the related Issuer Obligations are limited in recourse and, as set out in Condition 4.3 (*Sole Obligations*) of the Class R Note Conditions, the Class R Noteholder and/or the Transaction Parties will only have a claim in respect of the specific pool of assets of the Issuer which collateralises the obligations of the Issuer arising under the Transaction Documents (including any receivables arising under the Receivables, the Collections, the Transaction Accounts, the Issuer's rights in respect of the Transaction Documents and any other right and/or benefit either contractual or statutory relating thereto purchased or received by the Issuer in connection with the Class R Note) and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other assets or its contributed capital.
Statutory Segregation and Security for the Class R Note:	The Class R Note and the other obligations of the Issuer under the Transaction Documents owing to the Transaction Creditors have the benefit of the statutory segregation provided for by article 62 of the Securitisation Law, which provides that the assets and liabilities (*património autónomo*) of the Issuer in respect of each transaction entered into by the Issuer are completely segregated from the other assets and liabilities of the Issuer. In accordance with the terms of article 61 and the subsequent articles of the Securitisation Law, the right of recourse of the Class R Noteholder is limited to the specific pool of assets, including the Receivables, the Collections, the Transaction Accounts, the Issuer's rights in respect of the Transaction Documents and any other right and/or benefit, either contractual or statutory, relating thereto, purchased or received by the Issuer in connection with the Class R Note. Accordingly, the obligations of the Issuer in relation to the Class R Note under the Transaction Documents are limited in recourse, in accordance with the Securitisation Law, to the Transaction Assets.
Use of Proceeds:	On or about the Issue Date, the Issuer applied the gross proceeds of the Class R Note to fund the Cash Reserve Account up to the Cash Reserve Account Required Amount.
Rate of Interest:	The Class R Note represents entitlements to payment of interest in

	respect of each successive interest period from the Issue Date at an annual rate equal to EURIBOR for 6 (six) months deposits in Euro (the "**Six Month EURIBOR**") (or in the case of the first Interest Period, the linear interpolation between EURIBOR for 6 (six months and EURIBOR for 12 (twelve) months deposits), plus a spread of 2% (two per cent.).
Interest Accrual Period:	Interest on the Class R Note will be paid semi-annually in arrears. Interest will accrue from, and including, the immediately preceding Interest Payment Date (or, in the case of the First Interest Payment Date, the Issue Date for the Class R Note) to, but excluding, the following Interest Payment Date.
Interest Payment Date:	Interest on the Class R Note accrues on a daily basis and will be payable semi-annually in arrears in Euro on the last calendar day of May and on the last calendar day of November each year or, if such date is not a Business Day, on the following Business Day, unless such day would fall in the next calendar month, in which case it will be brought forward to the immediately preceding Business Day (each such date, an "**Interest Payment Date**").
Business Day:	A TARGET Settlement Day or, if such TARGET Settlement Day is not a day on which banks are open for business in London and in Lisbon, the next succeeding TARGET Settlement Day on which banks are open for business in London and in Lisbon. "**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro. "**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.
Unpaid Interest and Principal:	Interest on overdue principal and interest on the Class R Note, if any, will accrue from the due date up to the date of actual payment at the rate equal to the interest rate defined in Condition 6.2 (*Rate of Interest*) of the Class R Note Conditions.
Final Redemption:	Unless previously redeemed in full, the Class R Note will be redeemed by the Issuer on the Final Legal Maturity Date at their Principal Amount Outstanding.
Final Legal Maturity Date:	The Interest Payment Date falling on November 2038.
Taxation in respect of the Class R Note:	Repayment of principal, if applicable, and payment of interest and other amounts due under the Class R Note 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 Portugal or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

OVERVIEW OF THE TRANSACTION

Purchase of Receivables:	Under the terms of the Receivables Sale Agreement and pursuant to article 4(1) of the Securitisation Law, the Originator has assigned to the Issuer and the Issuer has, subject to satisfaction of the applicable conditions precedent, purchased from the Originator a portfolio of receivables (the "**Receivables Portfolio**") on 16 November 2018 (the "**Issue Date**").
The Receivables:	The Receivables assigned to the Issuer consist essentially of defaulted and non-performing term loans (i.e. loans where one or more interest or principal payments was not made when due, in accordance with the Portuguese law, which is the applicable contract law), including consumer loans, credit card facilities, residential secured loans, overdrafts, construction loans, corporate secured loans and unsecured loans granted by the Originator to a Borrower, together with such rights, interest and claims of the Originator under the corresponding Receivables Agreement. The Receivables Portfolio includes secured loans and unsecured loans, representing, respectively, 51.5% and 48.5% of the Receivables Portfolio. The structuring of Guincho transaction required AGHL Portugal Investments Holdings, S.A. to purchase the Asset Manager and to subsequently sell it to Guincho Asset Management Holdings D.A.C.. Such structuring also required the Originator to grant a €70,000.00 (seventy thousand euros) unsecured loan, pursuant to a loan agreement (the "**Loan Agreement**"), which allowed Guincho Asset Management Holdings D.A.C., as borrower, to purchase the shares of the Asset Manager. The Originator assigned to the Issuer, as part of the Receivables Portfolio, the receivables arising under such loan. The Receivables are interest-bearing receivables. The Receivables Agreements are denominated in euro and governed by Portuguese law. Borrowers are corporates or individuals domiciled in the Portuguese jurisdiction.
Consideration for Purchase of the Receivables Portfolio:	In consideration for the assignment of the Receivables Portfolio on the Issue Date, the Issuer has paid the Purchase Price (as defined below - see "*Overview of Certain Transaction Documents – Receivables Sale Agreement*") to the Originator. "**Purchase Price**" means the amount paid by the Issuer to the Originator in consideration for the Receivables Portfolio pursuant to the Receivables Sale Agreement, corresponding to €123,000,000.00 (one hundred twenty three million euros).
Use of Proceeds:	On or about the Issue Date, the Issuer applied the gross proceeds of the Notes solely towards the payment of the Purchase Price of the

Receivables included in the Receivables Portfolio.

Ancillary Receivables Rights:

The sale and assignment of the Receivables Portfolio included, both pursuant to Portuguese law and the Receivables Sale Agreement, the sale and transfer of the Ancillary Receivables Rights held by the Originator.

"**Ancillary Receivables Rights**" means, in respect to each Receivable:

(a) all monies and proceeds other than principal payable or to become payable under, in respect of or pursuant to such Receivable including, without limitation, any sum owed by way of interest charges, late payment charges, extension or collection fees and any security granted in relation to the Receivable including, without limitation pledges and other real or personal security of any description securing the payment of the relevant Receivable;

(b) the benefit of all rights, title, interests, privileges and related rights concerning the Receivables, including, without limitation, any sum owed by way of principal, interest and overdue interest, ancillary rights and any security or collateral, and any obligations, covenants, undertakings, representations, warranties and indemnities in favour of the Seller contained in or relating to such Receivable including, without limitation, those contained in the relevant Receivables Agreement;

(c) all causes and rights of action (present and future) against any person relating to such Receivable including, without limitation, such causes and rights of action arising under the Receivables Agreement and including the benefit of all powers and remedies for enforcing or protecting the Seller's right, title, interest and benefit in respect of such Receivable;

(d) all Records in respect thereof;

(e) all Collections in respect thereof; and

(f) all other proceeds of any of the foregoing,

but excluding, for the avoidance of doubt, any amounts resulting from court deposits (*depósitos de preço*) made by the Originator in relation to the Receivables in the context of the relevant pending Court Proceedings.

Eligibility Criteria:

On the Issue Date, the Originator and Seller has represented and warranted that the Receivables comprised within the Receivables Portfolio comply with the eligibility criteria contained in Schedule 1, Part B (*Receivables Representations and Warranties of the Seller*) of the Receivables Sale Agreement.

Servicing of the Receivables Portfolio:

Pursuant to the terms of the Secured Residential Receivables Servicing Agreement, the Secured Commercial Receivables Servicing Agreement and the Unsecured Servicing Agreement, as applicable, each Servicer (Whitestar as Secured Residential Servicer, HG PT as Secured

Commercial Servicer and Altamira as Unsecured Servicer, respectively) has agreed to administer and service, on behalf of the Issuer, the relevant Receivables sold and assigned by the Originator to the Issuer and, in particular, to:

(a) collect the Receivables due in respect thereof;

(b) administer relationships with the Borrowers;

(c) undertake and carry on enforcement proceedings in respect of any Borrowers which have defaulted on their obligations under the relevant Receivables Agreement.

Asset Management of certain Receivables:

Under the terms of the Asset Management Agreements, the Asset Manager has agreed to provide certain asset management services in relation to certain Receivables, including, but not limited to:

(a) undertake and carry on enforcement proceedings in respect of the Receivables assigned to the Asset Manager;

(b) repossession and disposal of any Properties related to such assigned Receivables;

(c) deliver the realisation proceeds of such Properties to the assignor of such Receivables.

Under the Secured Receivables Servicing Agreements and the Asset Management Agreements, the Secured Servicers shall represent the Asset Manager in respect of the above.

Assignment of Receivables and Seller Allocated Properties to Asset Manager:

For the purposes of real estate repossession and disposal under the Asset Management Agreements, and in accordance with article 45(2)(a) of the Securitisation Law, certain Secured Receivables have been assigned by means of a notarial deed to the Asset Manager on the Issue Date and further Receivables may be assigned to the Asset Manager on subsequent dates. As at the present date, no further assignments have occurred.

Under the terms of each Asset Management Agreement, the Seller acknowledges that the Seller Allocated Properties relate to Receivables which were assigned to the Issuer and that, under the terms of the Receivables Sale Agreement, belong *de facto* to the Issuer, even though they may still be registered in the name of the Seller. Consequently, the Seller Allocated Properties will be transferred by the Seller to the Asset Manager as soon as reasonably possible in the terms set out in the Asset Management Agreements.

In order for the assignment of the Receivables to the Asset Manager to be effective, under the terms of each Asset Management Agreement, the Asset Manager shall acquire the relevant Receivables and thus: (i) assignment notices will be sent to borrowers by the Issuer (or the Servicers on its behalf); (ii) relevant filings with the Portuguese land registry office will be executed, and (iii) the relevant empowerment application (*incidente de habilitação*) in the relevant court proceedings for the purposes of biding and acquiring the Properties will be effected.

With regard to the Secured Receivables already assigned to the Asset Manager, all assignment notices have been sent, all filings with the Portuguese land registry office will be submitted and all relevant empowerment application will be filed.

Upon judicial award of the Property related to such Receivable, the Asset Manager shall dispose such Property and shall deliver the amount corresponding to the realisation proceeds of such Properties to the Issuer, which shall be treated as Collections.

Under the Secured Receivables Servicing Agreements and the Asset Management Agreements, the Secured Servicers shall represent the Asset Manager in respect of the above.

Servicing Committee:

The Class B Noteholders and Class J Noteholders shall appoint a committee (the "**Servicing Committee**") which shall exercise powers, authorities, and discretion in relation to certain specific matters related to the servicing of the Receivables Portfolio and in accordance with the Servicing Committee Rules, the Conditions and the other Transaction Documents.

Prospective Noteholders should be aware that each member of the Servicing Committee will represent the interest of the relevant Class B or Class J Noteholders by which it has been appointed.

Pursuant to the Servicing Committee Rules, the Servicing Committee is empowered to analyse and resolve on a variety of matters, *inter alia*:

(a) the approval of the organisation of a competitive bid process to sell the Receivables Portfolio or any Receivable;

(b) the authorisation to terminate the appointment of any Servicer or the Asset Manager and replace any of them with another entity, provided the Class A Noteholders are notified and do not oppose the decision;

(c) the authorisation to amend any Receivables Servicing Agreement or any Asset Management Agreement, provided the Class A Noteholders are notified and do not oppose the decision;

(d) the approval of the sale of any Receivables to third parties pursuant to the Receivables Servicing Agreement, under specific conditions.

For further information on the attributions of the Servicing Committee please see section "*Overview of Certain Transaction Documents – Servicing Committee Rules"*.

Under the Servicing Committee Rules and the Monitoring Agent Appointment Agreement, certain matters shall be submitted to the Monitoring Agent, together with a report of the relevant Servicer containing such Servicer's reasoned opinion, for the relevant submission to the Servicing Committee.

This includes (i) a written communication sent by the relevant Servicer to the Servicing Committee and the Monitoring Agent, in case the

Receivables Recovery Expenses have reached 70% of the Maximum Amount, and additional expenses are requested and deemed necessary by such Servicer for the recovery of the claims in respect of the Receivables, after which the Servicing Committee will promptly resolve on the matter and the Monitoring Agent will immediately inform the relevant Servicer on the outcome of such resolution; and (ii) in relation to a given Receivable, any enforcement or settlement which do not comply with the applicable Set of Procedures (as identified in the relevant Receivables Servicing Agreement), but which deemed to be acceptable by the relevant Servicer.

In respect of (ii) above, upon submission to the Servicing Committee by the Monitoring Agent and decision of the Servicing Committee (in accordance with the Servicing Committee Rules), the relevant Servicer may, in the name and on behalf of the Issuer, assign to a third-party purchaser such Receivable, subject to the following cumulative requirements:

(a) confirmation is provided to the Issuer from such Servicer that the relevant assignment of such Receivable to a third-party purchaser is, according to a cautious and reasonable assessment performed with the upmost professional care, in accordance with clause 5 (*Standard of Care and Performance*) of the relevant Receivables Servicing Agreement, the most convenient and effective opportunity under an economic perspective for the recovery and collection of the monies arising thereunder;

(b) the relevant assignment of such Receivable to a third-party purchaser is a credit assignment agreement (*contrato de cessão de créditos*) under article 577 of the Portuguese Civil Code and article 45(2)(a) of the Securitisation Law;

(c) the transfer of the relevant Receivable is effective between the Issuer and the third-party purchaser upon payment of the relevant purchase price;

(d) (i) the purchase price of the relevant Receivable shall not be lower than Target Price of such Receivable and (ii) the relevant sale of Receivables does not exceed 2% (two per cent.) of the Target Price in respect of the Receivables Portfolio (provided that in case the requirement specified in (ii) is not fulfilled, the Monitoring Agent may, upon the prior approval and instruction of the Servicing Committee, waive this requirement and inform that the relevant assignment of the Receivable is authorised, in accordance with the relevant Receivables Servicing Agreement);

(e) the proceeds of such assignment shall be deemed Transferred Receivables Available Proceeds for the purposes of the Available Distribution Amount.

In accordance with the Transaction Documents, the Issuer, the Common

Representative, the Servicers, the Monitoring Agent and the other Transaction Parties have:

(a) acknowledged to be fully aware and to accept without reservations the Servicing Committee Rules;

(b) agreed that any resolutions duly taken by the Servicing Committee under and in accordance with the terms of the Servicing Committee Rules shall be binding and enforceable on each of them.

Monitoring Agent: Under the Monitoring Agent Appointment Agreement, the Monitoring Agent has agreed to perform certain services on behalf of the Issuer in relation to the servicing of the Receivables Portfolio, namely:

(a) to supervise the servicing of the Receivables Portfolio by the Servicers;

(b) to determine whether a Subordination Event has occurred, in accordance with the provisions of the relevant Receivables Servicing Agreement;

(c) to oversee any Bid Process for the sale of the Receivables Portfolio;

(d) to liaise with and to submit to the Servicing Committee all specific matters required to be analysed and resolved by the Servicing Committee under the terms of the Servicing Committee Rules.

Subordination Event: Means any of the following, in respect of a given Interest Payment Date:

(a) the Cumulative Collection Ratio as indicated in the Investor Report delivered immediately prior to such Interest Payment Date is lower than 90% (ninety per cent.); or

(b) the NPV Cumulative Profitability Ratio as indicated in the Investor Report immediately preceding such Interest Payment Date is lower than 90% (ninety per cent.); or

(c) the amount paid by the Issuer as interest on the Class A Notes is lower than the relevant Interest Amount due on the Class A Notes,

upon which the Monitoring Agent shall send a notice of occurrence of a Subordination Event to the Issuer, the Servicers, the Sole Arranger and Lead Manager, the Common Representative, the Cap Counterparty, the Transaction Manager and the Servicing Committee. For the sake of clarity, the occurrence of a Subordination Event shall be assessed in respect of each Interest Payment Date separately.

For the above purposes, in respect of (b):

References to "**Investor Report**" are references to any Investor Report issued by the Transaction Manager.

"**Cumulative Collection Ratio**" means, in respect of an Interest Payment

Date, the percentage aggregate ratio, as indicated in the Investor Report delivered immediately prior to such Interest Payment Date between: (i) the aggregate Net Collections received on or after the Issue Date and (ii) the aggregate Net Expected Collections expected to be received on or after the Issue Date.

"**Net Collections**" means, for a given Collection Period, the difference between (i) the gross Collections in each relevant Collection Period, and (ii) the Receivables Recovery Expenses. For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court);

"**Net Expected Collections**" means, for a given Collection Period, the difference between (i) the expected gross Collections and (ii) the expected Receivables Recovery Expenses for such Receivables, both up to the end of the immediately preceding Collection Period in accordance with the relevant Business Plan (which is attached as Schedule 8 (*Business Plan*) to each Receivables Servicing Agreement). For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court). The amount of the Net Expected Collections is attached as Schedule 6 (*Net Expected Collections*) to the Master Framework Agreement;

"**NPV Cumulative Profitability Ratio**" means, in respect of each Interest Payment Date, the aggregate ratio indicated in the immediately preceding Investor Report between (i) the sum of the NPV of the Net Collections received on or after the Issue Date of all Debt Relationships which are Exhausted Debt Relationships, and (ii) the sum of the Target Price of all Debt Relationships which are Exhausted Debt Relationships;

"**NPV**" means the amount calculated according to the following formula:

NPV(X) = X/((1+i)^(t/360))

where:

"X"= means the corresponding cash flow amount in Euros.

"i"=Discount Factor

"t"=means the number of days passed between the date on which the X amount is collected or paid and the Issue Date, assuming that all the Collections are received on the last day of the Collection Period in which they occur or are anticipated to occur.

"**Discount Factor**" means 3.5% (three point five per cent.).

"**Target Price**" means the NPV of Net Collections to be received on or after the Issue Date in respect of a Debt Relationship as calculated at a rate equal to a Discount Factor and on the basis of the Business Plan, as determined prior to the Issue Date and set out in Schedule 8 (*Business*

Plan) of the relevant Receivables Servicing Agreement, for the Receivables to be serviced by the relevant Servicer.

For the avoidance of doubt, the Target Price in respect of a Debt Relationship is set out in Schedule 8 (*Business Plan*) of the relevant Receivables Servicing Agreement, which has been determined as the NPV of the net collections as of each Interest Payment Date on the basis of the relevant Business Plan on the Issue Date.

"**Debt Relationship**" means the aggregate of all Receivables pertaining to the same Borrower.

"**Exhausted Debt Relationship**" means a Debt Relationship which the relevant Servicer considers to be exhausted (either following being collected in full or sold or written off or for any other reason, including for having received an instruction from the Servicing Committee to classify it as exhausted), in accordance with the conditions foreseen in the relevant Receivables Servicing Agreement.

Servicer Reporting:

Whitestar, HG PT and Altamira, in their capacity of Secured Residential Servicer, Secured Commercial Servicer and Unsecured Servicer, respectively, will each be required to deliver to the Report Recipients (i.e., the Issuer, the Transaction Manager, the Noteholders, the Common Representative, whenever appointed, the Monitoring Agent, the Sole Arranger and Lead Manager and the Rating Agencies, if applicable) no later than 10 (ten) Business Days after the end of the relevant Collection Period, a report in the form agreed in the relevant Receivables Servicing Agreement (each a "**Servicer Report**") relating to the period from the last date covered by the previous Servicer Report.

Each Servicer Report will form part of an investor report in the form to be agreed with the Issuer and the Transaction Manager under the Paying Agency and Transaction Management Agreement (the "**Investor Report**") to be delivered to the Issuer, the Common Representative, the Sole Arranger and Lead Manager, the Rating Agencies, the Cap Counterparty and the Agents no later than 6 (six) Business Days prior to each Interest Payment Date.

The Investor Report and Servicers Reports will be made available on Bloomberg. Each Investor Report shall also be available at the specified offices of the Common Representative and the Principal Paying Agent, the registered office of the Issuer and on the Transaction Manager's website currently located at https://sf.citidirect.com/.

Collections Accounts:

The Secured Residential Collections Account, the Secured Commercial Collections Account and the Unsecured Collections Account have been opened, on or about the Issue Date, with the Accounts Bank in the name of the Issuer and the Servicers shall operate each corresponding account in accordance with the relevant Receivables Servicing Agreement.

Subject to the exception below, any amount credited to the Secured Commercial Collections Account or the Unsecured Collections Account on a Business Day will be transferred by the relevant Servicer to the

General Collections Account (i) on the same Business Day, if the relevant amount has been received by 11:00 am (Lisbon time) of such Business Day, or (ii) if relevant amount has been received thereafter, on the following Business Day. Subject to the exception below, on each Business Day by 13.00 p.m. (London time) the Secured Residential Servicer will transfer any amount credited to the Secured Residential Collections Account on the immediately preceding Business Day to the General Collections Account.

If the relevant Servicer identifies an amount paid into the Collections Account as an Incorrect Payment on the same Business Day in which it was paid, the Servicer shall not be required to transfer that amount to the General Collections Account but may transfer it to the relevant recipient (to whom the Incorrect Payment amount is owed), provided that on that same Business Day the Servicer notifies the Issuer, the Accounts Bank and the Monitoring Agent, attaching sufficient proof that it was an Incorrect Payment.

The Secured Residential Expenses Account, the Secured Commercial Expenses Account and the Unsecured Expenses Accounts (each an "**Expenses Account**") have been opened, on or about the Issue Date, with the Accounts Bank in the name of the Issuer and the Servicers shall operate each corresponding account in accordance with the relevant Receivables Servicing Agreement.

On or about the Issue Date, the Secured Residential Expenses Account has been credited with an amount up to €500,000.00 (five hundred thousand euros), the Secured Commercial Expenses Account has been credited with an amount up to €500,000.00 (five hundred thousand euros) and the Unsecured Expenses Account has been credited with an amount up to €250,000.00 (two hundred and fifty thousand euros). Such amounts will be funded from the expected Interim Collections due to the Issuer by the Originator and paid by the latter into the Payment Account, out of which such amounts have been credited to the Expenses Account.

The Secured Residential Expenses Account, the Secured Commercial Expenses Account and the Unsecured Expenses Account are subject to specific required amounts (each an "**Expenses Account Required Amount**"), to be replenished from time to time, as follows:

"**Secured Residential Expenses Account Required Amount**" means, as of the Issue Date, €500,000.00 (five hundred thousand euros) and from and excluding the Interest Payment Date falling in November 2020, €300,000.00 (three hundred thousand euros).

"**Secured Commercial Expenses Account Required Amount**" means, as of the Issue Date, €500,000.00 (five hundred thousand euros) and from and excluding the Interest Payment Date falling in November 2020, €300,000.00 (three hundred thousand euros).

"**Unsecured Expenses Account Required Amount**" means, as of the Issue Date, €250,000.00 (two hundred and fifty thousand euros).

In case the balance of the Secured Residential Expenses Account, the Secured Commercial Expenses Account or the Unsecured Expenses Account, as applicable, is less than 50% (fifty per cent.) of the Secured Residential Expenses Account Required Amount, the Secured Commercial Expenses Account Required Amount or the Unsecured Expenses Account Required Amount, as applicable, the relevant Servicer may request the Issuer that the Accounts Bank is instructed for a transfer to be made from the General Collections Account to replenish the balance of the Secured Residential Expenses Account, the Secured Commercial Expenses Account or the Unsecured Expenses Account, as applicable, up to the Secured Residential Expenses Account Required Amount, the Secured Commercial Expenses Account Required Amount or the Unsecured Expenses Account Required Amount, as applicable. The relevant Servicer may request this at any time, except from the period between and including a Calculation Date and an Interest Payment Date. If, during such time, payments need to be made out of the Expenses Account, the Servicer may request a transfer from the General Collection Account in the exact amount of such required payments.

If there are insufficient funds standing to the credit of the General Collections Account to replenish the relevant Expenses Account to the respective Expenses Account Required Amount, the Issuer instructs the Accounts Bank to transfer funds from the Cash Reserve Account to replenish the relevant Expenses Account to such Expenses Account Required Amount, provided that any request shall only be made after an Interest Payment (or the Issue Date, where the first Interest Period is running) and to be paid before the next Calculation Date.

On 5:00 pm London time of the Business Day immediately preceding a Calculation Date, each Servicer shall inform the Issuer and the Transaction Manager of the amount standing to the credit of the relevant Expenses Account. The shortfall (if any) between the actual balance of the relevant Expenses Account and the relevant Expenses Account Required Amount as of a Calculation Date will be transferred from the Payment Account to the relevant Expenses Account on the following Interest Payment Date, as an Issuer Expense, in accordance with the applicable Payment Priorities.

All Receivables Recovery Expenses relating to Secured Commercial Receivables shall be paid by HG PT as Secured Commercial Servicer by using the amounts standing to the credit of the Secured Commercial Expenses Account, which shall be used by such Servicer to cover up-front the Receivables Recovery Expenses incurred by such Servicer while acting under the Secured Commercial Receivables Servicing Agreement. Exceptionally, Incorrect Payment amounts, as provided under "*Incorrect Payments*" below, may be transferred from the Secured Commercial Expenses Account to the Secured Commercial Collections Account, for onwards delivery by the Secured Commercial Servicer to the relevant recipient.

All Receivables Recovery Expenses relating to Secured Residential Receivables shall be paid by Whitestar as Secured Residential Servicer

by using the amounts standing to the credit of the Secured Residential Expenses Account, which shall be used by such Servicer to cover up-front the Receivables Recovery Expenses incurred by such Servicer while acting under the Secured Residential Receivables Servicing Agreement. Exceptionally, Incorrect Payment amounts, as provided under "*Incorrect Payments*" below, may be transferred from the Secured Residential Expenses Account to the Secured Residential Collections Account, for onwards delivery by the Secured Residential Servicer to the relevant recipient.

All Receivables Recovery Expenses relating to Unsecured Receivables shall be paid by Altamira as Unsecured Servicer by using the amounts standing to the credit of the Unsecured Expenses Account, which shall be used by such Servicer to cover up-front the Receivables Recovery Expenses incurred by such Servicer while acting under the Unsecured Receivables Servicing Agreement. Exceptionally, Incorrect Payment amounts, as provided under "*Incorrect Payments*" below, may be transferred from the Unsecured Expenses Account to the Unsecured Collections Account, for onwards delivery by the Unsecured Servicer to the relevant recipient.

General Collections Account:

The General Collections Account has been opened, on or about the Issue Date, with the Accounts Bank in the name of the Issuer and shall be operated by the Issuer in accordance with the Portuguese Accounts Agreement.

The total amount standing to the credit of the General Collections Account as of the end of a Collection Period shall be credited to the Payment Account on the following Business Day. Accordingly, the amount to be transferred to the Payment Account on each such Business Day shall equal the Collections transferred to the General Collections Account on the relevant Collection Period less any amounts debited, in such Collection Period, from the General Collections Account to the Collections Accounts (in respect of any Incorrect Payments) or to any Expenses Account (to replenish it to the relevant Expenses Account Required Amount or as otherwise required to fund expenses payable between a Calculation Date and an Interest Payment Date).

A downgrade of the rating of the Accounts Bank by any of the Rating Agencies below the Minimum Rating will require the Issuer, with the Transaction Manager's assistance, to, within 30 (thirty) calendar days, procure a successor accounts bank meeting the Minimum Rating in order to transfer the General Collections Account and the funds standing to the credit thereof to such bank within such time.

"**Minimum Ratings**" means:

(a) with respect to the Accounts Bank:

(i) with respect to Scope: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "BB" if such entity having a credit rating assigned by Scope;

(ii) with respect to Moody's: such entity's long-term deposit rating being rated "Baa3" and such entity's short-term deposit rating being rated "P3" by Moody's, or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes; and

(iii) with respect to DBRS: the higher of a rating one notch below the entity's long-term Critical Obligations Rating (COR) as determined by DBRS and a DBRS Long-Term Rating of BBB(low) or an entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated R-2 (middle) by DBRS, or, in the absence, a DBRS Equivalent Rating of BBB (low) and R-2 (middle);

(b) with respect to the Payment Account Bank:

(i) with respect to Scope: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "BB" if such entity having a credit rating assigned by Scope;

(ii) with respect to Moody's: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "Baa3" and such entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "P3" by Moody's, or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes; and

(iii) with respect to DBRS: the higher of a rating one notch below the entity's long-term Critical Obligations Rating (COR) as determined by DBRS and a DBRS Long-Term Rating of BBB (low) or an entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated R-2 (middle) by DBRS, or, in the absence, a DBRS Equivalent Rating of BBB (low) and R-2 (middle);

(c) with respect to the Cap Collateral Account Bank:

(i) with respect to Scope: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "BB" if such entity having a credit rating assigned by Scope;

(ii) with respect to Moody's: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "Baa3" and such entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "P3" by Moody's, or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes; and

(iii) with respect to DBRS: the higher of a rating one notch below the entity's long-term Critical Obligations Rating

(COR) as determined by DBRS and a DBRS Long-Term Rating of BBB (low) or an entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated R-2 (middle) by DBRS, or, in the absence, a DBRS Equivalent Rating of BBB (low) and R-2 (middle);

or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes and the expression "**Minimum Rating**" shall (where appropriate) be construed accordingly.

Payment Account:

The Payment Account has been opened, on or about the Issue Date, with the Payment Account Bank in the name of the Issuer and the Transaction Manager shall operate the Payment Account in accordance with the English Accounts Agreement and the Paying Agency and Transaction Management Agreement. All payments permitted to be made may only be made out of the applicable Available Distribution Amount standing to the credit of the Payment Account to the extent that such payment is out of cleared funds and does not cause the Payment Account to become overdrawn and meets any other requirements in the English Accounts Agreement.

Funds will be debited from and credited to the Payment Account in accordance with the payment instructions of the Transaction Manager, on behalf of the Issuer, in accordance with the terms of the Paying Agency and Transaction Management Agreement and the English Accounts Agreement.

A downgrade of the rating of the Payment Account Bank by any of the Rating Agencies below the Minimum Rating will require the Issuer, with the Transaction Manager's assistance, to, within 30 (thirty) calendar days, procure a successor payment account bank meeting the Minimum Rating in order to transfer the Payment Account and the funds standing to the credit thereof to such bank within such time.

Incorrect Payments:

If the relevant Servicer identifies an amount paid into a Collections Account as an Incorrect Payment on the same Business Day in which it was paid, the Servicer shall not be required to transfer that amount to the General Collections Account but may transfer it to the relevant recipient (to whom the Incorrect Payment amount is owed), provided that on that same Business Day the Servicer notifies the Issuer, the Accounts Bank and the Monitoring Agent, attaching sufficient proof that it was an Incorrect Payment.

Except as provided above, upon having identified an Incorrect Payment, the relevant Servicer shall promptly and in any case within 5 (five) Business Days after such identification has taken place submit the relevant justified request to the Issuer, the Accounts Bank and the Monitoring Agent, in the form contained in Schedule 9 (*Draft of Incorrect Payment Notification*) to the relevant Receivables Servicing Agreement. If duly submitted, the Issuer will instruct the Accounts Bank to transfer the relevant Incorrect Payment amount from the General

	Collections Account to the relevant Collections Account (and upon such transfer the relevant Servicer shall deliver the Incorrect Payment amount to the relevant recipient). If no sufficient funds are available at the General Collections to transfer the Incorrect Payment amount to the relevant Collections Account, the relevant Servicer may instruct the Expenses Accounts Bank to transfer the relevant amount from the relevant Expenses Account to the Collections Account (and upon such transfer the relevant Servicer shall deliver the Incorrect Payment amount to the relevant recipient).
Commercial and Residential Asset Management Collections Accounts:	The Commercial Asset Management Collections Account and the Residential Asset Management Collections Account have been opened, on or about the Issue Date, with the Accounts Bank in the name of the Asset Manager and the Asset Manager shall operate the Commercial Asset Management Collections Account and the Residential Asset Management Collections Account in accordance with the relevant Asset Management Agreement.
Transfers of amounts received in each of the Commercial and the Residential Asset Management Collections Accounts:	Any amounts paid into the Commercial Asset Management Collections Account or the Residential Asset Management Collections Account and relating to Properties shall, if possible, on that same Business Day be transferred to the Payment Account, as directed by the Asset Manager.
Class R Note:	On or about the Issue Date, the Issuer applied the gross proceeds of the issue, and subsequent subscription, of the Class R Note, to fund the Cash Reserve Account up to the Cash Reserve Account Required Amount.
Cash Reserve Account:	The Cash Reserve Account has been opened, on or about the Issue Date, with the Accounts Bank in the name of the Issuer, in accordance with the Portuguese Accounts Agreement, into which an amount equal to €3,100,000.00 (three million one hundred thousand euros) (corresponding to the Cash Reserve Account Required Amount as of the Issue Date) has been transferred from the proceeds of the issue of the Class R Note. "**Cash Reserve Account Required Amount**" means, on the Issue Date, €3,100,000.00 (three million one hundred thousand euros) and, on each Interest Payment Date, an amount equal to 3% (three per cent.) of the Principal Amount Outstanding of the Class A Notes as of the Business Day following the immediately preceding Interest Payment Date (or, in respect of the First Interest Payment Date, on the Issue Date), provided that the Cash Reserve Account Required Amount will be equal to 0 (zero) on the earlier of: (a) the Interest Payment Date on which the Class A Notes can be redeemed in full through the application of the Cash Reserve Amount or any other Available Distribution Amount, and (b) the Final Legal Maturity Date or on the date on which all of the Notes are subject to any early redemption in whole, as applicable;

Funds will be debited and credited to the Cash Reserve Account in accordance with the payment instructions of the Issuer, in accordance with the terms of the Portuguese Accounts Agreement. The Cash Reserve Account may not go into overdraft.

A downgrade of the rating of the Accounts Bank by any of the Rating Agencies below the Minimum Rating will require the Issuer, with the Transaction Manager's assistance, to, within 30 (thirty) calendar days, procure a successor accounts bank meeting the Minimum Rating in order to transfer the Cash Reserve Account and the funds standing to the credit thereof to such bank within such time.

Replenishment of Cash Reserve Account: On each Interest Payment Date, (i) all amounts standing to the credit of the Cash Reserve Account shall be deemed as Available Distribution Amount and distributed in accordance with the relevant Payment Priorities, and (ii) to the extent that monies are available for that purpose, amounts will be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Payment Priorities up to the Cash Reserve Account Required Amount on such Interest Payment Date.

Cap Collateral Account: A Cap Collateral Account cash account opened in the name of the Issuer with the Cap Collateral Account Bank on or about the Issue Date with IBAN GB40CITI18500810251909 for transfer in Euro into which shall be credited: (i) any collateral received from the Cap Counterparty pursuant to the Cap Transaction, (ii) any interest or distributions on, and any liquidation or other proceeds of, such collateral, (iii) any Replacement Cap Premium received by the Issuer from a replacement cap counterparty, and (iv) any termination payment received by the Issuer from the Cap Counterparty pursuant to the Cap Transaction; and out of which amounts shall be paid in accordance with the Cap Collateral Account Priority of Payments.

Available Distribution Amount: In respect of each Interest Payment Date, means the amount calculated by the Transaction Manager as of the Calculation Date immediately preceding such Interest Payment Date, which is equal to:

(a) all amounts credited or transferred, in respect of the Receivables Portfolio and in respect of the Collection Period immediately preceding such Interest Payment Date, into the Payment Account;

(b) all amounts due and payable to the Issuer in respect of such Interest Payment Date under the terms of the Cap Transaction (if and to the extent paid) other than (1) any Collateral Amounts, any termination payment required to be made under the Cap Transaction, any collateral payable or transferable (as the case may be) under the Cap Transaction and any Replacement Cap Premium paid to the Issuer (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Cap Collateral Account Priority of Payments) and (2) any Cap Tax

Credit Amounts (which amounts shall be paid when due in accordance with the Cap Transaction, without regard to the Cap Collateral Account Priority of Payments or any Payment Priorities). For the sake of clarity, no funds standing to the credit of the Cap Collateral Account will be part of the Available Distribution Amount;

(c) all other amounts credited or transferred during the Collection Period immediately preceding such Interest Payment Date into the Payment Account;

(d) all interest accrued in each of the Transaction Accounts and credited to such Transaction Accounts (except for the Cap Collateral Account) during the Collection Period immediately preceding such Interest Payment Date;

(e) if any, all amounts received by the Issuer from the Seller pursuant to the Receivables Sale Agreement during the Collection Period immediately preceding such Interest Payment Date (including any amount received by the Issuer from the Seller as indemnity in case of breach by the Seller of any Seller's Representations and Warranties);

(f) all amounts standing to the credit of the Cash Reserve Account;

(g) the Transferred Receivables Available Proceeds;

(h) on the earlier of (1) the Final Legal Maturity Date and (2) such other prior date on which the Notes are all to be redeemed in full, all the amounts standing to the credit of the General Collections Account, the Secured Residential Expenses Account, the Secured Commercial Expenses Account and the Unsecured Expenses Account; and

(i) any amounts (other than the amounts already allocated under other items of the Available Distribution Amount) paid into the Payment Account during the Collection Period immediately preceding such Interest Payment Date other than the Available Distribution Amount utilised on the immediately preceding Interest Payment Date,

but excluding, for the avoidance of doubt:

(a) the proceeds deriving from the transfer in whole or in part (if any) of the Receivables Portfolio pursuant to the Receivables Servicing Agreement, credited to the Payment Account, but which have not yet become Transferred Receivables Available Proceeds;

(b) any amount of negative interest debited to the Transaction Accounts by the Accounts Bank, the Payment Account Bank or the Cap Collateral Account Bank (if applicable);

(c) any court deposits released by the relevant court and due to be returned to the Seller under clause 8.3 (*Court*

Deposits) of the Receivables Sale Agreement;

(d) without duplication of the above, any Cap Collateral Account Surplus paid into the Payment Account in accordance with the Collateral Account Priority of Payments.

"**Transferred Receivables Available Proceeds**" means the proceeds deriving from the transfer in whole or in part (if any) of any Receivable (net of any indemnity amounts paid to the relevant third-party purchasers of such Receivables) pursuant to the Receivables Servicing Agreement and credited into the Payment Account. To avoid any double-counting, any such Transferred Receivables Available Proceeds shall only fall under paragraph (i) of the definition of Available Distribution Amount and not any other paragraph thereunder.

Cap Transaction:

On or about the Issue Date, the Issuer has entered into a cap transaction (the "**Cap Transaction**") with the Cap Counterparty.

Such Cap Transaction is governed by the 1992 International Swaps and Derivatives Association, Inc. ("**ISDA**") Master Agreement (Multicurrency – Cross Border) (the "**Master Agreement**"), the Schedule thereto (the "**Schedule**") and the 1995 ISDA Credit Support Annex thereto (the "**Credit Support Annex**") and a cap confirmation (the "**Cap Confirmation**" and together with the Master Agreement, the Schedule and the Credit Support Annex, the "**Cap Agreement**").

The Issuer entered into the Cap Transaction in order to hedge its floating interest rate exposure in relation to the Rated Notes. Under the Cap Agreement, the Cap Counterparty will be required to make a payment to the Issuer if for such Interest Payment Date, the rate of Six Month EURIBOR payable on the Notes exceeds the rate set out in the Cap Agreement. In return, the Issuer has paid a premium to the Cap Counterparty on or around the Issue Date.

The notional of the Cap Transaction will be the scheduled notional amount contained therein for the relevant Interest Period.

See "*Overview of Certain Transaction Documents – Cap Transaction*".

Priorities of Payments:

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

Pre-Enforcement Payment Priorities:

Prior to (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), the Available Distribution Amount shall be applied on each Interest Payment Date in making or providing for the following

payments, in the following order of priority (the "**Pre-Enforcement Payment Priorities**") (but in each case only to the extent that all payments or provisions of a higher priority that fall due to be paid or provided for on such Interest Payment Date have been made in full):

(a) first, in or towards payment of the Issuer's liability to Tax, in relation to this Transaction, if any;

(b) second, in or towards payment of the Common Representative's Fees and the Common Representative's Liabilities in relation to this Transaction;

(c) third, in or towards payment of the Issuer Expenses, *pari passu* and on a *pro rata* basis, to the extent not yet paid under items (a) and (b) above;

(d) fourth, in or towards payment of interest due and payable on the Class R Note pursuant to the Class R Note Conditions;

(e) fifth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class A Notes on such Interest Payment Date, but so that interest past due will be paid before current interest;

(f) sixth, in or towards crediting of the Cash Reserve Account up to an amount equal to the Cash Reserve Account Required Amount;

(g) seventh, in or towards payment of principal due and payable on the Class R Note pursuant to the Class R Note Conditions, which payment shall be limited to the lower of (i) the principal amount outstanding under the Class R Note and (ii) the amount by which the funds standing to the credit of the Cash Reserve Account as of the preceding Calculation Date exceed the Cash Reserve Account Required Amount under item (f) above, provided that if such amount is negative, then this limb (ii) shall be deemed zero;

(h) eighth, in or towards the payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class B Notes, provided that a Subordination Event has not occurred in respect to such Interest Payment Date;

(i) ninth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;

(j) tenth, upon occurrence of a Subordination Event in respect to such Interest Payment Date, in or towards payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class B Notes;

(k) eleventh, in or towards payment, *pari passu* and on a *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full, (ii) the Secured

Commercial Servicer Mezzanine Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Mezzanine Performance Fee to the Secured Residential Servicer and (iv) the Unsecured Servicer Mezzanine Performance Fee to the Unsecured Servicer;

(l) twelfth, in or towards payment of any amounts due and payable by the Issuer pursuant to the Subscription Agreement to the Noteholder (including any amounts due and payable as indemnity);

(m) thirteenth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class J Notes;

(n) fourteenth, in or towards payment, *pari passu* and on an adjusted *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to Euro 5,000 and on the Final Redemption Date until redemption in full of the Class J Notes, (ii) the Secured Commercial Servicer Junior Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Junior Performance Fee to the Secured Residential Servicer and (iv) the Unsecured Servicer Junior Performance Fee to the Unsecured Servicer;

(o) fifteenth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Class J Return Amount.

For purposes of calculating the adjusted pro-rata between the Secured Commercial Servicer Junior Performance Fee, the Secured Residential Servicer Junior Performance Fee and the Unsecured Servicer Junior Performance Fee and the Principal Amount Outstanding of the Class J Notes under item fourteenth of the Pre-Enforcement Payment Priorities above, the proportionate allocation shall be made by considering the calculation of principal amount outstanding of the Class J Notes as equal to: (i) the sum of the Target Price at Issue Date (as provided under Schedule 11 (*Target Price of each Borrower*) to the Receivables Servicing Agreements), less (ii) the principal notional of the Senior Notes at Closing, less (iii) the principal notional of the Mezzanine Notes at Issue Date and less (iv) the sum of all principal payments paid to the Class J Notes.

Provided, however, that should the Transaction Manager not receive the Servicer Report within 12 (twelve) Business Days after the end of the relevant Collection Period:

(a) it shall prepare the Investor Report in respect of the immediately following Interest Payment Date by applying the Available Distribution Amount in an amount not higher than the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Interest Payment Date (after application of the Pre-Enforcement Payment Priorities on such

Interest Payment Date), towards payment only of items from (a) to (e) (but excluding from the Issuer Expenses the Servicer Fees due to the Servicer under item (c) of the Pre-Enforcement Payment Priorities),

and

(b) any amount that would otherwise have been payable under items from (f) to (o) of the Pre-Enforcement Payment Priorities will not be included in the relevant Investor Report and shall not be payable on the relevant Interest Payment Date and shall be payable (together with the relevant the Servicer Fees) in accordance with the applicable Payment Priorities on the first following Interest Payment Date on which there are enough Available Distribution Amount and on which details for the relevant calculations will be timely provided to the Transaction Manager.

Post-Enforcement Payment Priorities:

Following (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), all amounts received or recovered by the Issuer and/or the Common Representative will be applied by the Common Representative or the Transaction Manager or (if applicable) the Principal Paying Agent (in both cases on behalf of the Common Representative) in making the following payments in the following order of priority (the "**Post-Enforcement Payment Priorities**") but in each case only to the extent that all payments of a higher priority have been made in full:

(a) first, in or towards payment of the Issuer's liability to Tax, in relation to this Transaction, if any;

(b) second, in or towards payment of the Common Representative's Fees and the Common Representative's Liabilities in relation to this Transaction;

(c) third, in or towards payment of the Issuer Expenses, to the extent not yet paid under items (a) and (b) above;

(d) fourth, in or toward payment of interest due and payable on the Class R Note pursuant to the Class R Note Conditions;

(e) fifth, in or towards payment *pari passu* on a pro rata basis of the Interest Amount in respect of the Class A Notes, but so that interest past due will be paid before current interest;

(f) sixth, in or towards payment of principal due and payable on the Class R Note pursuant to the Class R Note Conditions;

(g) seventh, in or towards payment *pari passu* on a pro rata basis of the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;

(h) eighth, in or towards payment *pari passu* on a *pro rata* basis of the Interest Amount in respect of the Class B Notes, but so that interest past due will be paid before current interest;

(i) ninth, in or towards payment *pari passu* on a *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full, (ii) the Secured Commercial Servicer Mezzanine Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Mezzanine Performance Fee to the Secured Residential Servicer (iv) the Unsecured Servicer Mezzanine Performance Fee to the Unsecured Servicer and (v) of any amounts due and payable by the Issuer pursuant to the Subscription Agreement to the Noteholders (including any amounts due and payable as indemnity);

(j) tenth, in or towards payment *pari passu* on a *pro rata* basis of the Interest Amount in respect of the Class J Notes, but so that interest past due will be paid before current interest;

(k) eleventh, in or towards payment *pari passu* on an adjusted pro rata basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to Euro 5,000 and on the Final Redemption Date until redemption in full of the Class J Notes, (ii) the Secured Commercial Servicer Junior Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Junior Performance Fee to the Secured Residential Servicer and (iv) the Unsecured Servicer Junior Performance Fee to the Unsecured Servicer;

(l) twelfth, in or towards payment, *pari passu* and on a pro rata basis, of the Class J Return Amount.

For purposes of calculating the adjusted pro-rata between the Secured Commercial Servicer Junior Performance Fee, the Secured Residential Servicer Junior Performance Fee and the Unsecured Servicer Junior Performance Fee and the Principal Amount Outstanding of the Class J Notes under item eleventh of the Post-Enforcement Payment Priorities above, the proportionate allocation shall be made by considering the calculation of principal amount outstanding of the Class J Notes as equal to: (i) the sum of the Target Price at Issue Date (as provided under Schedule 11 (*Target Price of each Borrower*) to the Receivables Servicing Agreements), less (ii) the principal notional of the Senior Notes at Closing, less (iii) the principal notional of the Mezzanine Notes at Issue Date and less (iv) the sum of all principal payments paid to the Class J Notes.

Cap Collateral Account Priority of Payments:	Amounts standing to the credit of the Cap Collateral Account will not be available for the Issuer to make payments to the Noteholders and the

other Transaction Creditors generally, but shall be applied only in accordance with the following provisions:

(a) prior to the occurrence or designation of an Early Termination Date in respect of the Cap Transaction, solely in or towards payment or transfer of:

(i) any Return Amounts (as defined in the Credit Support Annex);

(ii) any Interest Amounts and Distributions (each as defined in the Credit Support Annex);

(iii) any return of collateral to the Cap Counterparty upon a novation of the Cap Counterparty's obligations under the Cap Transaction to a replacement cap counterparty on any day (whether or not such day is an Interest Payment Date), directly to the Cap Counterparty in accordance with the terms of the Credit Support Annex,

(b) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Transaction where (A) such Early Termination Date (as defined in the Cap Agreement) has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) or an Additional Termination Event (as defined in the Cap Agreement) resulting from a Cap Counterparty Rating Event and in respect of which the Cap Counterparty is the Affected Party (as defined in the Cap Agreement) and (B) the Issuer enters into a replacement Cap Transaction in respect of such Cap Transaction on or around the Early Termination Date of such Cap Transaction, on the later of the day on which such replacement Cap Transaction is entered into and the day on which the Replacement Cap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is an Interest Payment Date), in the following order of priority:

(i) first, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement Cap Transaction with the Issuer with respect to the Cap Transaction being novated or terminated;

(ii) second, in or towards payment of any termination payment due to the outgoing Cap Counterparty pursuant to the Cap Transaction; and

(iii) third, the surplus (if any) (a "**Cap Collateral Account Surplus**") on such day to be transferred to the Payment Account for an amount equal to the relevant Cap Collateral Account Surplus and deemed to form part of

the Available Distribution Amount;

(c) following the occurrence or designation of an Early Termination Date in respect of the Cap Transaction where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) or an Additional Termination Event (as defined in the Cap Agreement) resulting from a Cap Counterparty Rating Event and in respect of which the Cap Counterparty is the Affected Party (as defined in the Cap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement Cap Transaction on or around the Early Termination Date of such Cap Transaction, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the Cap Counterparty pursuant to the Cap Transaction;

(d) following the occurrence or designation of an Early Termination Date in respect of the Cap Transaction where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (b) and (c) above, on any day (whether or not such day is an Interest Payment Date) in or towards payment of any termination payment due to the outgoing Cap Counterparty pursuant to the Cap Transaction; and

(e) following payment of any amounts due pursuant to (c) and (d) above, if amounts remain standing to the credit of the Cap Collateral Account, such amounts may be applied on any day (whether or not such day is an Interest Payment Date) only in accordance with the following provisions:

(i) first, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement Cap Transaction with the Issuer with respect to the Cap Transaction being terminated; and

(ii) second, the surplus (if any) (a "**Cap Collateral Account Surplus**") remaining after payment of such Replacement Cap Premium to be transferred to the Payment Account and deemed to form part of the Available Distribution Amount,

provided that if the Issuer has not entered into a replacement Cap Transaction with respect to the Cap Transaction on or prior to the earlier of:

(1) the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of an Event of Default to Condition 12 (*Events*

of Default and Enforcement); or

(2) the day on which an Enforcement Notice is given pursuant to Condition 12 (*Events of Default and Enforcement*),

then the Collateral Amount on such day shall be transferred to the Payment Account for an amount equal to the relevant Cap Collateral Account Surplus and deemed to form part of the Available Distribution Amount. In accordance with Clause 17.4 (*Cap Collateral Account Priority of Payments*) to the Master Framework Agreement, Condition 8.2.3 (*Cap Collateral Account Priority of Payments*) may not be amended without the Cap Counterparty express consent.

Sale of the Receivables Portfolio for Redemption:

In the following circumstances:

(a) in the case of a redemption pursuant to Condition 9.2 (*Optional Redemption in Whole for Taxation*); or

(b) in the case of a redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*); or

(c) in the case of a redemption pursuant to Condition 9.4 (*Redemption in Whole at the Option of the Issuer (10% clean-up call)*); or

(d) if, after an Enforcement Notice has been served on the Issuer (with a copy to the Rating Agencies and the Servicers) pursuant to Condition 12 (*Events of Default and Enforcement*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of the Receivables Portfolio to one or more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Receivables Portfolio, in order to enable the relevant Notes to be redeemed. For the sake of clarity, the foregoing is without prejudice to any disposals of Receivables to the Asset Manager in accordance with the relevant Asset Management Agreement.

Bid Process:

Without prejudice to the above "*Sale of the Receivables Portfolio for Redemption*", following the Class A Notes having been redeemed in full, or if any of the circumstances (a) to (d) (identified above under "*Sale of the Receivables Portfolio for Redemption*") apply, then the Issuer, assisted by the Servicers, will organise a competitive bid process in order to sell the Receivables Portfolio (the "**Bid Process**"), after obtaining approval from the Servicing Committee.

The Bid Process procedure shall be carried out in compliance with the best practices of the industry and in line with transparency standards, in order to maximize the purchase price of the Receivables Portfolio and the Issuer will be able to sell the Receivables Portfolio to the selected party only if the proceeds deriving from the sale of the Receivables Portfolio shall be sufficient to allow the Issuer, on the following Payment Date, to redeem:

(i) (a) the Class B Notes in whole (but not in part) at their Principal

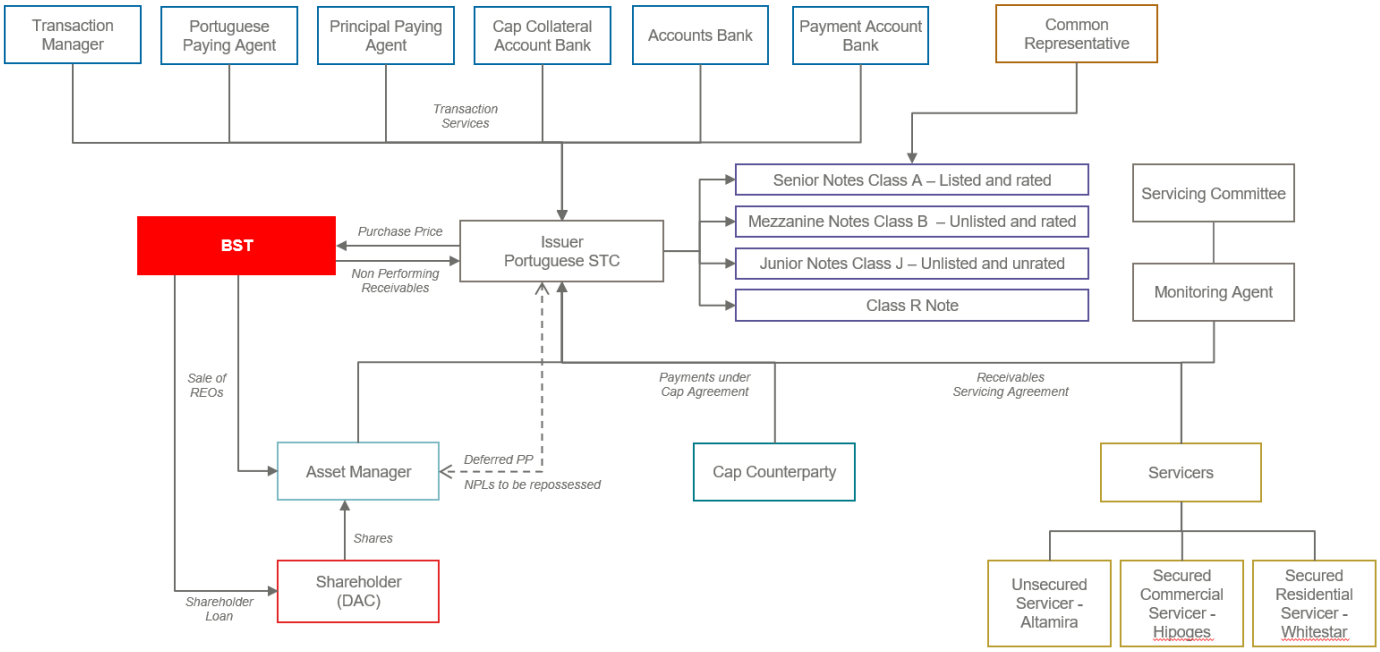
Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and (b) the Class J Notes in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) provided that as a result of their partial redemption their Principal Amount Outstanding is not higher than Euro 5,000.00, or

(ii) with the prior written consent of a majority of the Class J Noteholders, the Class B Notes in whole and the Class J Notes in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs), and

in any case to allow the Issuer to pay any amounts required under the Conditions to be paid in priority to or *pari passu* with such Class of Notes to be redeemed and any amounts required under the Conditions to be paid in priority to or *pari passu* thereto.

Governing Law: The Notes, the Class R Note and the Transaction Documents are governed by Portuguese law, except that the English Accounts Agreement, the EMIR Reporting Agreement and the Cap Agreement are governed by English law.

STRUCTURE DIAGRAM OF TRANSACTION



DOCUMENTS INCORPORATED BY REFERENCE

The following documents, in Portuguese language, shall be incorporated in, and form part of, this Prospectus:

(a) the sole statutory auditor's report and audited annual financial statements of the Issuer for the financial year ended 31 December 2016, prepared in accordance with the applicable Portuguese legislation, namely Decree-Law 158/2009, which established the national Accounting Standardisation System (SNC – *Sistema de Normalização Contabilística*);

(b) the supervisory board and external auditor's report and audited annual financial statements of the Issuer for the financial year ended 31 December 2017, prepared in accordance with the International Financial Reporting Standards (IFRS) as required by Regulation (EU) 1606/2002, Decree-Law 35/2005, and CMVM Regulation 11/2015; and

(c) the unaudited semi-annual financial statements of the Issuer for the period ended on 30 June 2018.

OVERVIEW OF CERTAIN TRANSACTION DOCUMENTS

The description of certain Transaction Documents set out below is a summary of certain features of such documents and is qualified by reference to the detailed provisions thereof. Prospective investors may inspect a copy of the documents in physical and electronic form described below upon request at the specified office of each of the Common Representative and the Principal Paying Agent.

Receivables Sale Agreement

Assignment of the Receivables Portfolio

Under the terms of the Receivables Sale Agreement the Seller sold and assigned to the Issuer, and the Issuer purchased and received from the Seller, the Receivables Portfolio, on the Issue Date.

Consideration for Purchase of the Receivables Portfolio

The total consideration paid by the Issuer to the Originator, on the Issue Date, for the purchase of the Receivables Portfolio corresponded to €123,000,000.00 (one hundred and twenty three million euros) (the "**Purchase Price**") and was funded through the issuance of the Notes by the Issuer.

The sale and assignment of the Receivables Portfolio included, besides the secured and unsecured Receivables, the sale and transfer of the Ancillary Receivables Rights held by the Originator, with the exclusion of any amounts resulting from court deposits (*"depósitos de preço"*) made by the Originator in relation to the Receivables in the context of the relevant pending Court Proceedings.

Effectiveness of the Assignment

The assignment of the Receivables Portfolio by the Seller to the Issuer is governed by the Securitisation Law (see "*Selected Aspects of Portuguese Law relevant to the Loans and the transfer of the Loans*").

In accordance with article 6(1) and article 7(2) both of the Securitisation Law, the assignment of the Assigned Rights, on the Issue Date, was effective to transfer full, unencumbered benefit of and right, title and interest (present or future) to the Assigned Rights to the Issuer and no further act, condition or thing will be required to be done in connection therewith to enable the Issuer to require payment of the Receivables arising thereunder to the relevant Borrower or to enforce such right in court other than: (a) the delivery by the Purchaser (or the Servicers on its behalf) of all Receivable Assignment Notices to the relevant Borrowers concerning the relevant assignments from the Originator to the Issuer (which were dispatched on or about the Issue Date); (b) the delivery by the Purchaser (or the Servicers on its behalf) to the Originator of written evidence of such dispatch of the relevant notices within 6 (six) Business Days as of the Issue Date; and, (c) the submission by the Issuer (or the Servicers on its behalf) of a request for registration of the assignment of any related Mortgage to the Issuer at the relevant Portuguese land registry office; and (d) the filing by the Issuer of the application for assignment of the procedural position and creditor substitution (*incidente de habilitação*) (which the Issuer shall apply for).

As at the date hereof, the process of updating the mortgages registration, to the name of the Issuer and/or the Asset Manager, as applicable, has been initiated by means of filing all relevant requests with the competent Portuguese land registry offices. The timing for completion of such registrations is uncertain since this depends on the performance of the Portuguese land registry office´s officials. Furthermore, assignment of the procedural position and creditor substitution (*incidente de habilitação*), either by the Issuer or the Asset Manager, as applicable, will be filed for all judicial files with each relevant Portuguese Court, but once filed it cannot be anticipated when all requests will be duly approved since this depends on the performance of the Portuguese Courts.

Representations and Warranties as to the Receivables

On the Issue Date, the Seller made certain representations and warranties (Seller's Representations and Warranties, which include certain representations and warranties in respect of the Receivables Portfolio as

contained in Schedule 1, Part B (*Receivables Representations and Warranties of the Seller*) of the Receivables Sale Agreement – the "**Eligibility Criteria**"), as follows:

1. Valid Obligations

Each Receivable is a legal, valid and binding obligation of the Borrower and of the respective guarantors, if any, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy laws and other laws affecting creditor's rights in general.

2. Information relating to the Receivables Portfolio

All the information disclosed by the Seller to the Issuer prior to the Issue Date regarding each of the Receivables included in the Receivables Portfolio, including all information and data in relation to the Receivables Portfolio, and subsequent amendments thereto delivered by the Seller to the Issuer, was at the time of such delivery, true, complete, accurate, up to date and not misleading in any material respect.

3. Receivables Portfolio

The particulars as listed in both Schedule 4A (*Secured Commercial Receivables*), Schedule 4B (*Secured Residential Receivables*) and Schedule 4C (*Unsecured Receivables*) of the Receivables Sale Agreement are true, complete, accurate and not misleading in respect of each of the corresponding Receivables and the reference numbers stated therein enable each Receivable to be identified in the records of the Seller, and, if applicable, in the relevant Real Estate Registry Office and the relevant courts on which the lawsuits corresponding to the enforcement of the Receivables are pending. The amount which the Issuer is entitled to claim in respect of each Receivable immediately following completion of the assignment of such Receivable, together with amounts standing in the respective VDC (*valores diversos cobrados*) accounts, if any, is not less than the Current Outstanding Principal Balance set out in respect of such Receivable in each relevant section of Schedule 4 (*Receivables Portfolio*) to the Receivables Sale Agreement.

4. Receivables

(i) Each Receivable was originated by the Seller (or by Banif – Banco Internacional do Funchal, S.A. or by Banco Popular Portugal, S.A., the businesses of which have been purchased by the Seller) as principal in the ordinary course of business in accordance with all applicable laws and was originated in euro or Portuguese Escudos and is denominated in euro.

(ii) Each Receivable is governed by Portuguese law.

(iii) Each Receivable is not of a litigious nature and has not been given as collateral or judicially apprehended or foreclosed.

(iv) The Seller is under no obligation to make further amounts available or to release retentions or to pay fees or other sums relating to any Receivable or related security in respect thereof to any Borrower.

(v) Neither (a) the entry by the Seller into the Receivables Sale Agreement, nor (b) the disclosure by the Seller of the information disclosed by it in respect of the Receivables pursuant to the Receivables Sale Agreement affects or will adversely affect any Receivables or the Encumbrances in respect thereof.

5. Identity of Borrowers

At the date on which the Receivables were originally granted by the Seller (or by Banif – Banco Internacional do Funchal, S.A. or by Banco Popular Portugal, S.A., the businesses of which have been purchased by the Seller) to the Borrowers, 99% (ninety-nine per cent.) of the Borrowers named in the

Receivables Portfolio were companies with registered office in Portugal and whose contact details are known to the Seller.

6. Mortgages' Security

Each Mortgage which is foreseen in the relevant Receivables Agreement to exist, exists; and each Mortgage secures the repayment of the principal component of the relevant Loan and up to 3 (three) years of all present or future accrued interest on such Receivable, to the extent applicable, and registered ancillary expenses corresponding to such Receivables, and the Seller has not consented to the cancellation or reduction in the amount of any Mortgage.

7. Security Ranking

Each Mortgage as set out in Schedule 4A (*Secured Commercial Receivables*) and Schedule 4B (*Secured Residential Receivables*) of the Receivables Sale Agreement constitutes a valid, enforceable and subsisting mortgage over the relevant Property, each duly registered with the competent Real Estate Registration Office in favour of the Seller constituting security for the performance of payment obligations under the Receivables, in the terms described in the information provided under Schedule 4A (*Secured Commercial Receivables*) and Schedule 4B (*Secured Residential Receivables*), and without prejudice to security created by laws affecting creditors' rights in general.

8. No Continuing Obligations

To the extent Court Proceedings have been commenced in relation to the non-performing Receivables included in the Receivables Portfolio, the relevant Receivable Agreements substantiating such non-performing Receivables have been accelerated (*vencimento antecipado*) or actions have been taken to accelerate (*vencimento antecipado*) the Receivables, or have been otherwise terminated.

9. No Further Disbursements

As to the performing Receivables included in the Receivables Portfolio, the Seller has no obligation to provide for any further advances or additional disbursements under the relevant Receivable Agreements substantiating such performing Receivables.

10. Property Location

Each of the Properties is located in Portugal.

11. Perfection of Title

All steps necessary to perfect the Seller's title to each Receivable, Mortgage and any other Ancillary Receivables Rights were duly taken and all related costs and fees have been paid for and no matter attributable to the Seller exists which would prevent the registration or recording of the Assigned Rights in the name of the Issuer promptly after the Issue Date. The Seller is not aware of any acts or circumstances that could otherwise prevent the registration or recording of the Assigned Rights in the name of the Issuer.

12. Records

The Seller has kept or procured the keeping of all documents, books, accounts and records required for the exercise of its respective rights in relation to the Receivables.

13. Complete Documentation

The Seller has delivered or will deliver to the Issuer all the documents relating to the Receivables, and will not keep any documents which may in any manner prevent the Issuer from exercising its rights in relation to the Receivables being assigned.

14. Good Title

The Seller has good title to each Receivable free from any Encumbrance and has not received any notice from any Borrower stating otherwise.

15. No Sale of Assigned Rights

The Seller has not, in whole or in part, assigned (whether outright or by way of security), transferred, sold, conveyed, discounted, novated, charged, pledged, disposed of, waived or dealt with the benefit of, or right, title and interest to, any of the Receivables in any way whatsoever and has not permitted any of the same to be seized, attached or subrogated and to the best of its knowledge after reasonable enquiry no such seizure, attachment or subrogation has been asserted by any party with respect to such Receivables, nor has the Seller entered into any arrangements with any Borrower or any other person which could materially restrict the Seller's (or, following the Issue Date, the Purchaser's) ability to enforce the terms of the Receivables or any Assigned Rights.

16. No Amendment or Waiver

Since the Collateral Determination Date and unless approved by the Issuer in writing, the Seller has not modified or amended any of the documents that create or secure the Receivables, nor waived any rights nor released any collateral (except by written documents disclosed to the Issuer).

17. Assignability

The Seller is not required to obtain any consent or approval and there is no restriction to assign the Receivables to the Issuer or enter into the transactions specified in the Receivables Sale Agreement or the Transaction Documents, which consent or approval has not been obtained. In particular, the Seller may freely assign or otherwise transfer its interests in the Receivables without breaching any term or condition applying to them.

18. Data Protection

In the transmission and treatment of personal data relating to the Receivables, the Seller has complied with all applicable laws and performed all the registrations required for the treatment and transmission of personal data.

19. Consumer Protection and Other Laws

The Seller has complied with all relevant applicable laws including the Portuguese consumer protection law, when originating, contracting and servicing the Receivables.

20. Set-off

As from the Collateral Determination Date onwards, no Receivable is subject to any right of set-off imposable by the respective Borrowers against the Seller. The Seller has complied with all its relevant contractual obligations in respect of the Receivables and therefore there should be no grounds for successful claims against the Seller in respect of same obligations. The Seller has not received any notice or claim in writing from any Borrower with contents that are contradictory with the terms of this paragraph 20 (*Set-off*), in particular where any rights of set-off, rescission or counter-claim under or in connection with any of the Receivables are stated or threatened to be made.

21. Judicial Proceedings

To the best of the Seller's knowledge, to the extent Court Proceedings have been commenced in relation to the Receivables included in the Receivables Portfolio, all such Court Proceedings relating to each Receivable have been commenced and pursued properly and the Seller has not failed to take any action necessary for the recovery of amounts due under or in respect of any Receivable or for the enforcement of any Encumbrance relating thereto, when applicable. No notification has been received

by the Seller to the effect that the Receivables have been subject to any dispute, defence or counterclaim raised by the relevant Borrowers or other interested parties. All applicable stamp duties and registration taxes, if any, and all other associated costs, in relation to any Court Proceedings relating to the Receivables have been paid in full as they have become due and all professional fees and expenses, court fees and other expenses incurred or accrued up to (and including) the Issue Date have been paid as and when they have become due and payable or will be paid as and when they become due and payable.

22. Corruption and Money Laundering

The Seller has not engaged in any activity or conduct related to the Assigned Rights that has or will result in a violation of (i) any Anti-Corruption Laws; or (ii) Anti-Terrorism and Money Laundering Laws; or (iii) any applicable laws relating to economic or trade sanctions in any case as applicable to it.

23. Servicing

The Receivables have been serviced at all times in accordance with the practices of a Prudent Lender.

24. Interest Rates

Interest on each Receivable has been charged on each Receivable in accordance with the provisions of the Receivable. The Seller has not entered into any arrangement with any Borrower the effect of which would restrict the ability of the Seller to determine the rates of interest in relation to any Receivable or restrict the ability of the Seller to enforce the terms of any Receivable.

25. Fraud

No fraud has been committed by the Seller in respect of any Receivable, any Mortgage and any other Ancillary Receivables Rights.

Breach of Seller's Representations and Warranties

Notwithstanding the obligation of the Seller under the Receivables Sale Agreement to immediately notify the Issuer, upon becoming aware of any breach of the Seller's Representation and Warranties, the Issuer may notify the Seller of a breach of any Seller's Representation and Warranties, at any time after it becomes aware of such breach and in any event no later than 30 (thirty) Business Days after becoming aware of such breach (for the avoidance of doubt, the Issuer may decide whether or not to accept the breach and on retransferring the Affected Receivable, but if the Issuer fails to comply with the aforementioned within 30 Business Days period, it will be deemed to have accepted the breach and decided not to retransfer the Affected Receivable).

In the event that a breach of a Seller's Representations and Warranties occurs, the Issuer's claim shall be notified to the Seller in writing, within 24 (twenty-four) months after the Issue Date.

In the event that there is a breach of any of the Seller's Representation and Warranties in connection with a Receivable, which could (in the reasonable opinion of the Issuer) have a Material Adverse Effect on the existence, validity or enforceability (or the cost of such enforceability) of the Receivables, then:

(a) if such breach is capable of remedy, the Seller shall, within 30 (thirty) Business Days after receipt of written notice of such breach from the Issuer, remedy such breach;

(b) if such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 30 (thirty) Business Day period referred to in the preceding paragraph, the Seller shall be under the obligation to repurchase the Affected Receivable in accordance with the terms provided for in article 45(2) of the Securitisation Law and shall be liable to pay any damages to the Issuer (the "**Damages**") equal to the sum of (A) the lower of (1) the purchase price of the Affected Receivable (as provided for under Schedule 10 (*Purchase Price Breakdown*) of the Receivables

Sale Agreement) and (2) the gross total recoveries of the Affected Receivable as projected in the Business Plan attached as Schedule 8 (*Business Plan*) of the relevant Receivables Servicing Agreement, (B) less any amount already received by the Issuer in respect of such Affected Receivable.

If a breach is not capable of remedy, the Seller shall, on demand, within 10 (ten) Business Days after receipt of the corresponding notice, pay the amount of such Damages to a bank account specified by the Issuer.

Upon payment of any Damages by the Seller to the Issuer, the Issuer shall, at the Seller's request, retransfer the relevant Affected Receivable to the Seller (or a third party nominated by the Seller), via the execution of a Receivables retransfer agreement substantially in the form set forth in Schedule 7 (*Form of Retransfer Agreement*) to the Receivables Sale Agreement, with no consideration payable by the Issuer, except that the Seller must pay all costs of any such retransfer, if any. For avoidance of doubt, the Seller shall have no obligation to repurchase an Affected Receivable in case of any right of retention over the relevant Property that prevails over the respective Mortgage until such right of retention is decided by a final court decision.

Transfer of Realisation Value of Properties

Under the Receivables Sale Agreement, the Seller undertook that any realisation value received by the Seller after the Collateral Determination Date (which is a Collection in relation to each relevant Receivable) related to any Property received from the court arising from a cash bid from any third party in the context of any Court Proceeding shall be promptly transferred to the Issuer by crediting it to the Secured Commercial Collections Account or to the Secured Residential Collections Account, as applicable, within a maximum period of 5 (five) Business Days after such amount having been paid to the Seller and the Servicer having informed the Seller that it should expect to receive such amount as of a given date (or the Seller otherwise having been notified by the court of such payment).

Set-Off

Pursuant to the terms of the Receivables Sale Agreement if, in relation to any Assigned Rights included in the Receivables Portfolio, as a result of:

(a) the exercise of any right of set-off or rescission in respect of any debt (present or future, actual or contingent) due or owing by the Seller to a Borrower or alleged to be so due and owing;

(b) any other defence, counterclaim or other similar right or action against the Seller; or

(c) a final and effective decision issued by a competent court, which determines the reduction of the total amount payable by such Borrowers in respect of such Assigned Rights;

any amount due or to become due in respect of any of such Assigned Rights is reduced by any amount and/or any losses, costs or expenses are suffered or incurred by the Issuer in relation thereto, the Seller shall, on demand, pay to the Issuer, within 10 (ten) Business Days after receipt of the demand, an amount equal to such reduction in respect of such Assigned Rights, and/or such losses, costs or expenses, in immediately available funds to such bank account as it is notified by the Issuer save in case of wilful misconduct or gross negligence of the Issuer when acting on behalf of the Seller in any case in relation to any Assigned Rights.

Applicable law and jurisdiction

The Receivables Sale Agreement and all matters arising from or connected with it shall be governed by and construed in accordance with the laws of Portugal. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) have exclusive jurisdiction to settle any Dispute arising out of or in connection with the Receivables Sale Agreement, including any question regarding its existence, validity or termination.

Secured Commercial Receivables Servicing Agreement

Appointment of the Secured Commercial Servicer

Pursuant to the terms of the Secured Commercial Receivables Servicing Agreement, the Issuer appointed the Secured Commercial Servicer to be the Secured Commercial Servicer and as its lawful non-exclusive agent, in its name and on its behalf, to act as servicer in relation to the Secured Commercial Receivables forming part of the Receivables Portfolio and identified in Schedule 4A (*Secured Commercial Receivables*) of the Receivables Sale Agreement.

The Secured Commercial Servicer was also appointed by the Asset Manager to assist the Asset Manager in respect of the Secured Commercial Receivables assigned to the Asset Manager and the Properties related therewith, in accordance with the terms foreseen in the Secured Commercial Receivables Servicing Agreement and in the Commercial Asset Management Agreement.

Collections and Expenses Accounts

Please refer to "*Overview of the Transaction*" – "*Collection Accounts*" / "*Expenses Accounts*".

Secured Commercial Servicer Fee

The Secured Commercial Servicer shall be entitled to receive from the Issuer a servicing fee, to be paid on each Interest Payment Date, corresponding to a performance on-going fee, corresponding to a percentage of the gross Collections received by, or to be transferred to, the Issuer and the Asset Manager after the Issue Date, inclusive, in respect of the relevant Collection Period, as follows (the "**Secured Commercial Servicer Performance Fee**"):

(a) for individual secured loans – 5% (five per cent.) (provided that, if the NPV Cumulative Collection Ratio is below 100% (one hundred per cent.), this will be 4% (four per cent)); and

(b) for corporate secured loans – 5.% (five per cent.) (provided that, if the NPV Cumulative Collection Ratio is below 100% (one hundred per cent.), this will be 4% (four per cent.)).

(c) for unsecured loans or exposure relating to secured loans – 5% (five per cent.).

The payment of the Secured Commercial Servicer Performance Fee will on each Interest Payment Date be subject to the Secured Commercial Servicer's performance under the Secured Commercial Receivables Servicing Agreement vis-à-vis the Business Plan, measured as the value of recovered Collections over the expected Collections to be recovered as determined in the Business Plan, as follows:

NPV Cumulative Collection Ratio	**Applicable Share of Secured Commercial Servicer Senior Performance Fee**	**Applicable Share of Secured Commercial Servicer Mezzanine Performance Fee**	**Applicable Share of Secured Commercial Servicer Junior Performance Fee**
<90%	75%	0%	25%
>=90% - <100%	85%	5%	10%
>=100%	100%	0%	0%

Where, in this section:

"NPV Cumulative Collection Ratio" means, in respect of each Interest Payment Date, the ratio indicated in the immediately preceding Secured Commercial Servicer Report between (i) the sum of the Net Present

Value of the Net Collections received on or after the Issue Date, and (ii) the sum of the Net Present Value of the Net Expected Collections of Receivables expected to be received on or after the Issue Date;

"Net Expected Collections" means, for a given Collection Period, the difference between (i) the expected gross Collections and (ii) the expected Receivables Recovery Expenses for such Receivables, in accordance with the relevant Business Plan (which is attached as Schedule 8 (*Business Plan*) to the Secured Commercial Receivables Servicing Agreement). For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court). The amount of the Net Expected Collections is attached as Schedule 6 (*Net Expected Collections*) to the Master Framework Agreement;

"Net Collections" means, for a given Collection Period, the difference between (i) the gross Collections received during the period elapsed between the Collateral Determination Date and the Issue Date or in each relevant Collection Period, as the case may be, and (ii) the Receivables Recovery Expenses. For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court).

"Net Present Value" means the amount calculated according the following formula:

NPV(X) = X/((1+i)^(t/360))

where:

"X"= means the corresponding cash flow amount in Euros.

"i"= Discount Factor

"t"= means the number of days passed between the date on which the X amount is collected or paid and the Issue Date, assuming that all the Collections are received on the last day of the Collection Period in which they occur or are anticipated to occur.

"**Discount Factor**" means 3.5% (three point five per cent.).

For the sake of clarity, "Business Plan" in this section means the initial Business Plan as attached under Schedule 8 (*Business Plan*) of the Secured Commercial Receivables Servicing Agreement.

On the Issue Date, an amount equal to €500,000.00 (five hundred thousand euros) will be transferred to the Secured Commercial Expenses Account out of the expected Interim Collections received by the Seller during the period elapsed between the Collateral Determination Date and the Issue Date and paid to the issuer in accordance with Clause 4.3.1 of the Receivables Sale Agreement.

Termination of Secured Commercial Servicer's Appointment

Unless earlier terminated pursuant to the Secured Commercial Receivables Servicing Agreement, the appointment of the Secured Commercial Servicer under the Secured Commercial Receivables Servicing Agreement shall terminate (but without affecting any accrued rights and Liabilities under the Secured Commercial Receivables Servicing Agreement) on the Final Discharge Date.

12 (twelve) months after the date of signature of the Secured Commercial Receivables Servicing Agreement, the Issuer may terminate the Secured Commercial Receivables Servicing Agreement at any time, if so instructed by the Common Representative, or following consultation with the Common Representative and subject to the Servicing Committee Rules, by giving a 90 (ninety) calendar days written notice to the Secured Commercial Servicer ("**Voluntary Termination Event**").

The Issuer may, if so instructed by the Common Representative or following consultation with the Common Representative and subject to the Servicing Committee Rules, terminate the Secured Commercial

Receivables Servicing Agreement immediately after the occurrence of one of the following events ("**Secured Commercial Servicer Termination Events**"):

(a) *Non-payment*: default occurs or default is made by the Secured Commercial Servicer in ensuring the payment on the due date of any payment required to be made under the Secured Commercial Receivables Servicing Agreement and such default continues unremedied for a period of 5 (five) Business Days following the scheduled payment date; or

(b) *Breach of other obligations*: without prejudice to paragraph (a) (*Non-payment*) above:

(i) default occurs or default is made by the Secured Commercial Servicer in the performance or observance of any of its other covenants and obligations under the Secured Commercial Receivables Servicing Agreement, other than the Secured Commercial Servicer Covenants (as defined for the Secured Commercial Receivables Servicing Agreement); or

(ii) any of the Secured Commercial Servicer Warranties (as defined for the Secured Commercial Receivables Servicing Agreement), other than the Secured Commercial Servicer Warranties (as set out in Schedule 4 (*Secured Commercial Servicer Specific Warranties and Covenants*) to the Secured Commercial Receivables Servicing Agreement), proves to be untrue, incomplete or incorrect; or

(iii) any certification or statement made by the Secured Commercial Servicer in any certificate or other document delivered pursuant to the Secured Commercial Receivables Servicing Agreement proves to be untrue, or

(iv) any of the Secured Commercial Servicer Covenants are breached by the Secured Commercial Servicer,

and, in each case, (i) such default or such warranty, certification or statement proving untrue, incomplete or incorrect or breach of a Secured Commercial Servicer Covenant could reasonably be expected to have a Material Adverse Effect (as defined in item (g) below) , and (ii) (if such default is capable of remedy) such default continues unremedied for a period of 10 (ten) Business Days after the earlier of the Secured Commercial Servicer becoming aware of such default and receipt by the Secured Commercial Servicer of written notice from the Issuer requiring the same to be remedied; or

(c) *Breach of Secured Commercial Servicer Warranties*: any of the Secured Commercial Servicer Warranties set out in Schedule 4 (*Secured Commercial Servicer Specific Warranties and Covenants*) to the Secured Commercial Receivables Servicing Agreement proves to be untrue, incomplete or incorrect or default is made by the Secured Commercial Servicer in the performance or observance of its other covenants and obligations set out in Schedule 4 (*Secured Commercial Servicer Specific Warranties and Covenants*) to the Secured Commercial Receivables Servicing Agreement; or

(d) *Unlawfulness*: it is or will become unlawful for the Secured Commercial Servicer to perform or comply with any of its material obligations under the Secured Commercial Receivables Servicing Agreement; or

(e) *Force Majeure*: if the Secured Commercial Servicer is prevented or severely hindered for a period of 60 (sixty) days or more from complying with its obligations under the Secured Commercial Receivables Servicing Agreement as a result of a Force Majeure Event; or

(f) *Insolvency Event:* any Insolvency Event occurs in relation to the Secured Commercial Servicer; or

(g) *Material Adverse Effect:* an event or circumstance occurs which, in the opinion of the Issuer, will have a Material Adverse Effect on the ability of the Secured Commercial Servicer to perform or comply with its obligations under the Secured Commercial Receivables Servicing Agreement; or

(h) *Material adverse change:* a material adverse change occurs in the financial condition of the Secured Commercial Servicer since the date of the then latest audited financial statements of such Secured Commercial Servicer (as the case may be) which in the reasonable opinion of the Issuer impairs due performance of the obligations of such Secured Commercial Servicer under the Secured Commercial Receivables Servicing Agreement; or

(i) *Withdrawal, suspension and revocation of the Secured Commercial Servicer's authorisation to carry on its business*: any governmental or regulatory authority having jurisdiction over the Secured Commercial Servicer intervenes into the regulatory affairs of the Secured Commercial Servicer where such intervention could lead to the withdrawal, suspension or revocation by such entity of the Secured Commercial Servicer's authorisation to carry on its business.

Subject to the terms of the Secured Commercial Receivables Servicing Agreement, the Issuer has the right to terminate the Secured Commercial Receivables Servicing Agreement if the Secured Commercial Servicer fails, at the Relevant Test Date, one or more of the two performance tests ("**Performance Tests**") specified below ("**Performance Breach Event**").

As set out in Schedule 7 (*Performance Tests*) to the Secured Commercial Receivables Servicing Agreement, the Performance Tests are the following:

(a) *Net Collections Test:* as at each Relevant Test Date, the actual aggregate Collections received to that date by the Secured Commercial Servicer in respect of all Receivables less all costs, fees and expenses incurred in connection with such receipt of Collections (including, without limitation, any Receivable Related Expenses) are greater than or equal to 90% (ninety per cent) of the aggregate Collections forecasted to be received up to and including the Relevant Test Date in the Business Plan prepared by the Secured Commercial Servicer and set out in Schedule 8 (*Business Plan*) of the Secured Commercial Receivables Servicing Agreement, less the costs, fees and expenses that were forecasted to be incurred in connection with the receipt of such forecasted Collections (including, without limitation, any forecasted Receivables Recovery Expenses).

(b) *Receivable Test:* as at each Relevant Test Date, the actual aggregate Collections received to that date by the Secured Commercial Servicer in respect of all Exhausted Debt Relationships up to and including such date are greater than or equal to 90% (ninety per cent) of, in respect of such Exhausted Debt Relationships only, the aggregate Collections forecasted to be received up to and including the Relevant Test Date in the Business Plan prepared by the Secured Commercial Servicer and set out in Schedule 8 (*Business Plan*) of the Secured Commercial Receivables Servicing Agreement, less the costs, fees and expenses that were forecasted to be incurred in connection with the receipt of such forecasted Collections (including, without limitation, any forecasted Receivables Recovery Expenses).

Pursuant to the Secured Commercial Receivables Servicing Agreement, the Performance Tests shall first be carried out on the date that falls one year from the Issue Date (the "**First Test Date**") and thereafter at the end of each six-month period following the First Test Date (each such date, together with the First Test Date, being a "**Relevant Test Date**").

If the Secured Commercial Receivables Servicing Agreement is terminated pursuant to Clause 13 (*Termination*) thereof, compensation will then be payable to the Secured Commercial Servicer on the following basis:

(a) if the agreement is terminated on the Final Discharge Date or following a Secured Commercial Servicer Termination Event, no compensation will be due to the Secured Commercial Servicer from the Issuer, without prejudice to any compensation for damages due and payable by the Secured Commercial Servicer to the Issuer under Portuguese law;

(b) if the agreement is terminated following a Voluntary Termination Event, the Secured Commercial Servicer shall be entitled to compensation corresponding to the aggregate amounts received by the

Secured Commercial Servicer as Servicer Fees during the 6 (six) months period prior to the date on which the Issuer Termination or Voluntary Termination Event occurred.

Under the terms of the Secured Commercial Receivables Servicing Agreement, except in respect of death or personal injury caused by the Secured Commercial Servicer's negligence, fraud or fraudulent misrepresentation or any other liability that cannot be excluded or limited by law, the Secured Commercial Servicer shall not in any circumstances be liable to Issuer, whether in contract, tort (including negligence) or otherwise, for any consequential or indirect loss or damage howsoever arising and of whatsoever nature or any loss of contract, loss of use or loss of goodwill suffered or incurred by the other arising out of, or in connection with, any breach of the Secured Commercial Receivables Servicing Agreement.

Secured Commercial Servicer Termination Notice

After receipt by the Secured Commercial Servicer of a Termination Notice but prior to the Termination Date, the Secured Commercial Servicer shall:

(a) hold to the order of the Issuer the Records and the Transaction Documents that it has in its possession;

(b) hold to the order of the Issuer any monies then held by the Secured Commercial Servicer on behalf of the Issuer together with any other Receivables of the Issuer;

(c) other than as the Issuer may direct pursuant to subparagraph (e) below, continue to perform all of the Services (unless prevented by any Portuguese law or any applicable law) until the Termination Date;

(d) take such further action in accordance with the terms of the Secured Commercial Receivables Servicing Agreement as the Issuer may reasonably direct in relation to the Secured Commercial Servicer's obligations under the Secured Commercial Receivables Servicing Agreement including provide such assistance as may be necessary to enable the services to be performed by a Successor Secured Commercial Servicer (at the cost of the Issuer, which, for the avoidance of doubt, shall be deemed an Issuer Expense); and

(e) stop taking any such action under the terms of the Secured Receivables Servicing Agreement as the Issuer may reasonably direct, including, the collection of Receivables into the Secured Commercial Collections Account and the General Collections Account, communication with Borrowers or dealing with the Receivables.

Identification of Successor Secured Commercial Servicer

After the delivery of a Termination Notice, the Issuer and the Common Representative shall use all reasonable endeavours to identify a suitable Successor Secured Commercial Servicer under the criteria set out under the Secured Commercial Receivables Servicing Agreement.

Any entity identified as suitable by the Issuer and the Common Representative to be the Successor Secured Commercial Servicer shall comply with the following conditions:

(a) It shall have experience of administering receivables reasonably similar to the Receivables being administered by the Retiring Secured Commercial Servicer in Portugal or be able to demonstrate that it has the capability to administer receivables reasonably similar to the Receivables being administered by the Retiring Secured Commercial Servicer in Portugal and shall be fully licensed and legally qualified to undertake to provide such services;

(b) it shall be willing to enter into an agreement with the Issuer which provides for the successor secured commercial servicer's remuneration at such a rate as is agreed by the Issuer and such appointment shall be otherwise on substantially the same terms as those of the Secured Commercial Receivables Servicing Agreement; and

(c) the appointment of such Successor Secured Commercial Servicer is subject to receipt of all requisite approvals in accordance with applicable law, including but not limited to receipt of any approvals required from the CMVM in relation to appointment of the successor secured commercial servicer under the terms of article 5(4) of the Securitisation Law, the Retiring Secured Commercial Servicer hereby recognising that the occurrence of a Termination Event constitutes a duly justified and grounded circumstance for its replacement. In this regard, the Issuer undertakes to notify the CMVM of the identity of the proposed successor secured commercial servicer prior to its appointment in accordance with the terms of the Secured Commercial Receivables Servicing Agreement.

The Servicing Committee will resolve on the appointment of the Successor Secured Commercial Servicer by the Issuer, which will be subject to the prior approval of the CMVM. The appointment of the Successor Secured Commercial Servicer will be effective from the Servicer Termination Date by the entry by and between the Successor Secured Commercial Servicer and the Issuer into a replacement servicing agreement in accordance with the provisions of Clause 18.2 (*Conditions for Successor Secured Commercial Servicer*) to the Secured Commercial Receivables Servicing Agreement.

Consultation with the Issuer, the Common Representative and the Monitoring Agent

The Secured Commercial Servicer may consult (and shall consult if so expressly requested by the Issuer, the Common Representative or the Monitoring Agent) with and, to the extent permitted by law, give due and serious consideration to any request of the Issuer, the Common Representative and the Monitoring Agent, including in respect of:

(a) the appointment by the Secured Commercial Servicer of a third party to perform, by way of Sub-contracting, any of the Secured Commercial Servicer's obligations pursuant to the Secured Commercial Receivables Servicing Agreement in accordance with Clause 6 (*Third Party Contracts*) of the Secured Commercial Receivables Servicing Agreement;

(b) any potential or actual Termination Event (for the purposes of the application of this paragraph, the Issuer undertakes to notify the Common Representative of the occurrence of any Termination Event within 5 (five) days following the earlier of (i) the occurrence of the conditions that may trigger the occurrence of a Termination Event; or (ii) the Issuer's knowledge thereof);

(c) delivery by the Retiring Secured Commercial Servicer following the Termination Date of the Records and the Transaction Documents and any monies held by the Retiring Secured Commercial Servicer on behalf of the Issuer to any person other than the Issuer;

(d) the formulation and subsequent changes to the form of the Secured Commercial Servicer's customary and usual Set of Procedures and Receivables Plan;

(e) any change to the Accounts Bank, the Agents or the Transaction Manager;

(f) any withdrawal of, or amendment made to, any instructions given to the Accounts Bank; and

(g) any intention by the Secured Commercial Servicer to part with possession, custody or control of the Secured Commercial Servicer Records otherwise than in accordance with the Secured Commercial Receivables Servicing Agreement.

Standard of Care

The Secured Commercial Servicer shall, at all times, act in good faith and in the best interests of the Issuer with respect to the Receivables and use its best efforts to service and administer the Receivables (i) in accordance with the Set of Procedures agreed with the Issuer, as well as with the Receivable Plans agreed with the Issuer from time to time; (ii) in compliance with applicable laws, the terms of the Receivables and the documents relating thereto and the terms of the Secured Commercial Receivables Servicing Agreement; (iii) in a manner consistent with the best practices of prudent institutions in the distressed asset management

and non-performing loan business; and (iv) devoting time and attention to the Servicing as required to ensure the standard of care set out in this paragraph.

Secured Commercial Servicer Obligations

The Secured Commercial Servicer was appointed under the Secured Commercial Receivables Servicing Agreement to act as agent of the Issuer in administering the Receivables Portfolio, including the collection of all sums due in relation to the Receivables in accordance with the terms of the relevant Receivables Agreements, the Secured Commercial Receivables Servicing Agreement and the Set of Procedures and, notably, the Secured Commercial Servicer agreed to:

(a) employ the appropriate number of Designated Personnel and allocate adequate Premises and Systems sufficient to ensure proper performance of the Services in accordance with the Set of Procedures;

(b) ensure that the Designated Personnel will be adequately trained and/or sufficiently experienced to perform the Services, which shall include supervisory personnel with prior experience and expertise in managing and disposing of non-performing loans (including, but not limited to, secured, unsecured and corporate loans);

(c) consider the interests of the Noteholders and of the Issuer in its relations with Borrowers, and in its exercise of any discretion arising from its performance of the Services;

(d) comply with any directions, orders and instructions which the Issuer may from time to time give in accordance with the Secured Commercial Receivables Servicing Agreement, provided that such directions, orders and instructions are lawfully permitted and are feasible for the Servicer's resources;

(e) take all other action and do all other things which it would be reasonable to do in administering the Receivables and the relationship with the respective Borrowers including by notifying the Secured Residential Servicer or the Unsecured Servicer, as applicable, and the Monitoring Agent (for notification to the Servicing Committee) in case any of the corresponding Receivables was incorrectly included as part of the Receivables identified in Schedule 4A (*Secured Commercial Receivables*) to the Receivables Sale Agreement in which case, subject to the approval of the Servicing Committee of the transfer of the Services, it shall cease to act as Servicer in relation therewith and do all things required for the servicing over such Receivable to be serviced by the Secured Residential Servicer or by the Unsecured Servicer, as applicable;

(f) perform its duties under the Secured Commercial Receivables Servicing Agreement in accordance with all applicable laws (in particular, with the Securitisation Law, data protection laws, consumer protection laws and anti-money laundering laws), rules and regulations applicable to companies servicing similar receivables; and

(g) deliver to the Common Representative and the Monitoring Agent copies of the Set of Procedures and the Receivables Plan and any updates or amendments thereof immediately after its completion,

provided that the Secured Commercial Servicer shall act only as agent of the Issuer for the purpose of exercising discretion where specifically authorised to do so under the terms of the Secured Commercial Receivables Servicing Agreement or any other Transaction Document.

The Secured Commercial Servicer's duties under the Secured Commercial Receivables Servicing Agreement generally are to provide, subject to the limitations imposed on it by the terms hereof and by the Securitisation Law, due diligence, customary asset management, loan servicing and to advise the Issuer of the Secured Commercial Servicer's recommendations regarding the optimal manner in which to manage, dispose, collect, and/or take a decision in relation to the Receivables and the Properties in accordance with the provisions of the Secured Commercial Receivables Servicing Agreement and the maximisation of the

net present value of the Receivables, taken as a whole, while minimising the risks associated therewith, together with such other services as the Parties may agree from time to time.

Specific services to be provided by the Secured Commercial Servicer in relation to the Receivables

The Secured Commercial Servicer shall service and administer all Receivables in the best interests and for the benefit of the Issuer and of the Noteholders, in accordance with the terms of the Receivables Agreements (and the documents relating thereto), the Secured Receivables Servicing Agreement, the Set of Procedures agreed between the Issuer and the Secured Commercial Servicer; these duties shall include but not be limited to:

(a) facilitating the transfer of servicing of the Receivables from their respective servicing agents and/or from the Seller, as applicable, all in accordance with the applicable Set of Procedures;

(b) notify the transfer of the Receivables (where required to do so) to the corresponding Borrowers, in particular, by means of written communication;

(c) directing all Borrowers promptly after the execution and delivery of the Secured Receivables Servicing Agreement, to remit all payments in respect of the Receivables to the Secured Commercial Collections Account and subsequently to the Accounts Bank, in accordance with the provisions of the Secured Receivables Servicing Agreement;

(d) enforcing any and all rights of the Issuer under the Receivables Sale Agreement or other agreement pursuant to which such Receivables were acquired, including with respect to the repurchase obligations of the Seller;

(e) diligently seeking the collection of and depositing into the Secured Commercial Collections Account and transferring to the General Collections Account all payments called for under the terms and provisions of the Receivables and any guarantees, insurance or other credit support therefore;

(f) advising the Issuer as to any action the Secured Commercial Servicer considers necessary or desirable to enforce the Issuer's rights and remedies in respect of the Receivables, including action necessary to repossess, foreclose upon or otherwise comparably convert the ownership of collateral for the Receivables which comes into, or continues in, default and as to which no satisfactory arrangements can be made for the collection of delinquent payments;

(g) advising and assisting the Issuer in the negotiation of, and implementing, modifications and amendments to the terms of the Receivables;

(h) monitoring the compliance by the Borrowers with the terms of the respective Receivables;

(i) taking such actions within the Secured Commercial Servicer's reasonable opinion as are necessary or desirable to maintain and monitor continuous perfection and the priority of the security interests granted in the collateral under the Receivables Agreements, including causing the execution and filing of financing statements and continuation statements;

(j) undertaking such reviews, and obtaining such legal reviews, of the documents and agreements relating to the Receivables as may be advisable to determine the enforceability thereof, if the same shall be in question;

(k) determining compliance by the respective Borrowers with environmental laws and regulations where such compliance may be material to the Borrowers' ability to satisfy their payment obligations under the Receivables or to the value and marketability of the relevant Receivables or the relevant collateral thereof;

(l) exercising, or overseeing the exercise of, such remedies with respect to the collateral of the Receivables, as the Secured Commercial Servicer, in its business judgment, deems necessary or desirable to protect the Issuer's interest therein and maximise the proceeds of any sale thereof, in each

case in accordance with the relevant Receivables Agreements, any security agreement and the applicable law, including environmental laws and regulations;

(m) negotiating and implementing modifications and amendments to the terms of the Receivables; and

(n) informing the Seller, promptly and in any case no later than 2 (two) Business Days, upon the Secured Commercial Servicer becoming aware of it, that the Seller should expect to receive amounts as of a given date which are realisation values for the purposes of Clause 7.8.1 of the Receivables Sale Agreement and which shall be transferred by the Seller to the Purchaser in a accordance with Clause 7.8.1 of the Receivables Sale Agreement.

Specific services to be provided by the Secured Commercial Servicer in relation to the Properties

The Secured Commercial Servicer shall service the Properties related to the Receivables identified in Schedule 4A (*Secured Commercial Receivables*) to the Receivables Sale Agreement in the best interests and for the benefit of the Issuer and Noteholders, in accordance with the terms of the relevant Receivables Agreements (and the documents relating thereto), the Secured Receivables Servicing Agreement, the Commercial Asset Management Agreement and the Set of Procedures agreed between the Issuer and the Secured Commercial Servicer; these duties shall include but not be limited to:

(a) assisting the Asset Manager and performing any action required to ensure that all rights and title are validly and effectively transferred from the Issuer to the Asset Manager and that all Seller Allocated Properties are transferred from the Seller to the Asset Manager, free from any liens and encumbrances;

(b) ensuring that all Property Recoveries are credited in the Commercial Asset Management Collections Account and transferring all Property Recoveries promptly to the Payment Account, in accordance with Clause 18 (*Accounts*) of the Commercial Asset Management Agreement;

(c) monitoring, advising the Issuer with respect to, and exercising and performing, in the name and on behalf of the Issuer, all rights, obligations, and other necessary or appropriate acts, of the Issuer under applicable law, including making, evaluating and forwarding real estate agents' acquisition or sale proposals for the Issuer's approval;

(d) making, obtaining and maintaining all notifications, applications, other filings and permits with any governmental authority, and obtaining and maintaining all necessary or appropriate consents from any governmental authority or other person required (i) from the Issuer as having full benefit and title to receive the Realisation Value of all Properties under the management of the Asset Manager or (ii) to ensuring the Asset Manager and the Secured Commercial Servicer can perform the relevant services and otherwise to ensure the effectiveness of the Secured Commercial Receivables Servicing Agreement and the Commercial Asset Management Agreement;

(e) obtaining, maintaining and preserving, or causing to be obtained, maintained and preserved, insurance policies with respect to the Properties which were already transferred or awarded to the Asset Manager on behalf of the Issuer with insurance companies to be agreed with the Issuer, if applicable, together with all other insurance policies with respect to such Properties that is requested by the Issuer or required by applicable law and ensuring that all such insurance policies name the Issuer as additional insured or loss payee and, to the extent available and applicable, contain negative amortisation endorsements;

(f) contacting real estate agents and liaising with such real estate agents to propose, negotiate and prepare for the Issuer's approval, agreements and arrangements setting out solutions to realise and maximise recoveries with respect to the Properties, either by acquisition or sale;

(g) contacting real estate agents to find, reasonably select, negotiate on behalf of the Issuer with, and recommending to the Issuer or the Asset Manager, as the case may be, the engagement of, qualified

consultants and ensure, and set up an implement appropriate procedures and policies, including for audit and control, to ensure that all qualified consultants and all other related parties of the Asset Manager and the Secured Commercial Servicer performing any action with respect to the Properties comply with the standards applicable to the Asset Manager and the Secured Commercial Servicer pursuant to the Secured Commercial Receivables Servicing Agreement and the Commercial Asset Management Agreement;

(h) cooperate with the Issuer and the Asset Manager and all of its related parties concerning to the Properties in effecting the sharing of information relating to the Secured Commercial Servicer's duties thereunder;

(i) advise the Issuer or the Asset Manager (as the case may be) with respect to the Services set out in the Secured Commercial Receivables Servicing Agreements and in Schedule 1 (*Services to be provided by the Asset Manager*) to the Commercial Asset Management Agreement;

(j) maintaining a complete set of books and records with respect to the Properties, including as and when applicable tax, insurance and accounting records, and including receiving, storing and keeping safe custody of all Asset Management Records and, as appropriate, other Asset Management Records with respect to the Properties and hold it for the benefit of the Issuer;

(k) performing any service, as reasonably requested from time to time by the Issuer (or the Asset Manager, on behalf of the Issuer), ancillary or in connection to the Services and in connection with the Property Recoveries.

Receivable Plan

Upon the Secured Commercial Servicer commencing the provision of the Services in accordance with the terms of the Secured Receivables Servicing Agreement, the Secured Commercial Servicer shall, in consultation with the Issuer and as soon as practicable within a 3 (three) months period thereafter but in no event later than 6 (six) months thereafter, prepare and deliver to the Issuer (who may make it available to the Noteholders upon request), the Monitoring Agent (who shall make it available to the Servicing Committee) and the Transaction Manager a Receivable Plan for the Receivables Portfolio. Such Receivable Plan shall be updated and delivered to the same recipients (on the same basis) by the Secured Commercial Servicer on an event basis and in any case at least every 6 (six) months. Together with the Receivable Plan, or any update thereof, the Secured Commercial Servicer shall deliver to the same recipients (on the same basis) an Updated Business Plan.

"**Updated Business Plans**" the updated business plans for the Receivables prepared by the Secured Commercial Servicer, the Secured Residential Servicer and by the Unsecured Residential Servicer from time to time, in the form of the Business Plan (included under Schedule 8 (*Business Plan*) of the Receivables Servicing Agreements), and to be delivered from time in accordance with the Receivables Servicing Agreements together with the Receivable Plans.

The Secured Commercial Servicer shall meet with the Issuer monthly to discuss the on-going servicing of the Receivables, in order to discuss, among other relevant issues in connection with the servicing of the Receivables, watch listed Receivables and substantial deviations from and/or revisions of the relevant Receivable Plan. The Secured Commercial Servicer shall make available for such meetings such executive and other personnel engaged in servicing the Receivables hereunder as the Issuer shall reasonably request. Such meetings may be in person or by telephone as Issuer shall reasonably request.

Collections of the Receivables

The Secured Commercial Servicer shall use all reasonable endeavours to:

(a) collect all sums due under or in connection with the relevant Receivables;

(b) deliver all and any notices required by law or under the Receivables to Borrowers specifying the amount due and the relevant date for payment of any Receivable;

(c) recover amounts due from Borrowers in accordance with the Set of Procedures;

(d) arrange for payment of all sums so collected into the Secured Commercial Collections Account and forthwith transfer such sums into the General Collections Accounts and subsequently to the Payment Account, all in accordance with the Secured Commercial Receivables Servicing Agreement; and

(e) enforce all obligations of Borrowers under the Receivables Agreements,

in each case on behalf of the Issuer in an efficient and timely fashion in accordance with the Receivables Agreements, the Set of Procedures and the Receivable Plan.

Upon having been collected in full or sold or written off, or if the Secured Commercial Servicer reasonably understands no further monies or assets will be recovered, or upon having received an instruction from the Servicing Committee to classify it as exhausted, the Secured Commercial Servicer shall classify a Debt Relationship as an Exhausted Debt Relationship.

Property Reporting Services

The Secured Commercial Servicer shall, in accordance with those provisions in respect of fees, costs and expenses, deliver to the Issuer and the Monitoring Agent, within 10 (ten) Business Days after the end of each calendar month, the Acquisition, Collections and Cost Report (the "**ACC Report**") for such calendar month. Each ACC Report shall contain information with respect to each Property specifically and on an aggregate basis for the related portfolio the following information, and otherwise in form and substance reasonably satisfactory to the Issuer and the Noteholders:

(a) Acquisition Report:

(i) list of bids made by the Asset Manager (or the Servicer, on its behalf). All bids made by the Asset Manager detailing date, type (tax, court, private auction, etc.), amount and result (win / no win) and deed in lieu;

(ii) list of acquired properties (the information to be provided should include but not be limited to the type of asset, acquisition price, address and location details, estimated sale time, estimated sale amount, type of acquisition); and

(iii) all other information and data reasonably requested by the Issuer or necessary to evaluate the performance of the Secured Commercial Servicer.

(b) Collection Report:

(i) actual historical Property Recoveries;

(ii) any variance between actual historical Property Recoveries and eventual projected Property Recoveries;

(iii) reconciliation of Property Recoveries to cash in the Commercial Asset Management Collections Account specifically identifying any amounts that have not been reconciled at the time of producing the relevant Secured Commercial Servicer Report; and

(iv) all other information and data reasonably requested by or necessary to evaluate the performance of the Secured Commercial Servicer.

(c) Cost Report:

(i) actual historical Property Recovery Expenses;

(ii) any variance between actual historical Property Recovery Expenses and eventual projected

Property Recovery Expenses;

(iii) reconciliation of Property Recovery Expenses to cash in the Commercial Asset Management Collections Account; and

(iv) all other information and data reasonably requested by or necessary for the Issuer to evaluate the performance of the Secured Commercial Servicer.

The Secured Commercial Servicer shall deliver any required activity reports in a form to be agreed between the Secured Commercial Servicer, the Asset Manager, the Issuer, the Common Representative and the Monitoring Agent.

The Secured Commercial Servicer shall also provide all information reports, tax certificates and tax receipts required or requested (i) by the Issuer in connection with the administration of the Properties, (ii) by the Issuer or its accountants or any taxation authority in connection with the preparation of the Issuer tax returns or the application of any tax laws, or (iii) by any auditor or regulator of the Issuer.

The Secured Commercial Servicer shall, as may be requested by the Issuer or the Asset Manager by notice to the Secured Commercial Servicer, perform all filings (other than those described in (iii) above) necessary under law or otherwise prudent to be made with respect to the Properties and the transactions contemplated hereby, together with supporting documentation.

The Secured Commercial Servicer shall, within 30 (thirty) days after the receipt by the Secured Commercial Servicer of a request from the Issuer or the Asset Manager, deliver a report from a reputable firm of independent and registered certified public accountants acceptable to the Issuer, the cost of which shall be paid by the Issuer, stating that (A) such firm has examined the Records, including the systems of storage, preservation and maintenance of such Records and the Records regarding the performance of the Services in the previous year, and (B) such examination has not revealed any non-compliance by the Secured Commercial Servicer with the provisions of the Secured Commercial Receivables Servicing Agreement that, in the opinion of such firm, is material, except as set out in such report.

The Secured Commercial Servicer shall provide such other information with respect to the Properties and the Services as may reasonably be requested from time to time by the Issuer, including reports to external accountants (provided such reports to external accountants do not include any information protected under data protection rules) and Property analyses.

Servicer Report and the Investor Report

The Secured Commercial Servicer shall prepare and deliver the Servicer Report summarising the servicing and the performance of the Receivables and the Receivables Recovery Expenses including the data file in a format to be agreed between the Parties.

The Servicer Report, as established in Schedule 6 (*Draft of Secured Commercial Servicer Report*) of the Secured Commercial Receivables Servicing Agreement, must be delivered to the Report Recipients no later than 10 (ten) Business Days after the end of the relevant Collection Period according to the Paying Agency and Transaction Management Agreement.

The Secured Commercial Servicer shall provide, together with the Servicer Report, a report to the Issuer and the Monitoring Agent (who shall forward it to the Servicing Committee) indicating all the Exhausted Debt Relationships which have been identified by the Secured Commercial Servicer since the Issue Date.

In accordance with the Paying Agency and Transaction Management Agreement, the Transaction Manager shall, not less than the 6th (sixth) Business Day prior to each Interest Payment Date, prepare and deliver to the Issuer, the Common Representative, the Rating Agencies, the Cap Counterparty, the Agents and the Sole Arranger and Placement Agent the Investor Report in respect of the related Collection Period for the purpose, *inter alia*, of making such report available to the Noteholders. Such Investor Report must, in respect

of each Interest Payment Date, include an indication of the payments that must be made by the Issuer in accordance with the Payment Priorities contemplated in the Conditions.

Interaction with the Servicing Committee

The Secured Commercial Servicer is a party to the Monitoring Agent Appointment Agreement, and thereunder has certain duties with which it must comply with and is subject to, namely in result of the decisions taken by the Servicing Committee, in accordance with the Servicing Committee Rules. See below "*Monitoring Agent Appointment Agreement*" and "*Servicing Committee Rules*".

Applicable law and jurisdiction

The Secured Commercial Receivables Servicing Agreement and all matters arising from or connected with it shall be governed by and construed in accordance with the laws of Portugal. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) have exclusive jurisdiction to settle any Dispute arising out of or in connection with the Secured Receivables Servicing Agreement, including any question regarding its existence, validity or termination.

Secured Residential Receivables Servicing Agreement

Appointment of the Secured Residential Servicer

Pursuant to the terms of the Secured Residential Receivables Servicing Agreement, the Issuer appointed the Secured Residential Servicer to be the Secured Residential Servicer and as its lawful non-exclusive agent, in its name and on its behalf, to act as servicer in relation to the Secured Residential Receivables forming part of the Receivables Portfolio and identified in Schedule 4B (*Secured Residential Receivables*) of the Receivables Sale Agreement.

The Secured Residential Servicer was also appointed by the Asset Manager to represent the Asset Manager in respect of the Secured Residential Receivables assigned to the Asset Manager and the Properties related therewith, in accordance with the terms foreseen in the Secured Residential Receivables Servicing Agreement and in the Residential Asset Management Agreement.

Collections and Expenses Accounts

Please refer to "*Overview of the Transaction*" – "*Collection Accounts*" / "*Expenses Accounts*".

Secured Residential Servicer Fee

The Secured Residential Servicer shall be entitled to receive from the Issuer a servicing fee, to be paid on each Interest Payment Date, corresponding to a performance on-going fee, corresponding to a percentage of the gross Collections received by, or to be transferred to, the Issuer and the Asset Manager after the Issue Date, inclusive, in respect of the relevant Collection Period, as follows (the "**Secured Residential Servicer Performance Fee**"):

(a) for individual secured loans – 5% (five per cent.) (provided that, if the NPV Cumulative Collection Ratio is below 100% (one hundred per cent.), this will be 4% (four per cent));
(b) for corporate secured loans – 5.% (five per cent.) (provided that, if the NPV Cumulative Collection Ratio is below 100% (one hundred per cent.), this will be 4% (four per cent.)); and
(c) for unsecured loans or exposure relating to secured loans – 5% (five per cent.).

The payment of the Secured Residential Servicer Performance Fee will on each Interest Payment Date be subject to the Secured Residential Servicer's performance under the Secured Residential Receivables Servicing Agreement vis-à-vis the Business Plan, measured as the value of recovered Collections over the expected Collections to be recovered as determined in the Business Plan, as follows:

NPV Cumulative	**Applicable Share of Secured Residential**	**Applicable Share of Secured Residential**	**Applicable Share of Secured Residential**

Collection Ratio	Servicer Senior Performance Fee	Servicer Mezzanine Performance Fee	Servicer Junior Performance Fee
<90%	75%	0%	25%
>=90% - <100%	85%	5%	10%
>=100%	100%	0%	0%

Where, in this section:

"NPV Cumulative Collection Ratio" means, in respect of each Interest Payment Date, the ratio indicated in the immediately preceding Secured Residential Servicer Report between (i) the sum of the Net Present Value of the Net Collections received on or after the Issue Date, and (ii) the sum of the Net Present Value of the Net Expected Collections of Receivables expected to be received on or after the Issue Date;

"Net Expected Collections" means, for a given Collection Period, the difference between (i) the expected gross Collections and (ii) the expected Receivables Recovery Expenses for such Receivables, in accordance with the relevant Business Plan (which is attached as Schedule 8 (*Business Plan*) to the Secured Residential Receivables Servicing Agreement). For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court). The amount of the Net Expected Collections is attached as Schedule 6 (*Net Expected Collections*) to the Master Framework Agreement;

"Net Collections" means, for a given Collection Period, the difference between (i) the gross Collections received during the period elapsed between the Collateral Determination Date and the Issue Date or in each relevant Collection Period, as the case may be, and (ii) the Receivables Recovery Expenses. For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court).

"Net Present Value" means the amount calculated according the following formula:

NPV(X) = X/((1+i)^(t/360))

where:

"X"= means the corresponding cash flow amount in Euros.

"i"= Discount Factor

"t"= means the number of days passed between the date on which the X amount is collected or paid and the Issue Date, assuming that all the Collections are received on the last day of the Collection Period in which they occur or are anticipated to occur.

"**Discount Factor**" means 3.5% (three point five per cent.).

For the sake of clarity, "Business Plan" in this section means the initial Business Plan as attached under Schedule 8 (*Business Plan*) of the Secured Residential Receivables Servicing Agreement.

On the Issue Date, an amount equal to €500,000.00 (five hundred thousand euros) will be transferred to the Secured Residential Expenses Account out of the expected Interim Collections received by the Seller during the period elapsed between the Collateral Determination Date and the Issue Date and paid to the issuer in accordance with Clause 4.3.1 of the Receivables Sale Agreement.

Termination of Secured Residential Servicer's Appointment

Unless earlier terminated pursuant to the Secured Residential Receivables Servicing Agreement, the appointment of the Secured Residential Servicer under the Secured Residential Receivables Servicing Agreement shall terminate (but without affecting any accrued rights and Liabilities under the Secured Residential Receivables Servicing Agreement) on the Final Discharge Date.

12 (twelve) months after the date of signature of the Secured Residential Receivables Servicing Agreement, the Issuer may terminate the Secured Residential Receivables Servicing Agreement at any time, if so instructed by the Common Representative, or following consultation with the Common Representative and subject to the Servicing Committee Rules, by giving a 90 (ninety) calendar days written notice to the Secured Residential Servicer ("**Voluntary Termination Event**").

The Issuer may, if so instructed by the Common Representative or following consultation with the Common Representative and subject to the Servicing Committee Rules, terminate the Secured Residential Receivables Servicing Agreement immediately after the occurrence of one of the following events ("**Secured Residential Servicer Termination Events**"):

(a) *Non-payment*: default occurs or default is made by the Secured Residential Servicer in ensuring the payment on the due date of any payment required to be made under the Secured Residential Receivables Servicing Agreement and such default continues unremedied for a period of 5 (five) Business Days following the scheduled payment date; or

(b) *Breach of other obligations*: without prejudice to paragraph (a) (*Non-payment*) above:

(i) default occurs or default is made by the Secured Residential Servicer in the performance or observance of any of its other covenants and obligations under the Secured Residential Receivables Servicing Agreement, other than the Secured Residential Servicer Covenants (as defined for the Secured Residential Receivables Servicing Agreement); or

(ii) any of the Secured Residential Servicer Warranties (as defined for the Secured Residential Receivables Servicing Agreement), other than the Secured Residential Servicer Warranties (as set out in Schedule 4 (*Secured Residential Servicer Specific Warranties and Covenants*) to the Secured Residential Receivables Servicing Agreement), proves to be untrue, incomplete or incorrect; or

(iii) any certification or statement made by the Secured Residential Servicer in any certificate or other document delivered pursuant to the Secured Residential Receivables Servicing Agreement proves to be untrue, or

(iv) any of the Secured Residential Servicer Covenants are breached by the Secured Residential Servicer,

and, in each case, (i) such default or such warranty, certification or statement proving untrue, incomplete or incorrect or breach of a Secured Residential Servicer Covenant could reasonably be expected to have a Material Adverse Effect (as defined in item (g) below) , and (ii) (if such default is capable of remedy) such default continues unremedied for a period of 10 (ten) Business Days after the earlier of the Secured Residential Servicer becoming aware of such default and receipt by the Secured Residential Servicer of written notice from the Issuer requiring the same to be remedied; or

(c) *Breach of Secured Residential Servicer Warranties*: any of the Secured Residential Servicer Warranties set out in Schedule 4 (*Secured Residential Servicer Specific Warranties and Covenants*) to the Secured Residential Receivables Servicing Agreement proves to be untrue, incomplete or incorrect or default is made by the Secured Residential Servicer in the performance or observance of its other covenants and obligations set out in Schedule 4 (*Secured Residential Servicer Specific Warranties and Covenants*) to the Secured Residential Receivables Servicing Agreement; or

(d) *Unlawfulness*: it is or will become unlawful for the Secured Residential Servicer to perform or comply with any of its material obligations under the Secured Residential Receivables Servicing Agreement; or

(e) *Force Majeure*: if the Secured Residential Servicer is prevented or severely hindered for a period of 60 (sixty) days or more from complying with its obligations under the Secured Residential Receivables Servicing Agreement as a result of a Force Majeure Event; or

(f) *Insolvency Event:* any Insolvency Event occurs in relation to the Secured Residential Servicer; or

(g) *Material Adverse Effect:* an event or circumstance occurs which, in the opinion of the Issuer, will have a Material Adverse Effect on the ability of the Secured Residential Servicer to perform or comply with its obligations under the Secured Residential Receivables Servicing Agreement; or

(h) *Material adverse change:* a material adverse change occurs in the financial condition of the Secured Residential Servicer since the date of the then latest audited financial statements of such Secured Residential Servicer (as the case may be) which in the reasonable opinion of the Issuer impairs due performance of the obligations of such Secured Residential Servicer under the Secured Residential Receivables Servicing Agreement; or

(i) *Withdrawal, suspension and revocation of the Secured Residential Servicer's authorisation to carry on its business*: any governmental or regulatory authority having jurisdiction over the Secured Residential Servicer intervenes into the regulatory affairs of the Secured Residential Servicer where such intervention could lead to the withdrawal, suspension or revocation by such entity of the Secured Residential Servicer's authorisation to carry on its business.

Subject to the terms of the Secured Residential Receivables Servicing Agreement, the Issuer has the right to terminate the Secured Residential Receivables Servicing Agreement if the Secured Residential Servicer fails, at the Relevant Test Date, one or more of the two performance tests ("**Performance Tests**") specified below ("**Performance Breach Event**").

As set out in Schedule 7 (*Performance Tests*) to the Secured Residential Receivables Servicing Agreement, the Performance Tests are the following:

(a) *Net Collections Test:* as at each Relevant Test Date, the actual aggregate Collections received to that date by the Secured Residential Servicer in respect of all Receivables less all costs, fees and expenses incurred in connection with such receipt of Collections (including, without limitation, any Receivable Related Expenses) are greater than or equal to 90% (ninety per cent) of the aggregate Collections forecasted to be received up to and including the Relevant Test Date in the Business Plan prepared by the Secured Residential Servicer and set out in Schedule 8 (*Business Plan*) of the Secured Residential Receivables Servicing Agreement, less the costs, fees and expenses that were forecasted to be incurred in connection with the receipt of such forecasted Collections (including, without limitation, any forecasted Receivables Recovery Expenses).

(b) *Receivable Test:* as at each Relevant Test Date, the actual aggregate Collections received to that date by the Secured Residential Servicer in respect of all Exhausted Debt Relationships up to and including such date are greater than or equal to 90% (ninety per cent) of, in respect of such Exhausted Debt Relationships only, the aggregate Collections forecasted to be received up to and including the Relevant Test Date in the Business Plan prepared by the Secured Residential Servicer and set out in Schedule 8 (*Business Plan*) of the Secured Residential Receivables Servicing Agreement, less the costs, fees and expenses that were forecasted to be incurred in connection with the receipt of such forecasted Collections (including, without limitation, any forecasted Receivables Recovery Expenses).

For the purposes of carrying out any Performance Test, the actual aggregate Collections in respect of the period prior to the appointment of the Secured Residential Servicer (the "**Interim Period**") shall be assumed to be the higher of (i) the actual aggregate Collections for such period and (ii) the aggregate Collections

forecasted to be received during the Interim Period in the Business Plan prepared by the Secured Residential Servicer.

Pursuant to the Secured Residential Receivables Servicing Agreement, the Performance Tests shall first be carried out on the date that falls one year from the Issue Date (the "**First Test Date**") and thereafter at the end of each six-month period following the First Test Date (each such date, together with the First Test Date, being a "**Relevant Test Date**").

If the Secured Residential Receivables Servicing Agreement is terminated pursuant to Clause 13 (*Termination*) thereof, compensation will then be payable to the Secured Residential Servicer on the following basis:

(a) if the agreement is terminated on the Final Discharge Date or following a Secured Residential Servicer Termination Event, no compensation will be due to the Secured Residential Servicer from the Issuer, without prejudice to any compensation for damages due and payable by the Secured Residential Servicer to the Issuer under Portuguese law;

(b) if the agreement is terminated following a Voluntary Termination Event, the Secured Residential Servicer shall be entitled to compensation corresponding to the aggregate amounts received by the Secured Residential Servicer as Servicer Fees during the 6 (six) months period prior to the date on which the Issuer Termination or Voluntary Termination Event occurred.

Under the terms of the Secured Residential Receivables Servicing Agreement, except in respect of death or personal injury caused by the Secured Residential Servicer's gross negligence, fraud or fraudulent misrepresentation or any other liability that cannot be excluded or limited by law, the maximum liability of the Secured Residential Servicer whether in contract, tort (including negligence and breach of statutory duty) or otherwise arising out of or in connection with the Secured Residential Receivables Servicing Agreement shall be, for all claims arising in the 12 (twelve) months period (or part thereof), an amount equal to the aggregate of the fees paid to the Secured Residential Servicer in respect of such 12 (twelve) month period.

Secured Residential Servicer Termination Notice

After receipt by the Secured Residential Servicer of a Termination Notice but prior to the Termination Date, the Secured Residential Servicer shall:

(a) hold to the order of the Issuer the Records and the Transaction Documents that it has in its possession;

(b) hold to the order of the Issuer any monies then held by the Secured Residential Servicer on behalf of the Issuer together with any other Receivables of the Issuer;

(c) other than as the Issuer may direct pursuant to subparagraph (e) below, continue to perform all of the Services (unless prevented by any Portuguese law or any applicable law) until the Termination Date;

(d) take such further action in accordance with the terms of the Secured Residential Receivables Servicing Agreement as the Issuer may reasonably direct in relation to the Secured Residential Servicer's obligations under the Secured Residential Receivables Servicing Agreement including provide such assistance as may be necessary to enable the services to be performed by a Successor Secured Residential Servicer (at the cost of the Issuer, which, for the avoidance of doubt, shall be deemed an Issuer Expense); and

(e) stop taking any such action under the terms of the Secured Receivables Servicing Agreement as the Issuer may reasonably direct, including, the collection of Receivables into the Secured Residential Collections Account and the General Collections Account, communication with Borrowers or dealing with the Receivables.

Identification of Successor Secured Residential Servicer

After the delivery of a Termination Notice, the Issuer and the Common Representative shall use all reasonable endeavours to identify a suitable Successor Secured Residential Servicer under the criteria set out under the Secured Residential Receivables Servicing Agreement.

Any entity identified as suitable by the Issuer and the Common Representative to be the Successor Secured Residential Servicer shall comply with the following conditions:

(a) It shall have experience of administering receivables reasonably similar to the Receivables being administered by the Retiring Secured Residential Servicer in Portugal or be able to demonstrate that it has the capability to administer receivables reasonably similar to the Receivables being administered by the Retiring Secured Residential Servicer in Portugal and shall be fully licensed and legally qualified to undertake to provide such services;

(b) it shall be willing to enter into an agreement with the Issuer which provides for the successor secured Residential servicer's remuneration at such a rate as is agreed by the Issuer and such appointment shall be otherwise on substantially the same terms as those of the Secured Residential Receivables Servicing Agreement; and

(c) the appointment of such Successor Secured Residential Servicer is subject to receipt of all requisite approvals in accordance with applicable law, including but not limited to receipt of any approvals required from the CMVM in relation to appointment of the successor secured Residential servicer under the terms of article 5(4) of the Securitisation Law, the Retiring Secured Residential Servicer hereby recognising that the occurrence of a Termination Event constitutes a duly justified and grounded circumstance for its replacement. In this regard, the Issuer undertakes to notify the CMVM of the identity of the proposed successor secured Residential servicer prior to its appointment in accordance with the terms of the Secured Residential Receivables Servicing Agreement.

The Servicing Committee will resolve on the appointment of the Successor Secured Residential Servicer by the Issuer, which will be subject to the prior approval of the CMVM. The appointment of the Successor Secured Residential Servicer will be effective from the Servicer Termination Date by the entry by and between the Successor Secured Residential Servicer and the Issuer into a replacement servicing agreement in accordance with the provisions of Clause 18.2 (*Conditions for Successor Secured Residential Servicer*) to the Secured Residential Receivables Servicing Agreement.

Consultation with the Issuer, the Common Representative and the Monitoring Agent

The Secured Residential Servicer may consult (and shall consult if so expressly requested by the Issuer, the Common Representative or the Monitoring Agent) with and, to the extent permitted by law, give due and serious consideration to any request of the Issuer, the Common Representative and the Monitoring Agent, including in respect of:

(a) the appointment by the Secured Residential Servicer of a third party to perform, by way of Sub-contracting, any of the Secured Residential Servicer's obligations pursuant to the Secured Residential Receivables Servicing Agreement in accordance with Clause 6 (*Third Party Contracts*) of the Secured Residential Receivables Servicing Agreement;

(b) any potential or actual Termination Event (for the purposes of the application of this paragraph, the Issuer undertakes to notify the Common Representative of the occurrence of any Termination Event within 5 (five) days following the earlier of (i) the occurrence of the conditions that may trigger the occurrence of a Termination Event; or (ii) the Issuer's knowledge thereof);

(c) delivery by the Retiring Secured Residential Servicer following the Termination Date of the Records and the Transaction Documents and any monies held by the Retiring Secured Residential Servicer on behalf of the Issuer to any person other than the Issuer;

(d) the formulation and subsequent changes to the form of the Secured Residential Servicer's customary and usual Set of Procedures and Receivables Plan;

(e) any change to the Accounts Bank, the Agents or the Transaction Manager;

(f) any withdrawal of, or amendment made to, any instructions given to the Accounts Bank; and

(g) any intention by the Secured Residential Servicer to part with possession, custody or control of the Secured Residential Servicer Records otherwise than in accordance with the Secured Residential Receivables Servicing Agreement.

Standard of Care

The Secured Residential Servicer shall, at all times, act in good faith and in the best interests of the Issuer with respect to the Receivables and use its best efforts to service and administer the Receivables (i) in accordance with the Set of Procedures agreed with the Issuer, as well as with the Receivable Plans agreed with the Issuer from time to time; (ii) in compliance with applicable laws, the terms of the Receivables and the documents relating thereto and the terms of the Secured Residential Receivables Servicing Agreement; (iii) in a manner consistent with the best practices of prudent institutions in the distressed asset management and non-performing loan business; and (iv) devoting time and attention to the Servicing as required to ensure the standard of care set out in this paragraph.

Secured Residential Servicer Obligations

The Secured Residential Servicer was appointed under the Secured Residential Receivables Servicing Agreement to act as agent of the Issuer in administering the Receivables Portfolio, including the collection of all sums due in relation to the Receivables in accordance with the terms of the relevant Receivables Agreements, the Secured Residential Receivables Servicing Agreement and the Set of Procedures and, notably, the Secured Residential Servicer agreed to:

(a) employ the appropriate number of Designated Personnel and allocate adequate Premises and Systems sufficient to ensure proper performance of the Services in accordance with the Set of Procedures;

(b) ensure that the Designated Personnel will be adequately trained and/or sufficiently experienced to perform the Services, which shall include supervisory personnel with prior experience and expertise in managing and disposing of non-performing loans (including, but not limited to, secured, unsecured and corporate loans);

(c) consider the interests of the Noteholders and of the Issuer in its relations with Borrowers, and in its exercise of any discretion arising from its performance of the Services;

(d) comply with any directions, orders and instructions which the Issuer may from time to time give in accordance with the Secured Residential Receivables Servicing Agreement, provided that such directions, orders and instructions are lawfully permitted and are feasible for the Servicer's resources;

(e) take all other action and do all other things which it would be reasonable to do in administering the Receivables and the relationship with the respective Borrowers including by notifying the Secured Commercial Servicer or the Unsecured Servicer, as applicable, and the Monitoring Agent (for notification to the Servicing Committee) in case any of the corresponding Receivables was incorrectly included as part of the Receivables identified in Schedule 4B (*Secured Residential Receivables*) to the Receivables Sale Agreement in which case, subject to the approval of the Servicing Committee of the transfer of the Services, it shall cease to act as Servicer in relation therewith and do all things required for the servicing over such Receivable to be serviced by the Secured Commercial Servicer or by the Unsecured Servicer, as applicable;

(f) perform its duties under the Secured Residential Receivables Servicing Agreement in accordance with all applicable laws (in particular, with the Securitisation Law, data protection laws, consumer protection laws and anti-money laundering laws), rules and regulations applicable to companies servicing similar receivables, and

(g) deliver to the Common Representative and the Monitoring Agent copies of the Set of Procedures and the Receivables Plan and any updates or amendments thereof immediately after its completion;

provided that the Secured Residential Servicer shall act only as agent of the Issuer for the purpose of exercising discretion where specifically authorised to do so under the terms of the Secured Residential Receivables Servicing Agreement or any other Transaction Document.

The Secured Residential Servicer's duties under the Secured Residential Receivables Servicing Agreement generally are to provide, subject to the limitations imposed on it by the terms hereof and by the Securitisation Law, due diligence, customary asset management, loan servicing and to advise the Issuer of the Secured Residential Servicer's recommendations regarding the optimal manner in which to manage, dispose, collect, and/or take a decision in relation to the Receivables and the Properties in accordance with the provisions of the Secured Residential Receivables Servicing Agreement and the maximisation of the net present value of the Receivables, taken as a whole, while minimising the risks associated therewith, together with such other services as the Parties may agree from time to time.

Specific services to be provided by the Secured Residential Servicer in relation to the Receivables

The Secured Residential Servicer shall service and administer all Receivables in the best interests and for the benefit of the Issuer and of the Noteholders, in accordance with the terms of the Receivables Agreements (and the documents relating thereto), the Secured Receivables Servicing Agreement, the Set of Procedures agreed between the Issuer and the Secured Residential Servicer; these duties shall include but not be limited to:

(a) facilitating the transfer of servicing of the Receivables from their respective servicing agents and/or from the Seller, as applicable, all in accordance with the applicable Set of Procedures;

(b) notify the transfer of the Receivables (where required to do so) to the corresponding Borrowers, in particular, by means of written communication;

(c) directing all Borrowers promptly after the execution and delivery of the Secured Receivables Servicing Agreement, to remit all payments in respect of the Receivables to the Secured Residential Collections Account and subsequently to the Accounts Bank, in accordance with the provisions of the Secured Receivables Servicing Agreement;

(d) enforcing any and all rights of the Issuer under the Receivables Sale Agreement or other agreement pursuant to which such Receivables were acquired, including with respect to the repurchase obligations of the Seller;

(e) diligently seeking the collection of and depositing into the Secured Residential Collections Account and transferring to the General Collections Account all payments called for under the terms and provisions of the Receivables and any guarantees, insurance or other credit support therefore;

(f) advising the Issuer as to any action the Secured Residential Servicer considers necessary or desirable to enforce the Issuer's rights and remedies in respect of the Receivables, including action necessary to repossess, foreclose upon or otherwise comparably convert the ownership of collateral for the Receivables which comes into, or continues in, default and as to which no satisfactory arrangements can be made for the collection of delinquent payments;

(g) advising and assisting the Issuer in the negotiation of, and implementing, modifications and amendments to the terms of the Receivables;

(h) monitoring the compliance by the Borrowers with the terms of the respective Receivables;

(i) taking such actions within the Secured Residential Servicer's reasonable opinion as are necessary or desirable to maintain and monitor continuous perfection and the priority of the security interests granted in the collateral under the Receivables Agreements, including causing the execution and filing of financing statements and continuation statements;

(j) undertaking such reviews, and obtaining such legal reviews, of the documents and agreements relating to the Receivables as may be advisable to determine the enforceability thereof, if the same shall be in question;

(k) determining compliance by the respective Borrowers with environmental laws and regulations where such compliance may be material to the Borrowers' ability to satisfy their payment obligations under the Receivables or to the value and marketability of the relevant Receivables or the relevant collateral thereof;

(l) exercising, or overseeing the exercise of, such remedies with respect to the collateral of the Receivables, as the Secured Residential Servicer, in its business judgment, deems necessary or desirable to protect the Issuer's interest therein and maximise the proceeds of any sale thereof, in each case in accordance with the relevant Receivables Agreements, any security agreement and the applicable law, including environmental laws and regulations;

(m) negotiating and implementing modifications and amendments to the terms of the Receivables; and

(n) informing the Seller, promptly and in any case no later than 2 (two) Business Days, upon the Secured Residential Servicer becoming aware of it, that the Seller should expect to receive amounts as of a given date which are realisation values for the purposes of Clause 7.8.1 of the Receivables Sale Agreement and which shall be transferred by the Seller to the Purchaser in a accordance with Clause 7.8.1 of the Receivables Sale Agreement.

Specific services to be provided by the Secured Residential Servicer in relation to the Properties

The Secured Residential Servicer shall service the Properties related to the Receivables identified in Schedule 4B (*Secured Residential Receivables*) to the Receivables Sale Agreement in the best interests and for the benefit of the Issuer and Noteholders, in accordance with the terms of the relevant Receivables Agreements (and the documents relating thereto), the Secured Receivables Servicing Agreement, the Residential Asset Management Agreement and the Set of Procedures agreed between the Issuer and the Secured Residential Servicer; these duties shall include but not be limited to:

(a) assisting the Asset Manager and performing any action required to ensure that all rights and title are validly and effectively transferred from the Issuer to the Asset Manager and that all Seller Allocated Properties are transferred from the Seller to the Asset Manager, free from any liens and encumbrances;

(b) ensuring that all Property Recoveries are credited in the Residential Asset Management Collections Account and transferring all Property Recoveries promptly to the Payment Account, in accordance with Clause 18 (*Accounts*) of the Residential Asset Management Agreement;

(c) monitoring, advising the Issuer with respect to, and exercising and performing, in the name and on behalf of the Issuer, all rights, obligations, and other necessary or appropriate acts, of the Issuer under applicable law, including making, evaluating and forwarding real estate agents' acquisition or sale proposals for the Issuer's approval;

(d) making, obtaining and maintaining all notifications, applications, other filings and permits with any governmental authority, and obtaining and maintaining all necessary or appropriate consents from any governmental authority or other person required (i) from the Issuer as having full benefit and title to receive the Realisation Value of all Properties under the management of the Asset Manager or (ii) to

ensuring the Asset Manager and the Secured Residential Servicer can perform the relevant services and otherwise to ensure the effectiveness of the Secured Residential Receivables Servicing Agreement and the Residential Asset Management Agreement;

(e) obtaining, maintaining and preserving, or causing to be obtained, maintained and preserved, insurance policies with respect to the Properties which were already transferred or awarded to the Asset Manager on behalf of the Issuer with insurance companies to be agreed with the Issuer, if applicable, together with all other insurance policies with respect to such Properties that is requested by the Issuer or required by applicable law and ensuring that all such insurance policies name the Issuer as additional insured or loss payee and, to the extent available and applicable, contain negative amortisation endorsements;

(f) contacting real estate agents and liaising with such real estate agents to propose, negotiate and prepare for the Issuer's approval, agreements and arrangements setting out solutions to realise and maximise recoveries with respect to the Properties, either by acquisition or sale;

(g) contacting real estate agents to find, reasonably select, negotiate on behalf of the Issuer with, and recommending to the Issuer or the Asset Manager, as the case may be, the engagement of, qualified consultants and ensure, and set up an implement appropriate procedures and policies, including for audit and control, to ensure that all qualified consultants and all other related parties of the Asset Manager and the Secured Residential Servicer performing any action with respect to the Properties comply with the standards applicable to the Asset Manager and the Secured Residential Servicer pursuant to the Secured Residential Receivables Servicing Agreement and the Residential Asset Management Agreement;

(h) cooperate with the Issuer and the Asset Manager and all of its related parties concerning to the Properties in effecting the sharing of information relating to the Secured Residential Servicer's duties thereunder;

(i) advise the Issuer or the Asset Manager (as the case may be) with respect to the Services set out in the Secured Residential Receivables Servicing Agreements and in Schedule 1 (*Services to be provided by the Asset Manager*) to the Residential Asset Management Agreement;

(j) maintaining a complete set of books and records with respect to the Properties, including as and when applicable tax, insurance and accounting records, and including receiving, storing and keeping safe custody of all Asset Management Records and, as appropriate, other Asset Management Records with respect to the Properties and hold it for the benefit of the Issuer;

(k) performing any service, as reasonably requested from time to time by the Issuer (or the Asset Manager, on behalf of the Issuer), ancillary or in connection to the Services and in connection with the Property Recoveries.

Receivable Plan

Upon the Secured Residential Servicer commencing the provision of the Services in accordance with the terms of the Secured Receivables Servicing Agreement, the Secured Residential Servicer shall, in consultation with the Issuer and as soon as practicable within a 3 (three) months period thereafter but in no event later than 6 (six) months thereafter, prepare and deliver to the Issuer (who may make it available to the Noteholders upon request), the Monitoring Agent (who shall make it available to the Servicing Committee) and the Transaction Manager a Receivable Plan for the Receivables Portfolio. Such Receivable Plan shall be updated and delivered to the same recipients (on the same basis) by the Secured Residential Servicer on an event basis and in any case at least every 6 (six) months. Together with the Receivable Plan, or any update thereof, the Secured Residential Servicer shall deliver to the same recipients (on the same basis) an Updated Business Plan.

"**Updated Business Plans**" means the updated business plans for the Receivables prepared by the Secured Commercial Servicer, the Secured Residential Servicer and by the Unsecured Residential Servicer from time to time, in the form of the Business Plan (included under Schedule 8 (*Business Plan*) of the Receivables Servicing Agreements), and to be delivered from time in accordance with the Receivables Servicing Agreements together with the Receivable Plans.

The Secured Residential Servicer shall meet with the Issuer monthly to discuss the on-going servicing of the Receivables, in order to discuss, among other relevant issues in connection with the servicing of the Receivables, watch listed Receivables and substantial deviations from and/or revisions of the relevant Receivable Plan. The Secured Residential Servicer shall make available for such meetings such executive and other personnel engaged in servicing the Receivables hereunder as the Issuer shall reasonably request. Such meetings may be in person or by telephone as Issuer shall reasonably request.

Collections of the Receivables

The Secured Residential Servicer shall use all reasonable endeavours to:

(a) collect all sums due under or in connection with the relevant Receivables;

(b) deliver all and any notices required by law or under the Receivables to Borrowers specifying the amount due and the relevant date for payment of any Receivable;

(c) recover amounts due from Borrowers in accordance with the Set of Procedures;

(d) arrange for payment of all sums so collected into the Secured Residential Collections Account and forthwith transfer such sums into the General Collections Accounts and subsequently to the Payment Account, all in accordance with the Secured Residential Receivables Servicing Agreement; and

(e) enforce all obligations of Borrowers under the Receivables Agreements,

in each case on behalf of the Issuer in an efficient and timely fashion in accordance with the Receivables Agreements, the Set of Procedures and the Receivable Plan.

Upon having been collected in full or sold or written off, or if the Secured Residential Servicer reasonably understands no further monies or assets will be recovered, or upon having received an instruction from the Servicing Committee to classify it as exhausted, the Secured Residential Servicer shall classify a Debt Relationship as an Exhausted Debt Relationship.

Property Reporting Services

The Secured Residential Servicer shall, in accordance with those provisions in respect of fees, costs and expenses, deliver to the Issuer and the Monitoring Agent, within 10 (ten) Business Days after the end of each calendar month, the Acquisition, Collections and Cost Report (the "**ACC Report**") for such calendar month. Each ACC Report shall contain information with respect to each Property specifically and on an aggregate basis for the related portfolio the following information, and otherwise in form and substance reasonably satisfactory to the Issuer and the Noteholders:

(a) Acquisition Report:

(i) list of bids made by the Asset Manager (or the Servicer, on its behalf). All bids made by the Asset Manager detailing date, type (tax, court, private auction, etc.), amount and result (win / no win) and deed in lieu;

(ii) list of acquired properties (the information to be provided should include but not be limited to the type of asset, acquisition price, address and location details, estimated sale time, estimated sale amount, type of acquisition); and

(iii) all other information and data reasonably requested by the Issuer or necessary to evaluate the performance of the Secured Residential Servicer.

(b) Collection Report:

(i) actual historical Property Recoveries;

(ii) any variance between actual historical Property Recoveries and eventual projected Property Recoveries;

(iii) reconciliation of Property Recoveries to cash in the Residential Asset Management Collections Account specifically identifying any amounts that have not been reconciled at the time of producing the relevant Secured Residential Servicer Report; and

(iv) all other information and data reasonably requested by or necessary to evaluate the performance of the Secured Residential Servicer.

(c) Cost Report:

(i) actual historical Property Recovery Expenses;

(ii) any variance between actual historical Property Recovery Expenses and eventual projected Property Recovery Expenses;

(iii) reconciliation of Property Recovery Expenses to cash in the Residential Asset Management Collections Account; and

(iv) all other information and data reasonably requested by or necessary for the Issuer to evaluate the performance of the Secured Residential Servicer.

The Secured Residential Servicer shall deliver any required activity reports in a form to be agreed between the Secured Residential Servicer, the Asset Manager, the Issuer, the Common Representative and the Monitoring Agent.

The Secured Residential Servicer shall also provide all information reports, tax certificates and tax receipts required or requested (i) by the Issuer in connection with the administration of the Properties, (ii) by the Issuer or its accountants or any taxation authority in connection with the preparation of the Issuer tax returns or the application of any tax laws, or (iii) by any auditor or regulator of the Issuer.

The Secured Residential Servicer shall, as may be requested by the Issuer or the Asset Manager by notice to the Secured Residential Servicer, perform all filings (other than those described in (iii) above) necessary under law or otherwise prudent to be made with respect to the Properties and the transactions contemplated hereby, together with supporting documentation.

The Secured Residential Servicer shall, within 30 (thirty) days after the receipt by the Secured Residential Servicer of a request from the Issuer or the Asset Manager, deliver a report from a reputable firm of independent and registered certified public accountants acceptable to the Issuer, the cost of which shall be paid by the Issuer, stating that (A) such firm has examined the Records, including the systems of storage, preservation and maintenance of such Records and the Records regarding the performance of the Services in the previous year, and (B) such examination has not revealed any non-compliance by the Secured Residential Servicer with the provisions of the Secured Residential Receivables Servicing Agreement that, in the opinion of such firm, is material, except as set out in such report.

The Secured Residential Servicer shall provide such other information with respect to the Properties and the Services as may reasonably be requested from time to time by the Issuer, including reports to external accountants (provided such reports to external accountants do not include any information protected under data protection rules) and Property analyses.

Servicer Report and the Investor Report

The Secured Residential Servicer shall prepare and deliver the Servicer Report summarising the servicing and the performance of the Receivables and the Receivables Recovery Expenses including the data file in a format to be agreed between the Parties.

The Servicer Report, as established in Schedule 6 (*Draft of Secured Residential Servicer Report*) of the Secured Residential Receivables Servicing Agreement, must be delivered to the Report Recipients no later than 10 (ten) Business Days after the end of the relevant Collection Period according to the Paying Agency and Transaction Management Agreement.

The Secured Residential Servicer shall provide, together with the Servicer Report, a report to the Issuer and the Monitoring Agent (who shall forward it to the Servicing Committee) indicating all the Exhausted Debt Relationships which have been identified by the Secured Residential Servicer since the Issue Date.

In accordance with the Paying Agency and Transaction Management Agreement, the Transaction Manager shall, not less than the 6th (sixth) Business Day prior to each Interest Payment Date, prepare and deliver to the Issuer, the Common Representative, the Rating Agencies, the Cap Counterparty, the Agents and the Sole Arranger and Placement Agent the Investor Report in respect of the related Collection Period for the purpose, *inter alia*, of making such report available to the Noteholders. Such Investor Report must, in respect of each Interest Payment Date, include an indication of the payments that must be made by the Issuer in accordance with the Payment Priorities contemplated in the Conditions.

Interaction with the Servicing Committee

The Secured Residential Servicer is a party to the Monitoring Agent Appointment Agreement, and thereunder has certain duties with which it must comply with and is subject to, namely in result of the decisions taken by the Servicing Committee, in accordance with the Servicing Committee Rules. See below "*Monitoring Agent Appointment Agreement*" and "*Servicing Committee Rules*".

Applicable law and jurisdiction

The Secured Residential Receivables Servicing Agreement and all matters arising from or connected with it shall be governed by and construed in accordance with the laws of Portugal. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) have exclusive jurisdiction to settle any Dispute arising out of or in connection with the Secured Receivables Servicing Agreement, including any question regarding its existence, validity or termination.

Unsecured Receivables Servicing Agreement

Appointment of the Unsecured Servicer

Pursuant to the terms of the Unsecured Receivables Servicing Agreement, the Issuer appointed the Unsecured Servicer to be the Unsecured Servicer and as its lawful non-exclusive agent, in its name and on its behalf, to act as servicer in relation to the Unsecured Receivables forming part of the Receivables Portfolio and identified in Schedule 4C (*Unsecured Receivables*) of the Receivables Sale Agreement.

Collections and Expenses Accounts

Please refer to *"Overview of the Transaction" – "Collection Accounts" / "Expenses Accounts"*.

Unsecured Servicing Fee

The Unsecured Servicer shall be entitled to receive from the Issuer a servicing fee, to be paid on each Interest Payment Date, corresponding to a performance ongoing fee, corresponding to 14% (fourteen per cent.) (provided that, if the NPV Cumulative Collection Ratio is below 100%, this will be 11.20% (eleven point two per cent.)) of the gross Collections of the Receivables received by the Issuer, or to be transferred

to, the Issuer and the Asset Manager after the Issue Date, inclusive, in respect of the relevant Collection Period, as follows (the "**Unsecured Servicer Performance Fee**").

The payment of the Unsecured Servicer Performance Fee will on each Interest Payment Date be subject to the Unsecured Servicer's performance under the Unsecured Receivables Servicing Agreement vis-à-vis the Business Plan, measured as the value of recovered Collections over the expected Collections to be recovered as determined in the Business Plan, as follows:

NPV Cumulative Collection Ratio	**Applicable Share of Unsecured Servicer Senior Performance Fee**	**Applicable Share of Unsecured Servicer Mezzanine Performance Fee**	**Applicable Share of Unsecured Servicer Junior Performance Fee**
<90%	75%	0%	25%
>=90% - <100%	85%	5%	10%
>=100%	100%	0%	0%

Where, in this section:

"**NPV Cumulative Collection Ratio**" means, in respect of each Interest Payment Date, the ratio indicated in the immediately preceding Unsecured Servicer Report between (i) the sum of the Net Present Value of the Net Collections received on or after the Issue Date, and (ii) the sum of the Net Present Value of the Net Expected Collections of Receivables expected to be received on or after the Issue Date;

"**Net Expected Collections**" means, for a given Collection Period, the difference between (i) the expected gross Collections and (ii) the expected Receivables Recovery Expenses for such Receivables, in accordance with the relevant Business Plan (which is attached as Schedule 8 (*Business Plan*) to the Unsecured Receivables Servicing Agreement). For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered to the Issuer (and not Realisation Values still to be collected, such as cash in court). The amount of the Net Expected Collections is attached as Schedule 6 (*Net Expected Collections*) to the Master Framework Agreement;

"**Net Collections**" means, for a given Collection Period, the difference between (i) the gross Collections received during the period elapsed between the Collateral Determination Date and the Issue Date or in each relevant Collection Period, as the case may be, and (ii) the Receivables Recovery Expenses.

"**Net Present Value**" means the amount calculated according the following formula:

NPV(X) = X/((1+i)^(t/360))

where:

"X"= means the corresponding cash flow amount in Euros.

"i"= Discount Factor

"t"= means the number of days passed between the date on which the X amount is collected or paid and the Issue Date, assuming that all the Collections are received on the last day of the Collection Period in which they occur or are anticipated to occur.

"Discount Factor" means 3.5% (three point five per cent.).

For the sake of clarity, "**Business Plan**" in this section means the initial Business Plan as attached under Schedule 8 (*Business Plan*) of the Unsecured Receivables Servicing Agreement.

Termination of Unsecured Servicer's Appointment

Unless earlier terminated pursuant to the Unsecured Receivables Servicing Agreement, the appointment of the Unsecured Servicer under the Unsecured Receivables Servicing Agreement shall terminate (but without affecting any accrued rights and Liabilities under the Unsecured Receivables Servicing Agreement) on the Final Discharge Date as defined in the Unsecured Receivables Servicing Agreement.

12 (twelve) months after the date of signature the Unsecured Receivables Servicing Agreement, the Issuer may terminate the Unsecured Receivables Servicing Agreement at any time, if so instructed by the Common Representative or following consultation with the Common Representative and subject to the Servicing Committee Rules, by giving a 90 (ninety) calendar days written notice to the Unsecured Servicer.

The following events will be "**Unsecured Servicer Termination Events**" under the Unsecured Receivables Servicing Agreement, the Issuer may, if so instructed by the Common Representative or following consultation with the Common Representative and subject to the Servicing Committee Rules, terminate the Unsecured Receivables Servicing Agreement immediately after the occurrence of one of the following events:

(a) *Non-payment*: default occurs or default is made by the Unsecured Servicer in ensuring the payment on the due date of any payment required to be made under the Unsecured Receivables Servicing Agreement and such default continues unremedied for a period of 5 (five) Business Days following the scheduled payment date; or

(b) *Breach of other obligations*: without prejudice to paragraph (a) (*Non-payment*) above:

(i) default occurs or default is made by the Unsecured Servicer in the performance or observance of any of its other covenants and obligations under the Unsecured Receivables Servicing Agreement, other than the Unsecured Servicer Covenants (as defined for the Unsecured Receivables Servicing Agreement); or

(ii) any of the Unsecured Servicer Warranties (as defined for the Unsecured Receivables Servicing Agreement), other than the Unsecured Servicer Specific Warranties set out in Schedule 4 (*Unsecured Servicer Specific Warranties and Covenants*) proves to be untrue, incomplete or incorrect; or

(iii) any certification or statement made by the Unsecured Servicer in any certificate or other document delivered pursuant to the Unsecured Receivables Servicing Agreement proves to be untrue, or

(iv) any of the Unsecured Servicer Covenants are breached by the Unsecured Servicer,

and, in each case, (i) such default or such warranty, certification or statement proving untrue, incomplete or incorrect or breach of a Unsecured Servicer Covenant could reasonably be expected to have a Material Adverse Effect (as defined for the Unsecured Receivables Servicing Agreement), and (ii) (if such default is capable of remedy) such default continues unremedied for a period of 10 (ten) Business Days after the earlier of the Unsecured Servicer becoming aware of such default and receipt by the Unsecured Servicer of written notice from the Issuer requiring the same to be remedied; or

(c) *Breach of Unsecured Servicer Warranties*: any of the Unsecured Servicer Warranties set out in Schedule 4 (*Unsecured Servicer Specific Warranties and Covenants*) proves to be untrue, incomplete or incorrect or default is made by the Unsecured Servicer in the performance or observance of its other covenants and obligations set out in Schedule 4 (*Unsecured Servicer Specific Warranties and Covenants*) to the Unsecured Receivables Servicing Agreement; or

(d) *Unlawfulness*: it is or will become unlawful for the Unsecured Servicer to perform or comply with any of its material obligations under the Unsecured Receivables Servicing Agreement; or

(e) *Force Majeure*: if the Unsecured Servicer is prevented or severely hindered for a period of 60 (sixty) days or more from complying with its obligations under the Unsecured Receivables Servicing Agreement as a result of a Force Majeure Event; or

(f) *Insolvency Event:* any Insolvency Event occurs in relation to the Unsecured Servicer*;* or

(g) *Material Adverse Effect:* an event or circumstance occurs which, in the opinion of the Issuer, will have a Material Adverse Effect on the ability of the Unsecured Servicer to perform or comply with its obligations under the Unsecured Receivables Servicing Agreement; or

(h) *Material adverse change:* a material adverse change occurs in the financial condition of the Unsecured Servicer since the date of the then latest audited financial statements of such Unsecured Servicer (as the case may be) which in the reasonable opinion of the Issuer impairs due performance of the obligations of such Unsecured Servicer under the Unsecured Receivables Servicing Agreement; or

(i) *Withdrawal, suspension and revocation of the Unsecured Servicer's authorisation to carry on its business*: any governmental or regulatory authority having jurisdiction over the Unsecured Servicer intervenes into the regulatory affairs of the Unsecured Servicer where such intervention could lead to the withdrawal, suspension or revocation by such entity of the Unsecured Servicer's authorisation to carry on its business.

Subject to the terms of the Unsecured Receivables Servicing Agreement, the Issuer has the right to terminate the Unsecured Receivables Servicing Agreement if the Unsecured Servicer fails, at the Relevant Test Date, one or more of the two performance tests ("**Performance Tests**") specified below ("**Performance Breach Event**").

As set out in Schedule 7 (*Performance Tests*) to the Unsecured Receivables Servicing Agreement, the Performance Tests are the following:

(a) *Net Collections Test:* as at each Relevant Test Date, the actual aggregate Collections received to that date by the Unsecured Servicer in respect of all Receivables less all costs, fees and expenses incurred in connection with such receipt of Collections (including, without limitation, any Receivable Related Expenses) are greater than or equal to 90% (ninety per cent) of the aggregate Collections forecasted to be received up to and including the Relevant Test Date in the Business Plan prepared by the Unsecured Servicer and set out in Schedule 8 (*Business Plan*) of the Unsecured Receivables Servicing Agreement, less the costs, fees and expenses that were forecasted to be incurred in connection with the receipt of such forecasted Collections (including, without limitation, any forecasted Receivables Recovery Expenses).

(b) *Receivable Test:* as at each Relevant Test Date, the actual aggregate Collections received to that date by the Unsecured Servicer in respect of all Exhausted Debt Relationships up to and including such date are greater than or equal to 90% (ninety per cent) of, in respect of such Exhausted Debt Relationships only, the aggregate Collections forecasted to be received up to and including the Relevant Test Date in the Business Plan prepared by the Unsecured Servicer and set out in Schedule 8 (*Business Plan*) of the Unsecured Receivables Servicing Agreement, less the costs, fees and expenses that were forecasted to be incurred in connection with the receipt of such forecasted Collections (including, without limitation, any forecasted Receivables Recovery Expenses).

For the purposes of carrying out any Performance Test, the actual aggregate Collections in respect of the period prior to the appointment of the Unsecured Servicer (the "**Interim Period**") shall be assumed to be the higher of (i) the actual aggregate Collections for such period and (ii) the aggregate Collections forecasted to be received during the Interim Period in the Business Plan prepared by the Unsecured Servicer.

Pursuant to the Unsecured Receivables Servicing Agreement, the Performance Tests shall first be carried out on the date that falls one year from the Issue Date (the "**First Test Date**") and thereafter at the end of each six-month period following the First Test Date (each such date, together with the First Test Date, being a "**Relevant Test Date**").

If the Unsecured Receivables Servicing Agreement is terminated pursuant to Clause 13 (*Termination*) thereof, compensation will then be payable to the Unsecured Servicer on the following basis:

(a) if the agreement is terminated on the Final Discharge Date or following an Unsecured Servicer Termination Event, no compensation will be due to the Unsecured Servicer from the Issuer, without prejudice to any compensation for damages due and payable by the Unsecured Servicer to the Issuer under Portuguese law; and

(b) if the agreement is terminated following a Voluntary Termination Event, the Unsecured Servicer shall be entitled to compensation corresponding to the aggregate amounts received by the Unsecured Servicer as Servicer Fees during the 6 (six) months period prior to the date on which the Issuer Termination or Voluntary Termination Event occurred.

Under the terms of the Unsecured Receivables Servicing Agreement except in respect of death or personal injury caused by the Unsecured Servicer's negligence, fraud or fraudulent misrepresentation or any other liability that cannot be excluded or limited by law, the Unsecured Servicer shall not in any circumstances be liable to Issuer, whether in contract, tort (including negligence) or otherwise, for any consequential or indirect loss or damage howsoever arising and of whatsoever nature or any loss of contract, loss of use or loss of goodwill suffered or incurred by the other arising out of, or in connection with, any breach of the Unsecured Receivables Servicing Agreement.

Unsecured Servicer Termination Notice

After receipt by the Unsecured Servicer of a Servicer Termination Notice but prior to the Servicer Termination Date, the Unsecured Servicer shall:

(a) hold to the order of the Issuer the Records and the Transaction Documents that it has in its possession;

(b) hold to the order of the Issuer any monies then held by the Unsecured Servicer on behalf of the Issuer together with any other Receivables of the Issuer;

(c) other than as the Issuer may direct pursuant to subparagraph (e) below, continue to perform all of the Services (unless prevented by any Portuguese law or any applicable law) until the Termination Date;

(d) take such further action in accordance with the terms of the Unsecured Receivables Servicing Agreement as the Issuer may reasonably direct in relation to the Unsecured Servicer's obligations under the Unsecured Receivables Servicing Agreement including provide such assistance as may be necessary to enable the services to be performed by a Successor Unsecured Servicer (at the cost of the Issuer, which, for the avoidance of doubt, shall be deemed an Issuer Expense); and

(e) stop taking any such action under the terms of the Unsecured Receivables Servicing Agreement as the Issuer may reasonably direct, including, the collection of Receivables into the Unsecured Collections Account and the General Collections Account, communication with Borrowers or dealing with the Receivables.

Identification of Successor Unsecured Servicer

After the delivery of a Termination Notice, the Issuer and the Common Representative shall use all reasonable endeavours to identify a suitable Successor Unsecured Servicer under the criteria set out under the Unsecured Receivables Servicing Agreement.

Any entity identified as suitable by the Issuer and the Common Representative to be the Successor Unsecured Servicer shall comply with the following conditions:

(a) It shall have experience of administering receivables reasonably similar to the Receivables being administered by the Retiring Unsecured Servicer in Portugal or be able to demonstrate that it has the capability to administer receivables reasonably similar to the Receivables being administered by the Retiring Unsecured Servicer in Portugal and shall be fully licensed and legally qualified to undertake to provide such services;

(b) it shall be willing to enter into an agreement with the Issuer which provides for the successor unsecured servicer's remuneration at such a rate as is agreed by the Issuer and such appointment shall be otherwise on substantially the same terms as those of the Unsecured Receivables Servicing Agreement; and

(c) the appointment of such Successor Unsecured Servicer is subject to receipt of all requisite approvals in accordance with applicable law, including but not limited to receipt of any approvals required from the CMVM in relation to appointment of the Successor Unsecured Servicer under the terms of article 5(4) of the Securitisation Law, the Retiring Unsecured Servicer hereby recognising that the occurrence of a Termination Event constitutes a duly justified and grounded circumstance for its replacement. In this regard, the Issuer undertakes to notify the CMVM of the identity of the proposed Successor Unsecured Servicer prior to its appointment in accordance with the terms of the Unsecured Receivables Servicing Agreement.

The Servicing Committee will resolve on the appointment of the Successor Unsecured Servicer by the Issuer, which will be subject to the prior approval of the CMVM. The appointment of the Successor Unsecured Servicer will be effective from the Servicer Termination Date by the entry by and between the Successor Unsecured Servicer and the Issuer into a replacement servicing agreement in accordance with the provisions of Clause 18.2 (*Conditions for Successor Unsecured Servicer*) to the Unsecured Receivables Servicing Agreement.

Consultation with the Issuer, the Common Representative and the Monitoring Agent

The Unsecured Servicer may consult (and shall consult if so expressly requested by the Issuer, or by the Common Representative or by the Monitoring Agent) with and, to the extent permitted by law, give due and serious consideration to any request of the Issuer, the Common Representative and the Monitoring Agent, including in respect of:

(a) the appointment by the Unsecured Servicer of a third party to perform, by way of Sub-contracting, any of the Unsecured Servicer's obligations pursuant to the Unsecured Receivables Servicing Agreement in accordance with Clause 6 (*Third Party Contracts*) of the Unsecured Receivables Servicing Agreement;

(b) any potential or actual Termination Event (for the purposes of the application of this paragraph, the Issuer undertakes to notify the Common Representative of the occurrence of any Termination Event within 5 (five) days following the earlier of (i) the occurrence of the conditions that may trigger the occurrence of a Termination Event; or (ii) the Issuer's knowledge thereof);

(c) delivery by the Retiring Unsecured Servicer following the Termination Date of the Records and the Transaction Documents and any monies held by the Retiring Unsecured Servicer on behalf of the Issuer to any person other than the Issuer;

(d) the formulation and subsequent changes to the form of the Unsecured Servicer's customary and usual Set of Procedures and Receivables Plan;

(e) any change to the Accounts Bank, the Agents or the Transaction Manager;

(f) any withdrawal of, or amendment made to, any instructions given to the Accounts Bank; and

(g) any intention by the Unsecured Servicer to part with possession, custody or control of the Unsecured Servicer Records otherwise than in accordance with the Unsecured Receivables Servicing Agreement.

Unsecured Servicer Obligations

The Unsecured Servicer was appointed under the Unsecured Receivables Servicing Agreement to act as agent of the Issuer in administering the Receivables Portfolio, including the collection of all sums due in relation to the Receivables in accordance with the terms of the relevant Receivables Agreements, the Unsecured Receivables Servicing Agreement and the Set of Procedures and, notably, the Unsecured Servicer agreed to:

(a) employ the appropriate number of Designated Personnel and allocate adequate Premises and Systems sufficient to ensure proper performance of the Services in accordance with the Set of Procedures;

(b) ensure that the Designated Personnel will be adequately trained and/or sufficiently experienced to perform the Services, which shall include supervisory personnel with prior experience and expertise in managing and disposing of non-performing loans (including, but not limited to unsecured loans);

(c) consider the interests of the Noteholders and of the Issuer in its relations with Borrowers, and in its exercise of any discretion arising from its performance of the Services;

(d) comply with any directions, orders and instructions which the Issuer may from time to time give in accordance with the Unsecured Receivables Servicing Agreement, provided that such directions, orders and instructions are lawfully permitted and are feasible for the Unsecured Servicer's resources;

(e) take all other action and do all other things which it would be reasonable to do in administering the Receivables and the relationship with the respective Borrowers, including by notifying the Secured Commercial Servicer or the Secured Residential Servicer, as applicable, and the Monitoring Agent (for notification to the Servicing Committee) in case any of the corresponding Receivables was incorrectly included as part of the Receivables identified in Schedule 4C (*Unsecured Receivables*) to the Receivables Sale Agreement in which case, subject to the approval of the Servicing Committee of the transfer of the Services, it shall cease to act as Unsecured Servicer in relation therewith and do all things required for the servicing over such Receivable to be serviced by the Secured Commercial Servicer or by the Secured Residential Servicer, as applicable; and

(f) perform its duties under the Unsecured Receivables Servicing Agreement in accordance with all applicable laws (in particular, with the Securitisation Law, data protection laws, consumer protection laws and anti-money laundering laws), rules and regulations applicable to companies servicing similar receivables, and

(g) deliver to the Common Representative and the Monitoring Agent copies of the Set of Procedures and the Receivables Plan and any updates or amendments thereof immediately after its completion,

provided that the Unsecured Servicer shall act only as agent of the Issuer for the purpose of exercising discretion where specifically authorised to do so under the terms of the Unsecured Receivables Servicing Agreement or any other Transaction Document.

The Unsecured Servicer's duties under the Unsecured Receivables Servicing Agreement generally are to provide, subject to the limitations imposed on it by the terms hereof and by the Securitisation Law, due diligence, customary asset management, loan servicing and to advise the Issuer of the Unsecured Servicer's recommendations regarding the optimal manner in which to manage, dispose, collect, and/or take a decision in relation to the Receivables in accordance with the provisions of the Unsecured Receivables Servicing Agreement and the maximisation of the net present value of the Receivables, taken as a whole,

while minimising the risks associated therewith, together with such other services as the Parties may agree from time to time.

Specific services to be provided by the Unsecured Servicer in relation to the Receivables

The Unsecured Servicer shall service and administer all Receivables in the best interests and for the benefit of the Issuer and of the Noteholders, in accordance with the terms of the Receivables Agreements (and the documents relating thereto), the Unsecured Receivables Servicing Agreement, the Set of Procedures agreed between the Issuer and the Unsecured Servicer; these duties shall include but not be limited to:

(a) facilitating the transfer of servicing of the Receivables from their respective servicing agents and/or from the Seller, as applicable, all in accordance with the applicable Set of Procedures;

(b) notify the transfer of the Receivables (where required to do so) to the corresponding Borrowers, in particular, by means of written communication;

(c) directing all Borrowers promptly after the execution and delivery of the Unsecured Receivables Servicing Agreement, to remit all payments in respect of the Receivables to the Unsecured Collections Account and subsequently to the Accounts Bank, in accordance with the provisions of the Unsecured Receivables Servicing Agreement;

(d) enforcing any and all rights of the Issuer under the Receivables Sale Agreement or other agreement pursuant to which such Receivables were acquired, including with respect to the repurchase obligations of the Seller;

(e) diligently seeking the collection of and depositing into the Unsecured Collections Account and transferring to the General Collections Account all payments called for under the terms and provisions of the Receivables and any guarantees, insurance or other credit support therefore;

(f) advising the Issuer as to any action the Unsecured Servicer considers necessary or desirable to enforce the Issuer's rights and remedies in respect of the Receivables, including action necessary to repossess and foreclose upon the Receivables which comes into, or continues in, default and as to which no satisfactory arrangements can be made for the collection of delinquent payments;

(g) advising and assisting the Issuer in the negotiation of, and implementing, modifications and amendments to the terms of the Receivables;

(h) monitoring the compliance by the Borrowers with the terms of the respective Receivables;

(i) taking such actions within the Unsecured Servicer's reasonable opinion as are necessary or desirable to maintain and monitor continuous perfection and the priority of the security interests the Receivables Agreements, including causing the execution and filing of financing statements and continuation statements;

(j) undertaking such reviews, and obtaining such legal reviews, of the documents and agreements relating to the Receivables as may be advisable to determine the enforceability thereof, if the same shall be in question;

(k) determining compliance by the respective Borrowers with environmental laws and regulations where such compliance may be material to the Borrowers' ability to satisfy their payment obligations under the Receivables or to the value and marketability of the relevant Receivables;

(l) exercising, or overseeing the exercise of, such remedies with respect to the Receivables, as the Unsecured Servicer, in its business judgment, deems necessary or desirable to protect the Issuer's interest therein and maximise the proceeds of any sale thereof, in each case in accordance with the relevant Receivables Agreements and the applicable law, including environmental laws and regulations; and

(m) negotiating and implementing modifications and amendments to the terms of the Receivables.

Receivable Plan

Upon the Unsecured Servicer commencing the provision of the Services in accordance with the terms of the Unsecured Receivables Servicing Agreement, the Unsecured Servicer shall, in consultation with the Issuer and as soon as practicable within a 3 (three) months period thereafter but in no event later than 6 (six) months thereafter, prepare and deliver to the Issuer (who may make it available to Noteholders upon request), the Monitoring Agent (who shall make it available to the Servicing Committee) and the Transaction Manager a Receivable Plan for the Receivables Portfolio. Such Receivable Plan shall be updated and delivered to the same recipients (on the same basis) by the Unsecured Servicer on an event basis and in any case at least every 6 (six) months. Together with the Receivable Plan, or any update thereof, the Unsecured Servicer shall deliver to the same recipients (on the same basis) an Updated Business Plan.

"**Updated Business Plans**" means the updated business plans for the Receivables prepared by the Secured Commercial Servicer, the Secured Residential Servicer and by the Unsecured Residential Servicer from time to time, in the form of the Business Plan (included under Schedule 8 (*Business Plan*) of the Receivables Servicing Agreements), and to be delivered from time in accordance with the Receivables Servicing Agreements together with the Receivable Plans.

The Unsecured Servicer shall meet with the Issuer monthly to discuss the on-going servicing of the Receivables, in order to discuss, among other relevant issues in connection with the servicing of the Receivables, watch listed Receivables and substantial deviations from and/or revisions of the relevant Receivable Plan. The Unsecured Servicer shall make available for such meetings such executive and other personnel engaged in servicing the Receivables hereunder as the Issuer shall reasonably request. Such meetings may be in person or by telephone as Issuer shall reasonably request.

Collections of the Receivables

The Unsecured Servicer shall use all reasonable endeavours to:

(a) collect all sums due under or in connection with the relevant Receivables;

(b) deliver all and any notices required by law or under the Receivables to Borrowers specifying the amount due and the relevant date for payment of any Receivable;

(c) recover amounts due from Borrowers in accordance with the Set of Procedures;

(d) arrange for payment of all sums so collected into the Unsecured Collections Account and forthwith transfer such sums into the General Collections Accounts and subsequently to the Payment Account, all in accordance with the Unsecured Receivables Servicing Agreement; and

(e) enforce all obligations of Borrowers under the Receivables Agreements,

in each case on behalf of the Issuer in an efficient and timely fashion in accordance with the Receivables Agreements, the Set of Procedures and the Receivable Plan.

Upon having been collected in full or sold or written off, or if the Unsecured Servicer reasonably understands no further monies or assets will be recovered, or upon having received an instruction from the Servicing Committee to classify it as exhausted, the Unsecured Servicer shall classify a Debt Relationship as an Exhausted Debt Relationship.

Servicer Report and the Investor Report

The Unsecured Servicer shall prepare and deliver the Servicer Report summarising the servicing and the performance of the Receivables and the Receivables Recovery Expenses including the data file in a format to be agreed between the Parties.

The Servicer Report, as established in Schedule 6 (*Draft of Unsecured Servicer Report*) of the Unsecured Receivables Servicing Agreement, must be delivered no later than 10 (ten) Business Days after the end of the relevant Collection Period according the Paying Agency and Transaction Management Agreement.

In accordance with the Paying Agency and Transaction Management Agreement, the Transaction Manager shall, not less than the 6th (sixth) Business Day prior to each Interest Payment Date, prepare and deliver to the Issuer, the Common Representative, the Rating Agencies, the Cap Counterparty the Principal Paying Agent and the Sole Arranger and Placement Agent, the Investor Report in respect of the related Collection Period for the purpose, *inter alia*, of making such report available to the Noteholders. Such Investor Report must, in respect of each Interest Payment Date, include an indication of the payments that must be made by the Issuer in accordance with the Payment Priorities contemplated in the Conditions.

The Unsecured Servicer shall provide, together with the Servicer Report, a report to the Issuer and the Monitoring Agent (who shall forward it to the Servicing Committee) indicating all the Exhausted Debt Relationships which have been identified by the Unsecured Servicer since the Issue Date.

Interaction with the Servicing Committee and the Monitoring Agent

The Unsecured Servicer is a party to the Monitoring Agent Appointment Agreement, and thereunder has certain duties with which it must comply with and is subject to, namely in result of decisions taken by the Servicing Committee, in accordance with the Servicing Committee Rules. See below "*Monitoring Agent Appointment Agreement*" and "*Servicing Committee Rules*".

Applicable law and jurisdiction

The Unsecured Receivables Servicing Agreement and all matters arising from or connected with it shall be governed by and construed in accordance with the laws of Portugal. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) have exclusive jurisdiction to settle any Dispute arising out of or in connection with the Unsecured Receivables Servicing Agreement or any non-contractual obligations arising out of or in connection with it.

Asset Management Agreements

Pursuant to the terms of the Commercial Asset Management Agreement and the Residential Asset Management Agreement, the Issuer engaged the Asset Manager for the purpose of providing certain services in relation to the Secured Commercial Receivables and the Secured Residential Receivables, respectively, assigned by the Issuer to the Asset Manager and to the properties that are securing such secured Receivables which form part of the Receivables Portfolio (the "**Properties**").

In specific, each of the Commercial Asset Management Agreement and the Residential Asset Management Agreement laid down the applicable framework and necessary conditions for the transfer of the Secured Commercial Receivables and the Secured Residential Receivables, respectively, from the Seller to the Asset Manager to occur in order to facilitate the management and disposal of any Properties awarded to or otherwise acquired by the Asset Manager related to the relevant Receivables for the benefit of the Issuer and with payment of the corresponding Realisation Value to the Issuer.

Under each of the Commercial Asset Management Agreement and the Residential Asset Management Agreement, an Assignment Agreement was entered into by and between the Issuer and the Asset Manager on the Issue Date, and further Assignment Agreements may be entered into from time to time in respect of remaining Receivables.

Assignment of Receivables by the Issuer to the Asset Manager

The Issuer shall, under the terms of the Commercial Asset Management Agreement and the Residential Asset Management Agreement and in accordance with article 45(2)(a) of the Securitisation Law, (i) following the receipt of a Secured Commercial Servicer Notice or a Secured Residential Servicer Notice, as applicable, delivered by the Secured Commercial Servicer or the Secured Residential Servicer, respectively,

in accordance with the relevant Asset Manager Transfer Conditions or (ii) following an Issuer´s proposal approved by a Noteholders' Resolution, at any time after the Issue Date, assign to the Asset Manager any Receivables as identified in the relevant Secured Servicer Notice.

The Issuer shall be bound to the terms of the Secured Servicer Notice delivered by the Secured Commercial Servicer and/or the Secured Residential Servicer and shall, upon receipt thereof, give notice to the Asset Manager, no later than 5 (five) Business Days prior to the relevant Assignment Date, with identification of the Proposed Receivables for Assignment to be assigned on such Assignment Date.

Provided the provisions of Clause 8 (*Assignment of Receivables by the Issuer to the Asset Manager*) of the relevant Asset Management Agreement are fully met, including the notification by the Issuer (or the Servicers on its behalf) to the relevant Borrowers of the relevant assignments, the Issuer and the Asset Manager shall enter into the relevant Assignment Agreement on the Assignment Date and the execution of such Assignment Agreement shall be effective to transfer to the Asset Manager full, unencumbered benefit of and right, title and interest (present or future) to the Receivables transferred on the relevant Assignment Date.

For registration purposes, in respect of the first and any subsequent Assignment Agreement, the Assignment Agreement shall be entered into under the form of a notarial deed ("*escritura pública"*) into before a public notary, under which the Parties declare and agree that the provisions set forth in the relevant Asset Management Agreement shall remain in full force and effect irrespective of what may be transposed into the Assignment Agreement and that: (i) the Asset Manager (or the Secured Commercial Servicer in respect of the Secured Commercial Receivables or the Secured Residential Servicer in respect of the Secured Residential Receivables on its behalf) shall use its best endeavours in submitting the request for registration of the assignment of any related Mortgage with the Portuguese land registry office and that (ii) in case of any discrepancy between the text of the Assignment Agreement and the relevant Asset Management Agreement, the provisions set out in the relevant Asset Management Agreement shall prevail.

Transfer of Seller Allocated Properties by the Seller to the Asset Manager

Pursuant to the Commercial Asset Management Agreement and the Residential Asset Management Agreement, the Seller acknowledges and accepts that (i) the Seller Allocated Properties relate to Receivables which were assigned to the Issuer by the Seller and paid by the Issuer to the Seller on the Issue Date and under the terms of the Receivables Sale Agreement, and (ii) therefore, the Seller Allocated Properties, although registered in the name of the Seller, belong *de facto*, after the execution of the Receivables Sale Agreement, to the Issuer and shall therefore be transferred to the Asset Manager (which will act on behalf of the Issuer) as soon as reasonably possible.

For the sake of clarity, and pursuant to the foregoing, (i) the Seller Allocated Properties shall be transferred by the Seller to the Asset Manager at the value for which the Seller has received such Seller Allocated Properties (which, in the case of properties awarded by courts, corresponds to the relevant "*valor de adjudicação*"), albeit (ii) the Seller's consideration for the transfer of any Seller Allocated Properties to the Asset Manager has already been paid by the Issuer to the Seller as part of the purchase price paid by the Issuer to the Seller for the Receivables Portfolio under the Receivables Sale Agreement.

Any Seller Allocated Property transferred by the Seller to the Asset Manager under the terms of the relevant Asset Management Agreement and pursuant to the Receivables Sale Agreement, shall be in accordance with the following terms:

(a) such transfer shall occur as soon as reasonably possible from (i) the award of the relevant Seller Allocated Property to the Seller under the relevant enforcement Court Proceeding or (ii) transfer of the relevant Seller Allocated Property to the Seller via payment *in lieu* (*dação em cumprimento*) by the relevant Borrower; and

(b) such transfer of Seller Allocated Properties shall be made substantially in the terms set forth in Schedule 6 (*Form of Deed of Transfer of Seller Allocated Properties by the Seller to the Asset Manager*) to the relevant Asset Management Agreement.

The Seller shall give written notice to the Asset Manager, no later than 5 (five) Business Days prior to the Transfer Date, with confirmation and identification of the Seller Allocated Properties that will be assigned on the relevant Transfer Date.

Provided the conditions to the transfer of the Seller Allocated Property are met, the Seller and the Asset Manager shall enter into the relevant Transfer Deed on the Transfer Date and the execution of such Transfer Deed shall be effective to transfer to the Asset Manager full, unencumbered benefit of and right, title and interest (present or future) to the Seller Allocated Properties transferred on the relevant Transfer Date.

Deferred Purchase Price

On the Issue Date, Secured Commercial Receivables representing 33.10% (gross book value) of the total Secured Commercial Receivables and Secured Residential Receivables representing 10.15% (gross book value) of the total Secured Residential Receivables (which in total amounted to €37,074,585.19) have been assigned to the Asset Manager, and the remaining Secured Receivables may be assigned to the Asset Manager during the life of the Notes and the Class R Note.

In respect of the Secured Receivables assigned by the Issuer to the Asset Manager on the Issue Date, and in accordance with the Commercial Asset Management Agreement and the Residential Asset Management Agreement and each letter agreement dated the Issue Date between the parties to each of the Asset Management Agreements, the relevant purchase price (i) in respect of the Secured Commercial Receivables was equal to the aggregate amount of €30,985,090.19 (thirty million, nine hundred and eighty five thousand ninety euros and nineteen cents) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.) and (ii) the relevant purchase price in respect of the Secured Residential Receivables was equal to the aggregate amount of €6,089,495.00 (six million eighty nine thousand four hundred and ninety five euros) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.), respectively. Such purchase prices will be payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payments.

In respect of the Secured Receivables assigned by the Issuer to the Asset Manager after the Issue Date, the relevant purchase price payable to the Issuer will be equal to the Gross Recovery Value (as defined below) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.). Such purchase price will be payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment.

In respect of each Seller Allocated Property to be assigned as soon as possible after the Issue Date under the Commercial Asset Management Agreement or the Residential Asset Management Agreement, the relevant transfer price will be equal to the Gross Recovery Value (as defined below) plus accrued interest up to the date of payment at an annual rate of 4% (four per cent.) (the "**Transfer Price**"). Such Transfer Price will be payable by the Asset Manager to the Issuer on a deferred basis upon the Asset Manager raising funds to make such payment.

The Realisation Value of the Properties collateralising the Receivables included in the Receivables Portfolio and of the Seller Allocated Properties shall be transferred to the Commercial Asset Management Collections Account or Residential Asset Management Collections Account, as applicable, by the Asset Manager and will be treated as Collections for the purposes of the payments of the Notes and the Class R Note in accordance with the Payment Priorities up to the Transfer Price.

The Realisation Value generated by the sale of the Properties or by the transfer of the Seller Allocated Properties, as the case may be, may not reach the agreed price for the assignment of the corresponding Receivables. On the Final Discharge Date or, if following final enforcement of the obligations of the Asset

Manager, the Common Representative certifies, in its sole discretion, that the Asset Manager has insufficient funds to pay in full all of its obligations to any of the Seller, the Secured Commercial Servicer, the Secured Residential Servicer or the Shareholder, then such Party shall have no further claim against the Asset Manager in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

"Gross Recovery Value" means the recovery amounts for each of the Receivables forecasted by the Secured Commercial Servicer and the Secured Residential Servicer, as identified in Schedule 12 (*Gross Recovery Value*) of each Asset Management Agreement.

Effectiveness of the Assignment

The assignment of the Assigned Rights, on the Issue Date (or such other assignment date), is effective to transfer full, unencumbered benefit of and right, title and interest (present or future) to the Assigned Rights to the Asset Manager and no further act, condition or thing will be required to be done in connection therewith to enable the Asset Manager to require payment of the Receivables arising thereunder to the Asset Manager or to enforce such right in court other than: (a) the delivery by the Issuer (or the Servicers on its behalf) of the relevant assignment notice to the relevant Borrowers (which were dispatched on or about the Issue Date); (b) the registration of the assignment of any related Mortgage to the Asset Manager at the relevant Portuguese land registry office (which the Asset Manager shall request); and (c) the filing by the Asset Manager of the application for assignment of the procedural position and creditor substitution (*incidente de habilitação*) (which the Asset Manager shall apply for).

As at the date hereof, the process of updating the mortgages registration, to the name of the Issuer and/or the Asset Manager, as applicable, has been initiated by means of filing all relevant requests with the competent Portuguese land registry offices. The timing for completion of such registrations is uncertain since this depends on the performance of the Portuguese land registry office´s officials. Furthermore, assignment of the procedural position and creditor substitution (*incidente de habilitação*), either by the Issuer or the Asset Manager, as applicable, will be filed for all judicial files with each relevant Portuguese Court, but it cannot be anticipated when all requests will be duly approved since this depends on the performance of the Portuguese Courts.

Appointment of Secured Servicers

In accordance with the Commercial Asset Management Agreement and the Residential Asset Management Agreement, the Secured Commercial Servicer and the Secured Residential Servicer, respectively, shall represent the Asset Manager in the performance of its asset management duties.

Collection of Realisation Value

When in the context of the recovery and enforcement processes in respect of Secured Receivables the Asset Manager acquires Properties (or otherwise the Originator transfers Properties to the Asset Manager which correspond to recoveries of assigned Receivables), the Asset Manager will, with the assistance of the Secured Servicers, place and sell the Properties in the market, and upon collection of the relevant sale price, the applicable deferred purchase price will be paid by the Asset Manager to the Issuer.

Services to be provided by the Asset Manager

The Asset Manager shall, in accordance with the terms of the Commercial Asset Management Agreement and the Residential Asset Management Agreement, and in compliance with all applicable laws, decree-laws, statutes, constitutions, decrees, judgements, treaties, regulations, directives, by-laws, orders or any other legislative measures of any government, supranational, local government, statutory or regulatory body or court, including but not limited to the Anti-Corruption Laws, the Anti-Terrorism and Money Laundering Laws, provide the following services:

(a) for the purposes of Clause 8 (*Assignment of Receivables by the Issuer to the Asset Manager*) of each Asset Management Agreement, assist the Issuer in ensuring all Receivables, relevant rights and title

are validly and effectively transferred from the Issuer to the Asset Manager, free from any liens and encumbrances;

(b) for the purposes of Clause 9 (*Purchase Price and Payment*) and Clause 10 (*Realisation Value as Collections*) of each Asset Management Agreement, ensure all Properties, relevant rights and title are validly and effectively transferred from the Asset Manager to a third party as a new owner, free from any liens and encumbrances;

(c) for the purposes of Clause 11 (*Transfer of Seller Allocated Properties by the Seller to the Asset Manager*) of each Asset Management Agreement, ensure all rights and title are validly and effectively transferred from the Seller to the Asset Manager (as they were acquired by the Seller);

(d) for the purposes of Clause 12 (*Transfer Amount and Payment*) and Clause 13 (*Realisation Value as Collections*) of each Asset Management Agreement, ensure all rights and title are validly and effectively transferred from the Asset Manager to a third party of the relevant Properties, free from any liens and encumbrances;

(e) credit in the Commercial Asset Management Collections Account or the Residential Asset Management Collections Account, as applicable, all Property Recoveries and ensure that such Property Recoveries are promptly transferred to the Payment Account, in accordance with Clause 18 (*Accounts*) of the relevant Asset Management Agreement;

(f) cooperate with the Issuer and all of its related parties concerning to the Properties in effecting the sharing of information relating to the Asset Manager's duties thereunder;

(g) perform any service, as reasonably requested from time to time by the Issuer, ancillary or in connection to the asset management services and in connection with the Property Recoveries.

Asset Manager Fees, Costs and Expenses

Subject to and in accordance with the Payment Priorities, the Asset Manager shall be entitled to receive from the Issuer (i) with respect to the Commercial Asset Management Agreement, an asset management fee corresponding to €10,000.00 (ten thousand euros) per annum, and (ii) with respect to the Residential Asset Management Agreement, an asset management fee corresponding to €10,000.00 (ten thousand euros) per annum, both to be paid semi-annually on each Interest Payment Date.

Subject to and in accordance with the Payment Priorities, the Shareholder shall be entitled to receive from the Issuer (i) with respect to the Commercial Asset Management Agreement, a shareholder fee corresponding to €32,000.00 (thirty two thousand euros) per annum, (ii) with respect to the Residential Asset Management Agreement, a shareholder fee corresponding to €32,000.00 (thirty two thousand euros) per annum, both to be paid on the last Business Day in November 2018 and then on each Interest Payment Date falling in November each year.

All Property Recovery Expenses will be borne by the Issuer and paid by Issuer (or by the Secured Commercial Servicer in respect of the Secured Commercial Receivables or by the Secured Residential Servicer in respect of the Secured Residential Receivables on its behalf) out of funds standing to the credit of the Secured Commercial Expenses Account or the Secured Residential Expenses Account, as applicable; in case there are any other expenses which need to be directly paid by the Asset Manager, the Issuer (or the Secured Commercial Servicer in respect of the Secured Commercial Receivables or the Secured Residential Servicer in respect of the Secured Residential Receivables on its behalf) shall prefund the Asset Manager for such expenses out of funds standing to the credit of the Secured Commercial Expenses Account or the Secured Residential Expenses Account; as applicable.

Any costs and expenses incurred by the Issuer in relation to the Asset Management Agreements shall be considered and treated as Issuer Expenses.

Termination of Appointment

Unless earlier terminated pursuant to the relevant Asset Management Agreement, the appointment of the Asset Manager under the relevant Asset Management Agreement shall terminate (but without affecting any accrued rights and Liabilities under such Asset Management Agreement) on the Final Discharge Date.

The Issuer may only terminate the Commercial Asset Management Agreement or the Residential Asset Management Agreement under Clause 21.2 (*Voluntary Termination by the Issuer*) of such Asset Management Agreement, if and when the Secured Commercial Receivables Servicing Agreement or the Secured Residential Receivables Servicing Agreement, respectively, is terminated in accordance with its own terms and conditions and provided that: (i) it has been so instructed by the Common Representative, or (ii) following consultation with the Common Representative, and subject to the Servicing Committee Rules, once the Successor Asset Manager is appointed under Clause 27 (*Appointment of Successor Asset Manager*) to the relevant Asset Management Agreement, unless the Transaction Documents have been amended in order for this securitisation transaction to continue without an asset manager structure being in place (a "**Voluntary Termination Event**" as defined in the relevant Asset Management Agreement).

The Issuer may, if so instructed by the Common Representative, or following consultation with the Common Representative and subject to the Servicing Committee Rules, terminate the Commercial Asset Management Agreement or the Residential Asset Management Agreement immediately after the occurrence of one of the following events (a "**Breach Event**"):

(a) *Non-payment*: default occurs or default is made by the Asset Manager in ensuring the payment on the due date of any payment required to be made under the relevant Asset Management Agreement and such default continues unremedied for a period of 5 (five) Business Days following the scheduled payment date; or

(b) *Breach of other obligations*: without prejudice to paragraph (a) (*Non-payment*) above:

(i) default occurs or default is made by the Asset Manager in the performance or observance of any of its other covenants and obligations under the relevant Asset Management Agreement, other than the Asset Manager Covenants; or

(ii) any of the Asset Manager Warranties, other than the warranties set out in Schedule 4 (*Asset Manager's Specific Warranties and Covenants*) to the relevant Asset Management Agreement, proves to be untrue, incomplete or incorrect; or

(iii) any certification or statement made by the Asset Manager in any certificate or other document delivered pursuant to the relevant Asset Management Agreement proves to be untrue; or

(iv) any of the Asset Manager Covenants are breached by the Asset Manager,

and, in each case, (i) such default or such warranty, certification or statement proving untrue, incomplete or incorrect or breach of an Asset Manager Covenant could reasonably be expected to have a Material Adverse Effect (as defined in item (h) below), and (ii) (if such default is capable of remedy) such default continues unremedied for a period of 10 (ten) Business Days after the earlier of the Asset Manager becoming aware of such default and receipt by the Asset Manager of written notice from the Issuer requiring the same to be remedied; or

(c) *Breach of Asset Manager Warranties*: any of the warranties set out in Schedule 4 (*Asset Manager's Specific Warranties and Covenants*) to the relevant Asset Management Agreement proves to be untrue, incomplete or incorrect or default is made by the Asset Manager in the performance or observance of its other covenants and obligations set out in Schedule 4 (*Asset Manager's Specific and Warranties and Covenants*) to the relevant Asset Management Agreement; or

(d) *Breach of Specific Provisions on the Corporate Status of the Asset Manager*: if, in relation to any of the obligations, undertakings or representations included in Section N (*Specific Provisions on the Corporate Status of the Asset Manager*) to the relevant Asset Management Agreement:

(i) default occurs or default is made by the Asset Manager or the Shareholder in the performance or observance of any of its obligations under Section N (*Specific Provisions on the Corporate Status of the Asset Manager*) to the relevant Asset Management Agreement; or

(ii) any of the obligations, undertakings or representations included in Section N (*Specific Provisions on the Corporate Status of the Asset Manager*) to the relevant Asset Management Agreement are breached by any of the relevant Parties;

(e) *Unlawfulness*: it is or will become unlawful for the Asset Manager to perform or comply with any of its material obligations under the relevant Asset Management Agreement; or

(f) *Force Majeure*: if the Asset Manager is prevented or severely hindered for a period of 60 (sixty) days or more from complying with its obligations under the relevant Asset Management Agreement as a result of a Force Majeure Event; or

(g) *Insolvency Event*: any Insolvency Event occurs in relation to the Asset Manager; or

(h) *Material Adverse Effect*: an event or circumstance occurs which, in the opinion of the Issuer, will have a Material Adverse Effect on the ability of the Asset Manager to perform or comply with its obligations under the relevant Asset Management Agreement; or

(i) *Material adverse change*: a material adverse change occurs in the financial condition of the Asset Manager since the date of the then latest audited financial statements of the Asset Manager which in the reasonable opinion of the Issuer impairs due performance of the obligations of such Asset Manager under the relevant Asset Management Agreement; or

(j) *Withdrawal, suspension and revocation of authorisation to carry on business*: any governmental or regulatory authority having jurisdiction over the Asset Manager intervenes into the regulatory affairs of the Asset Manager where such intervention could lead to the withdrawal, suspension or revocation by such entity of the Asset Manager's authorisation to carry on its business.

Following a Breach Event, the Issuer may give notice of such termination to the Asset Manager (the "**Termination Notice**") and the termination shall take effect at a date set out by the Issuer in such notice, which shall not be later than 90 (ninety) days after the receipt of the Termination Notice.

Identification and Appointment of Successor Asset Manager

After the delivery of a Termination Notice, the Issuer (or the Secured Commercial Servicer in respect of the Secured Commercial Receivables or the Secured Residential Servicer in respect of the Secured Residential Receivables, on its behalf) shall use all reasonable endeavours to identify a suitable Successor Asset Manager, provided that any appointment of such a Successor Asset Manager shall be made by the Issuer (and not the Secured Servicers), in accordance Clause 27.1 (*Appointment of Successor Asset Manager*) of the Asset Management Agreements.

Any entity identified as suitable by the Issuer to be the Successor Asset Manager shall comply with the following conditions:

(a) it shall have experience of administering properties reasonably similar to the Properties being administered by the Retiring Asset Manager in Portugal or be able to demonstrate that it has the capability to administer properties reasonably similar to the Properties being administered by the Retiring Asset Manager in Portugal and shall be fully and legally qualified to undertake to provide such services;

(b) it shall be willing to enter into an agreement with the Issuer which provides for the Successor Asset Manager remuneration at such a rate as is agreed by the Issuer and such appointment shall be otherwise on substantially the same terms as those of the Asset Management Agreements; and

(c) the appointment of such Successor Asset Manager is subject to receipt of all requisite approvals in accordance with applicable law, the Retiring Asset Manager hereby recognising that the occurrence of a Termination Event constitutes a duly justified and grounded circumstance for its replacement.

The Successor Asset Manager shall be appointed by the Issuer, subject to resolution of the Servicing Committee under the Servicing Committee Rules, with effect from the Termination Date by the entry of the Successor Asset Manager and the Issuer into replacement asset management agreements in accordance with the provisions of Clause 26.2 (*Conditions for Successor Asset Manager*) of each Asset Management Agreement.

Accounts

All Property Recoveries shall be sent directly to the Commercial Asset Management Collections Account or the Residential Asset Management Collections Account, as appropriate. Upon receipt of any Property Recoveries the Asset Manager (or the Secured Commercial Servicer in respect of the Secured Commercial Receivables or the Secured Residential Servicer in respect of the Secured Residential Receivables, on its behalf) shall ensure that all such Property Recoveries are credited on a daily basis to the Commercial Asset Management Collections Account or the Commercial Asset Management Collections Account, as applicable.

Consultation with the Issuer, the Common Representative

The Asset Manager shall consult with the Issuer and the Common Representative in relation to the following matters:

(a) any potential or actual Termination Event (for the purposes of the application of this paragraph, the Issuer undertakes to notify the Common Representative of the occurrence of any Termination Event upon the Issuer's knowledge thereof);

(b) delivery by the Retiring Asset Manager, following the Termination Date, of the Asset Management Records and the Transaction Documents and any monies held by the Retiring Asset Manager on behalf of the Issuer to any person other than the Issuer;

(c) any change to the Accounts Bank, the Commercial Asset Management Collections Account and the Residential Asset Management Collections Account;

(d) any withdrawal of, or amendment made to, any instructions given to the Accounts Bank;

(e) any intention by the Asset Manager to part with possession, custody or control of the Asset Management Records otherwise than in accordance with the relevant Asset Management Agreement; and

(f) any potential or actual Liability which it is made aware of and which is related with the Asset Manager and/or with the transfer of Receivables to the Issuer or the transfer of the Seller Allocated Properties to the Asset Manager.

Corporate Status of the Asset Manager

The Asset Manager is a fully owned subsidiary of Guincho Asset Management Holdings D.A.C..

For purposes of securing the Asset Manager's obligations under the Asset Management Agreements, the Asset Manager's sole shareholder has created a financial pledge over its shares in favour of the Issuer, by means of a Share Pledge Agreement entered into or about the Issue Date.

The Asset Management Agreements include a number of provisions in relation to the corporate status of the Asset Manager, including where parties to each Asset Management Agreement agree to refrain from

initiating legal proceedings against the Asset Manager, to limited recourse principles, that the Asset Manager shall not engage in additional activities, provide encumbrances over its assets or contract debt, and the right of use by the Secured Party over the pledged Shares.

Share Sale and Purchase Agreement and Loan Agreement

The structuring of the Guincho Finance transaction required the AGHL Portugal Investments Holdings, S.A. to purchase the total share capital of the Asset Manager and hold it until an Irish SPV would be specifically incorporated to purchase the Asset Manager and hold its shares under Guincho Finance transaction.

Under the Share Sale and Purchase Agreement, AGHL Portugal Investments Holdings, S.A. implemented its plan and sold the Asset Manager to the Irish SPV (Guincho Asset Management Holdings D.A.C.) on the Issuer Date. In order to fund the purchase of the share capital of the Asset Manager and the expenses in connection thereto, BST granted an unsecured loan to Guincho Asset Management Holdings D.A.C., for a maximum amount of €70,000.00 (seventy thousand euros), pursuant to the Loan Agreement. The receivables arising from such loan were assigned by the Originator to the Issuer, as part of the Receivables Portfolio.

Applicable law and jurisdiction

Each Asset Management Agreement and all matters arising from or connected with it shall be governed by and construed in accordance with the laws of Portugal. The courts of Portugal, country of Lisbon (*Tribunal da Comarca de Lisboa*) have exclusive jurisdiction to settle any Dispute arising out of or in connection with the relevant Asset Management Agreement, including any question regarding its existence, validity or termination.

Monitoring Agent Appointment Agreement

Scope

On or about the Issue Date, the Issuer, the Asset Manager, the Servicers, the Common Representative, and the Monitoring Agent entered into an agreement providing for the appointment of the Monitoring Agent to perform certain activities, in the name and on behalf of the Issuer, in connection with the Transaction Documents.

Attributions

Audit Activities

Pursuant to the Monitoring Agent Appointment Agreement, and subject to the Servicing Committee Rules, the Monitoring Agent shall/will carry out, on a semi-annual basis, the following audits in respect of each Servicer:

(a) audit of a sample of 15 (fifteen) External Lawyers' Invoices per Servicer, as randomly selected by the Monitoring Agent, in order to verify that:

  (i) the amount charged to the Issuer in the period to which the relevant External Lawyers' Invoice refers corresponds to the amount that such External Lawyers have effectively billed for the legal advice they have provided with respect to the Receivables; and

  (ii) the amounts billed to the Issuer under the relevant External Lawyers' Invoices are consistent with the provisions of the relevant External Lawyers Agreements;

(b) audit of a sample of 15 (fifteen) invoices per Servicer, as randomly selected by the Monitoring Agent, in order to verify that the costs and expenses relating to the recovery activities of the Receivables duly arise from the Receivables which the relevant Servicer has indicated as the Receivables due to which such costs and expenses have been incurred;

(c) audit of a sample exclusive of any personal data of 15 (fifteen) Receivables per Servicer deemed material, as randomly selected by the Monitoring Agent, in order to verify whether there are any

irregularities or inconsistencies which could lead to stop taking any further enforcement or collection actions in respect of any such Receivables, with reference to any of such Receivable;

(d) audit of a sample, as randomly selected by the Monitoring Agent, exclusive of any personal data of 15 (fifteen) Receivables per Servicer for which the relevant Servicer has stopped further enforcement or collection actions, in order to verify that the relevant Servicer has promptly (i) stopped such enforcement or collection actions and (ii) submitted any such irregularities and/or inconsistencies to the assessment of the Servicing Committee; and

(e) in respect of each of the Secured Commercial Servicer, audit of a sample of 15 (fifteen) invoices issued by real estate brokers to the Secured Commercial Servicer, as randomly selected by the Monitoring Agent, in order to verify that costs and expenses related to the recovery activities of the Secured Commercial Receivables effectively arise from the Secured Commercial Receivables which the Secured Commercial Servicer has indicated as the Secured Commercial Receivables due to which such costs and expenses have been incurred; and

(f) in respect of the Secured Residential Servicer, audit of a sample of 15 (fifteen) invoices issued by real estate brokers to the Secured Residential Servicer, as randomly selected by the Monitoring Agent, in order to verify that costs and expenses related to the recovery activities of the Secured Residential Receivables effectively arise from the Secured Residential Receivables which the Secured Residential Servicer has indicated as the Secured Residential Receivables due to which such costs and expenses have been incurred.

The Monitoring Agent also verifies the proper and right accounting recognition with respect to the data related to the relevant Receivables, for which purposes each of the Servicers shall deliver any necessary information and documentation.

Verification of the Servicer Fees

Within 15 (fifteen) Business Days prior to each Interest Payment Date, verify the accuracy of the fees charged by each Servicer under the relevant Receivables Servicing Agreement, for the relevant Collection Period in respect of such Interest Payment Date. In case the Monitoring Agent verifies the existence of any irregularity or inconsistency in respect of the amount of fees charged by any of the Servicers, the Monitoring Agent shall immediately inform the Issuer and, if so instructed by the Issuer, notify in writing the relevant Servicer, providing the details of the relevant calculations and requesting the relevant Servicer to rectify the amount of fees in respect of the relevant Interest Payment Date.

Substitution of the Servicers

In the event that the appointment of a Servicer is terminated under the terms of the relevant Receivables Servicing Agreement, the Servicing Committee will resolve on the appointment of a Successor Servicer after prior approval by CMVM. Upon the appointment of a Successor Servicer by the Servicing Committee in accordance with the Servicing Committee Rules, the Monitoring Agent shall inform in writing the Issuer, the Transaction Manager, the Common Representative, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank and the Asset Manager, of the Successor Servicer that has been appointed, with at least 60 (sixty) calendar days prior to the effective date of such appointment or such shorter period as approved by the Servicing Committee.

Subordination Event

In case of occurrence of a Subordination Event in respect to the immediately following Interest Payment Date, the Monitoring Agent shall send a written notice, within at least 3 (three) Business Days as of the date of determination of occurrence of the relevant Subordination Event, but not later than 15 (fifteen) Business Days after the end of each Collection Period, of the occurrence of such Subordination Event to the Issuer, the Servicers, the Sole Arranger and Placement Agent, the Common Representative, the Cap Counterparty, the

Transaction Manager and the Servicing Committee. For the sake of clarity, the occurrence of a Subordination Event shall be assessed in respect of each Interest Payment Date separately. A Subordination Event is deemed to have occurred if any of the following criterion is not fulfilled:

(a) following the delivery by the Transaction Manager of the relevant Investor Report and not later than 12 (twelve) Business Days after the end of a Collection Period, if the Cumulative Collection Ratio indicated therein with reference to the immediately preceding Interest Payment Date is equal or higher than 90% (ninety per cent.);

(b) following the delivery by the Transaction Manager of the relevant Investor Report and not later than 12 (twelve) Business Days after the end of a Collection Period, if the NPV Cumulative Profitability Ratio specified therein with reference to the immediately preceding Interest Payment Date is equal or higher than 90% (ninety per cent.);

(c) if the amount paid by the Issuer as interest on the Class A Notes in respect of the immediately preceding Interest Payment Date is equal or higher than the relevant Interest Amount due on the Class A Notes, as calculated by the Transaction Manager.

Provision of Information

The Monitoring Agent shall prepare a report to be delivered to the Issuer, within 10 (ten) Business Days as of the cut-off date for the delivery of the relevant Servicer Report, on the information and data contained in each Servicer Report regarding the servicing and performance of the Receivables and the Receivables Recovery Expenses, which shall include a detailed description of the methodology and verification processes used by the Monitoring Agent for the examination of the Servicer Reports;

Appointment of members of the Servicing Committee

Subject to the Servicing Committee Rules, the Monitoring Agent shall, within 7 (seven) Business Days of the appointment of the members of the Servicing Committee, give written confirmation to the Class B Noteholders and the Class J Noteholders, the Common Representative and the Issuer of the initial members of the Servicing Committee that have been appointed by the Class B Noteholders and the Class J Noteholders in accordance with the Servicing Committee Rules. For the avoidance of doubt, the Monitoring Agent will not perform any validation of the appointment of the members of the Servicing Committee by the Class B Noteholders and Class J Noteholders;

Convening of the Servicing Committee

Subject to the Servicing Committee Rules, the Monitoring Agent, if so requested by any Transaction Party, shall inform the Servicing Committee and the Servicing Committee shall discuss and resolve on any specific matters within the attributions of the Servicing Committee whenever the Servicing Committee is required to resolve on a specific matter as provided under the Servicing Committee Rules; additionally, if requested by (i) at least 1 (one) member of the Servicing Committee, (ii) the Common Representative, (iii) the Issuer or (iv) if any of the Servicers convenes the Servicing Committee in accordance with the Servicing Committee Rules, the Servicing Committee shall convene and discuss on the requested matter and inform the Monitoring Agent;

Provision of Information to the Servicing Committee

The Monitoring Agent shall promptly forward to the Servicing Committee any request, information, communication or notice received by the Monitoring Agent under the Transactions Documents from any Party thereto, whenever required under the Servicing Committee Rules, the Monitoring Agent Appointment Agreement or any other Transaction Document, or deemed appropriate by the Monitoring Agent;

The Monitoring Agent shall also promptly inform the Servicing Committee in the event that any of the Servicers informs the Monitoring Agent that it intends to pay an External Lawyer a fee higher than the one set forth under the relevant External Lawyers Agreement;

Irregularities or Inconsistencies of Receivables

In the event that the Monitoring Agent verifies the existence of irregularities or inconsistencies in the Receivables deemed material under the terms of paragraph (iii) above, it shall promptly inform the Servicing Committee and the Servicing Committee shall resolve whether to issue an instruction to the relevant Servicer to stop taking any further enforcement or collection actions in respect of the relevant Receivable;

Bid Process

In the event that the Servicing Committee approves the organisation of a Bid Process, the Servicing Committee will inform the Issuer and the Monitoring Agent that the organisation of the relevant Bid Process has been approved by the Servicing Committee, specifying the terms under which the relevant Bid Process shall be carried out and managed;

Subject to the Conditions of the Notes, the Monitoring Agent shall oversee the Bid Process in accordance with the applicable requirements set for in the Conditions of the Notes;

Sale of Receivables

Subject to the Servicing Committee Rules and the relevant Receivables Servicing Agreement, the Monitoring Agent inform the Servicing Committee and the Servicing Committee shall resolve on the authorisation for the relevant Servicer, in the interest of the Noteholders, on behalf and in the name of the Issuer (or, if applicable, of the Asset Manager), and in accordance with 45(2)(a) of the Securitisation Law, to sell, assign or otherwise transfer any Receivables to third parties, whenever any of the following criteria is not met:

a) the purchase price of the relevant Receivable is not lower than the Target Price of the relevant Receivables as specified in the relevant Receivables Servicing Agreement;

b) the relevant sale, assignment or transfer of Receivables does not exceed 2% (two per cent.) of the Target Price in respect of the Receivables Portfolio;

provided that in case all the above conditions are met, it shall be deemed that the relevant Servicer is entitled to independently agree and execute the relevant sale, assignment or transfer of Receivables, without the need to obtain the prior authorisation from the Servicing Committee.

In any case, the sale, assignment or transfer of Receivables to third parties shall comply with the following cumulative requirements:

a) according to a cautious assessment of the relevant Servicer, performed with the utmost professional care and avoiding the possibility of any conflict of interests between the Issuer and the relevant Servicer (or any affiliated entities) while performing its ordinary activity, the relevant sale of the Receivables shall be the most convenient opportunity under an economic perspective in the context of the securitisation transaction under which the Notes were issued (compared to the other possibilities of recovery of the Receivables);

b) the relevant transfer of Receivables is without recourse and does not entail any guarantee of the Issuer for the fulfilment and/or solvency of the relevant Borrowers, save for a representation of existence of the Receivables as of the date of the transfer, pursuant to article 587(1) of the Portuguese Civil Code; such representation shall be granted only for a period of 6 (six) months starting from the transfer and limited to the purchase price;

c) the transfer of the Receivables shall be effective upon payment of the relevant purchase price.

Enforcement or Settlement of Receivables

Subject to the Servicing Committee Rules, and upon receiving a request by the relevant Servicer, the Monitoring Agent shall inform the Servicing Committee and the Servicing Committee shall resolve on the approval of any enforcement or settlement in respect of a given Receivable which does not comply with the

applicable Set of Procedures (as specified in the relevant Receivables Servicing Agreement) that are in force at the relevant date;

In case the Servicing Committee approves the enforcement or settlement in respect of a given Receivable, the Servicing Committee shall immediately notify the relevant Servicer and the Monitoring Agent on the approval of the Servicing Committee;

Additional Legal Costs and Expenses

In the event that the legal costs and expenses in respect of the activity of collection and enforcement of Receivables exceed 70% (seventy per cent.) of the Maximum Amount specified in the relevant Receivables Servicing Agreement, the relevant Servicer shall deliver to the Servicing Committee and the Monitoring Agent a written communication requesting authorisation of the Servicing Committee to incur in additional legal costs and expenses that exceed or may exceed the Maximum Amount.

Upon receiving a request from the relevant Servicer, the Servicing Committee will promptly resolve whether to approve or refuse the requested additional legal costs and expenses in respect of the relevant Receivable, and immediately inform the relevant Servicer and the Monitoring Agent on the resolution of the Servicing Committee.

The Monitoring Agent shall immediately inform the relevant Servicer on the resolution of the Servicing Committee.

Conflicts of Interest

The Monitoring Agent shall monitor, on an on-going basis, whether any potential or actual conflicts of interests may arise between any of the Servicers and the Issuer, in which case the Monitoring Agent shall promptly inform the Issuer and provide it with appropriate guidelines;

Monitoring of Compliance with Regulatory Requirements

The Monitoring Agent shall monitor the securitisation transaction under which the Notes were issued in order to allow the Noteholders to act in accordance with the provisions of the CRR, the AIMF Regulation and the Solvency II Implementing Rules;

Interaction with the Servicers

If so requested by any of the Servicers, the Servicing Committee will analyse and resolve on any matters requested by the Servicers in respect of the servicing of the Receivables Portfolio and will inform the relevant Servicer and the Monitoring Agent of any resolution taken to that effect, including in respect of:

(a) the appointment by the relevant Servicer of a third party to perform, by way of Sub-contracting, any of the relevant Servicer's obligations pursuant to the relevant Receivables Servicing Agreement in accordance with the relevant Receivables Servicing Agreement;

(b) any potential or actual Termination Event;

(c) delivery by the relevant Retiring Servicer following the Termination Date of the Records and the Transaction Documents and any monies held by the relevant Retiring Servicer on behalf of the Issuer to any person other than the Issuer;

(d) the formulation and subsequent changes to the form of the Secured Servicers' customary and usual Set of Procedures and Receivables Plan;

(e) any change to the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Paying Agent or the Transaction Manager;

(f) any withdrawal of, or amendment made to, any instructions given to the Accounts Bank; and

(g) any intention by the relevant Servicer to part with possession, custody or control of the Servicer Records otherwise than in accordance with the relevant Receivables Servicing Agreement.

In addition, the Monitoring Agent shall promptly forward to the Servicing Committee and any request, information, communication or notice received by it under the Transactions Documents, whenever required under the Servicing Committee Rules, the Monitoring Agent Appointment Agreement or any other Transaction Document.

Interaction with the Asset Manager

Subject to each Asset Management Agreement, as applicable, and if so requested by the Asset Manager, the Servicing Committee will resolve and/or advise the Asset Manager, and shall inform the Asset Manager and the Monitoring Agent of any resolution taken to that effect, in relation to the following matters:

(a) any potential or actual Termination Event, in respect of which the Monitoring Agent has been notified by the Issuer;

(b) delivery by the Retiring Asset Manager, following the Termination Date, of the Asset Management Records and the Transaction Documents and any monies held by the Retiring Asset Manager on behalf of the Issuer to any person other than the Issuer;

(c) any change to the Accounts Bank, the Commercial Asset Management Collections Account and the Residential Asset Management Collections Account;

(d) any withdrawal of, or amendment made to, any instructions given to the Accounts Bank;

(e) any intention by the Asset Manager to part with possession, custody or control of the Asset Management Records otherwise than in accordance with the Asset Management Agreements; and

(f) any potential or actual Liability which the Asset Manager is made aware of and which is related with the Asset Manager and/or with the transfer of Receivables to the Issuer or the transfer of the Seller Allocated Properties to the Asset Manager.

Under the Monitoring Agent Appointment Agreement, the Asset Manager agrees to comply with the directions received from the Monitoring Agent, including any directions in result of resolutions of the Servicing Committee under the Servicing Committee Rules.

Servicers Duties

Under the Monitoring Agent Appointment Agreement, each Servicer has agreed to specified obligations towards the Monitoring Agent and more generally to cooperate in good faith with the Monitoring Agent in respect of any request, information, communication or notice received from it under the Monitoring Agent Appointment Agreement, in connection with the Servicing Committee Rules or the other Transaction Documents.

In particular, each Servicer shall:

(a) inform the Monitoring Agent in case the relevant Servicer sub-delegates any of its functions to a third party;

(b) submit to the Monitoring Agent (for the relevant submission to the Servicing Committee) any settlements and deferral not in line with the settlement and deferral which are set forth under the relevant Receivables Servicing Agreement and Set of Procedures, and which such Servicer deems acceptable;

(c) inform the Monitoring Agent about any substantial amendment to the Set of Procedures;

(d) inform the Monitoring Agent and provide it with an explanatory report if it considers more convenient for the Issuer' interest to quit any outstanding judicial or enforcement proceeding;

(e) inform the Monitoring Agent should any indemnity be due by the Originator to the Issuer as a consequence of breach of any representation and undertaking of the Originator which is reasonably within its knowledge and possession or reasonably ascertainable by it;

(f) provide the Monitoring Agent with (a) an IT device containing the documents which the Servicer took into possession of, and (b) the documents prepared by the Servicer in respect of the Receivables, exclusive in each case of any personal data;

(g) provide the Monitoring Agent with any document relevant to the Receivables as well as any information and data required by the Monitoring Agent which is reasonably within its knowledge and possession or reasonably ascertainable by it to perform its activities, exclusive in each case of any personal data;

(h) provide the Monitoring Agent with the relevant Servicer' Reports, at the same time as they are provided by the relevant Servicer to the relevant recipients under the relevant Receivables Servicing Agreement;

(i) inform the Monitoring Agent in the event of a conflict of interest between the Issuer and the relevant Servicer;

(j) inform the Monitoring Agent in case the relevant Servicer intends to terminate its appointment under the relevant Servicing Agreement;

(k) inform the Monitoring Agent in the event the Servicer resolves to pay to an External Lawyer a fee higher than the one set forth under the relevant External Lawyers Agreement;

(l) inform the Monitoring Agent in case the relevant Servicer considers to stop taking any further enforcement or collection actions in respect of any Receivables due to the fact that it is not convenient to continue the judicial or the extrajudicial activities against the relevant Borrower;

(m) inform the Monitoring Agent in case the legal cost and expenses have reached 70% (seventy per cent.) of the Maximum Amount and deliver to the Servicing Committee and the Monitoring Agent a written communication requesting the consent of the Servicing Committee to incur, where necessary for the collection and enforcement of Receivables, in additional legal costs and expenses above the Maximum Amount, specifying if there is urgency on the relevant decision;

(n) in case the legal cost and expenses have reached 70% (seventy per cent.) of the Maximum Amount, instruct the relevant legal counsel to only proceed with the activity of collection and enforcement of Receivables if the prior written consent has been obtained from the Servicing Committee);

(o) deliver the initial business plan and the updated business plans, as made available up-front or from time to time under the relevant Receivables Servicing Agreement to the Monitoring Agent, at the same time as the same are provided to the relevant recipients under such Receivables Servicing Agreement.

(p) deliver to the Monitoring Agent a copy of the Set of Procedures and the Receivables Plan in respect of the relevant Receivables and any updates or amendments thereof immediately after its completion, provided that the relevant Servicer must request the Monitoring Agent to request the Servicing Committee to resolve on the approval of any update or amendment to the initial Set of Procedures;

(q) submit to the Servicing Committee the approval of a sale of any Receivables to third parties pursuant to the Receivables Servicing Agreement, whenever the relevant sale does not fulfil the following cumulative conditions:

(i) the purchase price of the relevant Receivable does not exceed the Target Price specified for such Receivable in the relevant Business Plan; and

(ii) the relevant sale of Receivables does not exceed 2% (two per cent.) of the Target Price in respect of the Receivables Portfolio (unless the Monitoring Agent authorises otherwise in accordance with the relevant Receivables Servicing Agreement and the Monitoring Agent Appointment Agreement (as instructed by the Servicing Committee));

provided that in case all the above conditions are met, it shall be deemed that the relevant Servicer is entitled to independently agree and execute the relevant sale of Receivables, without the need to obtain the prior authorisation from the Servicing Committee;

(r) any other obligations expressly determined under the terms of the Monitoring Agent Appointment Agreement.

Remuneration of the Monitoring Agent

The Issuer shall pay to the Monitoring Agent remuneration for its services as Monitoring Agent as from the date of the Monitoring Agent Appointment Agreement, such remuneration to be €55,000 (fifty five thousand euros) per annum, payable in full on the Issue Date and thereafter on each Interest Payment Date falling in November each year. Such remuneration shall accrue from day to day be payable as an Issuer Expense on each Interest Payment Date, in accordance with the Payment Priorities, until the powers, authorities and discretions of the Monitoring Agent are discharged in full in accordance with the terms of the Monitoring Agent Appointment Agreement.

Retirement of the Monitoring Agent

Under the Monitoring Agent Appointment Agreement, the Monitoring Agent may retire at any time by giving to the Issuer and the Common Representative at least 90 (ninety) calendar days' prior written notice to that effect.

Following receipt of a notice of retirement from the Monitoring Agent, the Issuer shall promptly give notice thereof to the Servicers, the Servicing Committee and the Common Representative, and shall promptly appoint a new Monitoring Agent, in accordance with Clause 19.1 (*Appointment of a successor Monitoring Agent*) of the Monitoring Agent Appointment Agreement.

The retirement of the Monitoring Agent shall not become effective until the appointment of a substitute Monitoring Agent.

Removal of the Monitoring Agent

Without prejudice to any rights and powers of the Issuer under the applicable law, the Issuer is entitled to remove the Monitoring Agent, at any time, by giving to the Monitoring Agent prior notice to that effect of at least 90 (ninety) calendar days, upon the occurrence of any of the following events:

(a) breach of, or non-compliance with, by the Monitoring Agent of any obligation of the Monitoring Agent under the Monitoring Agent Appointment Agreement, the Receivables Servicing Agreements or any other Transaction Document to which the Monitoring Agent is part to, provided that the Monitoring Agent does not remedy such breach within 10 (ten) Business Days as of the date of receipt of the written notice by the Issuer requesting such remedy; or

(b) if, subject to the Servicing Committee Rules, the Servicing Committee resolves to remove the Monitoring Agent, provided that (i) the relevant resolution has been approved by a number of members which, as at the relevant date, represent at least 80% (eighty per cent.) of the total voting rights of the Servicing Committee in accordance with the Servicing Committee Rules (or, in case the Servicing Committee is composed of 1 (one) sole member, by the sole member of the Servicing Committee), and (ii) the Monitoring Agent is provided in writing with the grounds for such removal.

The Issuer shall notify in writing each of the Servicers, the Common Representative and the Servicing Committee on the removal of the Monitoring Agent.

The removal of the Monitoring Agent shall be effective as of the date indicated in the notice to the Monitoring Agent or, in any case, as of no later than the effective date of the appointment of the substitute Monitoring Agent.

Applicable law and jurisdiction

The Monitoring Agent Appointment Agreement and all non-contractual obligations arising out or in connection therewith are governed by and construed in accordance with Portuguese law. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

Servicing Committee Rules

In connection with the issue of the Notes a Servicing Committee will be established, which members will be appointed by the Class B Noteholders and the Class J Noteholders in accordance with Clause 4 of Annex I of Schedule 3 (*Servicing Committee Rules*), of the Monitoring Agent Appointment Agreement. The Issuer and the Common Representative (on behalf of itself and on behalf of the Noteholders) have acknowledged the terms of operation of the Servicing Committee, including on its appointment, attributions and voting process.

Composition

The Servicing Committee shall be comprised by (the "**Required Number of Member**s"):

(a) 5 (five members appointed by the Class B Noteholders and 5 (five) members appointed by the Class J Noteholders; or

(b) if only one Class B Noteholder holds the entirety of the Class B Notes and/or one Class J Noteholder holds the entirety of the Junior Notes, 1 (one) member appointed by such Class B Noteholder and/or Class J Noteholder; or

(c) if only one Noteholder holds the entirety of the Class B Notes and the Junior Notes, 1 (one) member appointed by such Noteholder.

Members of the Servicing Committee shall be individuals, independent from each of the Servicers and the Monitoring Agent (or any affiliates of the Servicers and the Monitoring Agent), and shall not be in a group (*grupo*) or control (*domínio*) relationship with the Issuer or the Originator, as such terms are defined in article 21 of the Portuguese Securities Code.

Each member of the Servicing Committee will represent solely the interests of the relevant Class B Noteholders or Class J Noteholders by which it has been appointed.

Appointment of initial members

Pursuant to the Servicing Committee Rules, each Class B Noteholder and each Class J Noteholder may propose the appointment of one member of the Servicing Committee, provided that the Class B Noteholders and the Class J Noteholders hold a certain minimum percentage of 20% (twenty per cent.) of the outstanding amount of each Class of Notes ("**Minimum Holding**"). In case such Class B Noteholder and Class J Noteholder hold integral multiples of such Minimum Holding amount, it shall propose one additional member for each multiple of such percentage.

The Monitoring Agent shall declare the appointment of the initial members of the Servicing Committee, namely the appointment of one member for each Class B and Class J Noteholder holding at least the mentioned Minimum Holding amount in the respective Classes of Notes, except in those cases where the Noteholders hold integral multiples of the Minimum Holding amount, where as a result one additional member shall be appointed for each integral multiple.

If, following the declaration of appointment, the Required Number of Members in respect of each class of Noteholders has not been reached, the Monitoring Agent shall declare the appointment, without any

discretion thereon, of one additional member (until such required number is reached) proposed by each relevant Noteholder holding the higher percentage of outstanding amount of each Class of Notes, below the Minimum Holding.

If the aforementioned mechanism fails to reach the Required Number of Members, the Monitoring Agent shall request that each relevant Noteholder that has already appointed a member of the Servicing Committee to indicate an additional member up to reach the Required Number of Members (starting from the Relevant Noteholders holding the higher outstanding amount of each class of notes and proceeding in decreasing order).

Thereafter, the Monitoring Agent shall give confirmation of such appointment to the Relevant Noteholders, the Common Representative, the Servicers and the Issuer, and provide the identification of the appointed member of the Servicing Committee, within 7 (seven) Business Days as of the Initial Appointment Cut-off Date.

Any Relevant Noteholder who becomes the owner of one or more of the relevant Minimum Holdings may propose the appointment of one or more (as the case may be) members of the Servicing Committee and replace any member appointed by it.

Term of the appointment

Pursuant to the Servicing Committee Rules, each member of the Servicing Committee shall remain in office for a period of one year as from the relevant appointment, which shall be deemed automatically renewed for equal periods, unless terminated or replaced in accordance with the requirements and procedures set forth in the Servicing Committee Rules.

Termination of members of the Servicing Committee

The appointment of each member of the Servicing Committee shall be deemed automatically terminated if at any time the Relevant Noteholder by which it has been proposed ceases to possess, for any reason:

(a) at least the Lower Percentage applicable at the relevant date, or

(b) in the case of a Relevant Noteholder who appointed more than one member of the Servicing Committee, at least each integral multiple of the applicable Minimum Holding, provided that if such Relevant Noteholder ceases to hold the relevant Minimum Holding for some but not all of the members appointed, it should instruct the Monitoring Agent on which member between those originally appointed shall be considered terminated; otherwise, the Monitoring Agent shall randomly select the member appointed by such Relevant Noteholder to be considered as terminated, which decision shall be final and binding.

In addition, any Relevant Noteholder holding the Minimum Holding may revoke the appointment of the member of the Servicing Committee that it has appointed, by giving notice in writing to such member of the Servicing Committee, the Monitoring Agent and the other members of the Servicing Committee of the removal of the relevant member and the appointment of the successor thereto, which shall be effective upon the appointment of the successor member of the Servicing Committee by the Relevant Noteholder. Any member of the Servicing Committee may resign from the Servicing Committee at any time by delivering written notice to each other member of the Servicing Committee, the Monitoring Agent, the Relevant Noteholder by which it has been appointed, and the Common Representative.

Voting process

The Servicing Committee shall be convened by the Monitoring Agent to resolve on the specific matters within the attributions of the Servicing Committee or any other matters that the Monitoring Agent deems appropriate, at its own discretion, taking into account the specific attributions of the Servicing Committee.

The Monitoring Agent shall also convene the Servicing Committee upon written request by at least one of its members, and the nature of the subject matter of the requested resolution is likely to be considered appropriate to convene such meeting and also upon a written request by any of the Servicers, the Common Representative and the Issuer.

In any case: (i) the Servicing Committee shall be duly constituted by the majority of its current members or in case of adjournment due to lack of quorum, by 2 (two) members of the Servicing Committee; (ii) each member of the Committee shall have one vote, and (iii) resolutions are validly passed if the majority of the votes of the members attending the meeting or, in case of a written resolution, casting their votes in writing, have been cast in favour of it. In case the Servicing Committee consists of 1 (one) member only, the quorums do not apply. In case any of the Class B Noteholders or the Class J Noteholders are represented by one member only, such sole member shall count as 5 (five) members in terms of quorum for validly holding the meeting and validly passing a resolution, and shall have 5 (five) votes.

In addition, the Servicing Committee Rules set forth specific provisions to prevent conflicts of interest of the members of the Servicing Committee.

Attributions

The Servicing Committee will exercise, on behalf of the Class B Noteholders and the Class J Noteholders, powers, authorities and discretion in relation to specific matters related to the servicing of the Receivables Portfolio, in accordance with the Receivables Servicing Agreements, the Conditions and the other Transaction Documents.

Pursuant to the Servicing Committee Rules, the Servicing Committee shall analyse and resolve on, *inter alia*, the following matters:

(i) authorising any of the Servicers to enter into settlement and/or granting of extensions in respect of a given Receivable, whenever such settlements and/or granting of extensions do not fulfil the following cumulative conditions:

(I) the Net Present Value of the relevant Receivable is equal or above the Target Price of such Receivable specified on a case-by-case basis in the Business Plan, provided that (a) the Net Present Value of the relevant Receivable shall be calculated in accordance with the formulas and specifications set forth in the initial Business Plan and (b) any relevant recovery expenses (either already borne as at the calculation date or to be borne after such date) and any proceeds in respect of the relevant Receivable are duly computed in such calculation; and

(II) the amount agreed with the Borrower for the settlement and/or extension in respect of the relevant Receivable shall be paid (a) in full, at the date when such settlement and/or granting of extension is effective or (b) by deferred payments that do not exceed a twelve-months period as from the date when such settlement and/or granting of extension is effective, provided that any mortgages, guarantees or other security interests shall remain valid and in full force until the full and irrevocable payment of any and all agreed instalments;

For the avoidance of doubt, in case all the above conditions are met, it shall be deemed that the relevant Servicer is entitled to independently carry out settlements and/or grant extensions in respect of the relevant Receivable, without the need to obtain the prior authorisation from the Servicing Committee;

(ii) authorisation to terminate the appointment of the Agents or the Transaction Manager by the Issuer and replace it with another entity, provided that no Class A Notes are then outstanding (in which case this is subject to a Reserved Matter resolution from the Class A Noteholders);

(iii) authorisation to amend the fees of the Agents or the Transaction Manager, provided that no Class A Notes are then outstanding (in which case this is subject to a Reserved Matter resolution from the Class A Noteholders);

(iv) approving the organisation of a competitive bid process to sell the Receivables Portfolio or any Receivable;

(v) authorisation to terminate the appointment of any Servicer or the Asset Manager, as well as resolving on the appointment of any successor of the retiring Servicer or retiring Asset Manager, provided that the Class A Noteholders are notified of this decision by Issuer (for which purpose the Monitoring Agent shall have notified the Issuer of such decision) and do not pass a Reserved Matter resolution opposing to such termination and replacement within 3 (three) months from the Issuer's notification;

(vi) authorisation to amend any Receivables Servicing Agreement or the Asset Management Agreements, provided that the Class A Noteholders are notified of this decision by Issuer (for which purpose the Monitoring Agent shall have notified the Issuer of such decision) and do not pass a Reserved Matter resolution opposing to such termination and replacement within 3 (three) months from the Issuer's notification;

(vii) approving the excess of legal costs and expenses to be borne in respect of a Receivable if the amount of such costs or expenses exceeds 70% (seventy per cent) of the Maximum Amount set forth for such costs and expenses in respect of each Receivables under the Business Plan;

(viii) authorising payment to any appointed external lawyer and providing for fees higher than those set forth under the agreements entered into between the Servicer and any of such lawyers;

(ix) approving the costs and expenses relating to, *inter alia*, (i) the fees of the external lawyers, counsels and/or other experts appointed by the relevant Servicer, (ii) real estate surveys, valuations and financial appraisals, environmental assessments, property valuations, feasibility studies and inspections on lands or real estates and (iii) all costs and expenses related to the renewal of the mortgages, which are in excess of the ones set forth under the Business Plan;

(x) in respect of the Secured Commercial Receivables, authorising the payment of fees, costs and expenses to real estate brokers or intermediaries by the Secured Commercial Servicer, in case the aggregate of such fees, costs and expenses exceed 7% (seven per cent.) of the fees, costs and expenses specified in the initial Business Plan;

(xi) in respect of the Secured Residential Receivables, authorising the payment of fees, costs and expenses to real estate brokers or intermediaries by the Secured Residential Servicer, in case the aggregate of such fees, costs and expenses exceed 7% (seven per cent.) of the fees, costs and expenses specified in the initial Business Plan;

(xii) approving that the relevant Servicer stops taking any further enforcement or collection actions in respect of any Receivables that has been indicated to the Monitoring Agent by the relevant Servicer or whenever the Monitoring Agent verifies any irregularities or inconsistencies as provided in the Monitoring Agent Appointment Agreement;

(xiii) approving the sale of any Receivable to third parties pursuant to the Receivables Servicing Agreement, whenever the relevant sale does not fulfil the following cumulative conditions:

(I) the purchase price of the relevant Receivable does not exceed the Target Price specified for such Receivable in the Business Plan; and

(II) the relevant sale of Receivables does not exceed 2% (two per cent.) of the Target Price in respect of the Receivables Portfolio;

For the avoidance of doubt, in case all the above conditions are met, it shall be deemed that the relevant Servicer is entitled to independently agree and execute the relevant sale of Receivables, without the need to obtain the prior authorisation from the Servicing Committee. Furthermore, the Servicing Committee is only allowed to resolve an approval of sale of Receivables under this paragraph, if the Business Plan attached as Schedule 8 (*Business Plan*) to the Secured Commercial Receivables Servicing Agreement, the Secured Residential Receivables Servicing Agreement or the Unsecured Receivables Servicing Agreement, as applicable, depending on the relevant Receivables to be sold being Secured Commercial Receivables, Secured Residential Receivables or Unsecured Receivables, has been complied with (including with the conclusion of the proposed sale);

(xiv) authorising the assignment to a third-party purchaser of a given Receivable, in accordance with the terms and requirements set out in the relevant Receivables Servicing Agreement;

(xv) determining that no further Collections are reasonably expected from a given Debt Relationship and that such Debt Relationship shall therefore be classified by the relevant Servicer as an Exhausted Debt Relationship, including in the event that such classification as Exhausted Debt Relationship has not been timely and diligently registered by the relevant Servicer on its IT systems in accordance the conditions foreseen in the relevant Receivables Servicing Agreement;

(xvi) determining the removal of the Monitoring Agent, in accordance with clause 18.2 of the Monitoring Agent Appointment Agreement and replace it with another entity, provided that the Class A Noteholders are notified of this decision by Issuer (for which purpose the Monitoring Agent shall have notified the Issuer of such decision) and do not pass a Reserved Matter resolution opposing to such termination and replacement within 3 (three) months from the Issuer's notification;

(xvii) authorisation to amend the Monitoring Agent Appointment Agreement, provided that the Class A Noteholders are notified of this decision by Issuer (for which purpose the Monitoring Agent shall have notified the Issuer of such decision) and do not pass a Reserved Matter resolution opposing to such termination and replacement within 3 (three) months from the Issuer's notification. For the sake of clarity, an amendment only to the Servicing Committee Rules is not subject to this provision;

(xviii) resolving, in 5 (five) Business Days after having been solicited for, that Receivables, which had been identified as Secured Commercial Receivables by inclusion in Schedule 4A (*Secured Commercial Receivables)* to the Receivables Sale Agreement but are in fact Secured Residential Receivables or Unsecured Receivables, as subsequently identified by the Secured Commercial Servicer (and notified to the Monitoring Agent), shall be managed by the Secured Residential Servicer or by the Unsecured Servicer, as applicable, in replacement of the Secured Commercial Servicer; if within such period the Servicing Committee is not able to resolve on the reallocation of said Receivables, the Servicers involved shall liaise between them to agree on such reallocation and notify the Monitoring Agent of the reallocation of corresponding Receivable from one portfolio to the other;

(xix) resolving, in 5 (five) Business Days after having been solicited for, that Receivables, which had been identified as Secured Residential Receivables by inclusion in Schedule 4B (*Secured Residential Receivables)* to the Receivables Sale Agreement but are in fact Secured Commercial Receivables or Unsecured Receivables, as subsequently identified by the Secured Residential Servicer (and notified to the Monitoring Agent), shall be managed by the Secured Commercial Servicer or by the Unsecured Servicer, as applicable, in replacement of the Secured Residential Servicer; if within such period the Servicing Committee is not able to resolve on the reallocation of said Receivables, the Servicers involved shall liaise between them to agree on such reallocation and notify the Monitoring Agent of the reallocation of corresponding Receivable from one portfolio to the other;

(xx) resolving, in 5 (five) Business Days after having been solicited for, that Receivables, which had been identified as Unsecured Receivables by inclusion in Schedule 4C (*Unsecured Receivables)* to the Receivables Sale Agreement but are in fact Secured Commercial Receivables or Secured Residential

Receivables, as subsequently identified by the Unsecured Servicer (and notified to the Monitoring Agent), shall be managed by the Secured Commercial Servicer or by the Secured Residential Servicer, as applicable, in replacement of the Unsecured Servicer; if within such period the Servicing Committee is not able to resolve on the reallocation of said Receivables, the Servicers involved shall liaise between them to agree on such reallocation and notify the Monitoring Agent of the reallocation of corresponding Receivable from one portfolio to the other;

(xxi) resolving on the exercise of any shareholder rights inherent to the Asset Manager shares held by the Shareholder, including any voting rights (including any shareholder resolution to appoint or dismiss any members of the Asset Manager's board of directors or to instruct or recommend management actions or on any other matter), provided that such exercise of shareholder rights does not trigger a breach of the Asset Manager's or Shareholder's obligations under the Asset Management Agreements or the other Transaction Documents or result in a breach by the Asset Manager or the Shareholder of any laws to which it is subject;

(xxii) any other specific matters requested by the Monitoring Agent on which the Monitoring Agent is requested to express an opinion or to give its consent under the Monitoring Agent Appointment Agreement, the Receivables Servicing Agreements or any other Transaction Documents;

(xxiii) any other specific matters as requested by the Monitoring Agent upon written request of (i) at least 1 (one) member of the Servicing Committee, (ii) the Common Representative, (iii) the Issuer or (iv) any of the Servicers.

Without prejudice of the above, the Servicing Committee shall be able to issue unanimous resolutions containing instructions to the Servicers (either individually or collectively) with regard to any of the above-referred attributions, including, but not limited to, with regard to any decision matrixes relating to the servicing of the Receivables.

The rights and obligations of the Servicing Committee are set out in the Servicing Committee Rules and include, but are not limited to, requesting the Servicers to access any information, data and supporting documentation relating to the Receivables, including the information, data and documentation stored in electronic or other platforms managed by the Servicers under and in connection with the Transaction excluding any personal data.

Binding Rules upon the Issuer, the Noteholders and the Common Representative

In accordance with Clause 31 (*Servicing Committee Rules*) of the Master Framework Agreement, the Issuer, the Common Representative (on behalf of itself and on behalf of the Noteholders), the Class R Noteholder, the Servicers, the Monitoring Agent and the other Transaction Parties have (i) acknowledged to be fully aware of and have accepted without reservations the Servicing Committee Rules; (ii) agreed that any resolutions duly taken by the Servicing Committee under and in accordance with the terms of the Servicing Committee Rules shall be binding upon, and enforceable on, the Monitoring Agent and the Issuer, the Common Representative, the Noteholders, the Servicers, and all other Transaction Parties, who have agree to fully respect any such duly taken resolutions; and (iii) have acknowledged and accepted their respective rights and/or obligations under the Servicing Committee Rules and to comply or exercise them in the terms foreseen therein.

Applicable law and jurisdiction

The Servicing Committee Rules and all non-contractual obligations arising out or in connection therewith are governed by and construed in accordance with Portuguese law. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

Common Representative Appointment Agreement

On or about the Issue Date, the Issuer and the Common Representative entered into an agreement setting forth the form and Terms and Conditions of the Notes and providing for the appointment of the Common Representative as common representative of the Noteholders for the Notes pursuant to article 65 of the Securitisation Law and the subsidiary provisions of articles 357 to 359 of the *Código das Sociedades Comerciais* (as approved by no. Decree-Law no. 262/86, of 2 September, as amended from time to time, (the "**Portuguese Companies Code**").

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

(a) to exercise in the name and on behalf of the Noteholders all the rights, powers, authorities and discretions vested on the Noteholders or on it (in its capacity as the common representative of the Noteholders pursuant to article 65 of the Securitisation Law and to Article 359 of the Portuguese Companies Code) at law, under the Common Representative Appointment Agreement or under any other Transaction Document;

(b) to start any action in the name and on behalf of the Noteholders in any proceedings;

(c) to enforce or execute in the name and on behalf of the Noteholders any Resolution passed by a Meeting of the Noteholders; and

(d) to exercise, in its name and on its behalf, the rights of the Issuer under the Transaction Documents pursuant to the terms of the Co-ordination Agreement.

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

(a) determining whether any proposed modification to the Notes or the Transaction Documents is materially prejudicial to the interest of any of the Noteholders and the Transaction Creditors;

(b) giving any consent required to be given in accordance with the terms of the Transaction Documents;

(c) waiving certain breaches of the terms of the Notes or the Transaction Documents on behalf of the holders of the Notes; and

(d) determining certain matters specified in the Common Representative Appointment Agreement, including any questions in relation to any of the provisions therein.

Remuneration of the Common Representative

The Issuer shall pay to the Common Representative an annual remuneration for its services as Common Representative as from the date of the Common Representative Appointment Agreement, as specified in the fee letter agreed between the Issuer and the Common Representative. Such remuneration shall accrue from day to day and be payable in accordance with the Payment Priorities until the powers, authorities and discretions of the Common Representative are discharged.

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

Should any service be requested from the Common Representative after the final redemption of the whole of the Notes, the Common Representative will be entitled to receive such remuneration as may from time to time be agreed between the Issuer and the Common Representative. Such remuneration shall be calculated from the date following such final redemption and shall be paid by the Issuer as an Issuer Expense to the extent that on the Final Discharge Date monies are available in the Payment Account exclusively for the purpose of paying such remuneration to the Common Representative in accordance with this Clause 21.2. For the avoidance of doubt, the Issuer shall not bear such cost out of its own funds or the funds pertaining to other securitisation transactions.

Retirement of the Common Representative

The Common Representative may retire at any time upon giving not less than 1 (one) calendar month notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. In the event of the Common Representative giving notice, the Issuer shall use its best endeavours to procure a new common representative to be immediately appointed. As soon as possible and, in any case, prior to the expiry of 1 (one) calendar month notice period the Issuer and / or the Common Representative shall convene a Meeting for appointing such person as new common representative as the Issuer, the Common Representative or the Noteholders may propose and the retirement of the Common Representative shall become effective after such meeting has been held irrespective of whether a new Common Representative has been appointed.

The Noteholders may at any time, by means of resolutions passed in accordance with the relevant terms of the Conditions and the Common Representative Appointment Agreement remove the Common Representative and appoint a new Common Representative, provided a 90 (ninety) days prior notice is given to the Common Representative.

Applicable law and jurisdiction

The Common Representative Appointment Agreement and all non-contractual obligations arising out or in connection therewith are governed by and construed in accordance with Portuguese law. The courts of Portugal, county of Lisbon (*Tribunal da Comarca de Lisboa*) will have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith.

Portuguese Accounts Agreement

On or about the Issue Date, the Issuer, the Common Representative and the Accounts Bank entered into a Portuguese Accounts Agreement pursuant to which the Accounts Bank has agreed to open and maintain the Portuguese Transaction Accounts which are held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the Portuguese Transaction Accounts. The Account Amount will bear interest daily at a rate (i) specified in the fee letter agreed between the Issuer and the Accounts Bank or (ii) as may be agreed in writing between the Issuer and the Accounts Bank, and such interest is to be credited to the Transaction Accounts in accordance with the Accounts Bank's usual practices. A downgrade of the rating of the Accounts Bank by any of the Rating Agencies below the Minimum Rating will require the Issuer, with the Transaction Manager's assistance, to, within 30 (thirty) calendar days, procure a successor accounts bank meeting the Minimum Rating in order to transfer the Portuguese Transaction Accounts and the funds standing to the credit thereof to such bank within such time. The Accounts Bank will agree to comply with any directions given by the Issuer in relation to the management of the General Collections Account.

Applicable law and jurisdiction

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

English Accounts Agreement

On or about the Issue Date, the Issuer, the Common Representative, the Transaction Manager, Payment Account Bank and Cap Collateral Account Bank and the Cap Counterparty entered into an English Accounts Agreement pursuant to which the Payment Account Bank and Cap Collateral Account Bank have agreed to open and maintain the English Transaction Accounts which are held in the name of the Issuer and provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies from time to time standing to the credit of the English Transaction Accounts. The Account Amount will bear interest daily at a rate (i) specified in the fee letter agreed between the Issuer and the Payment Account Bank or the Cap Collateral Account Bank or (ii) as may be agreed in writing between the Issuer and the Payment Account Bank or the Cap Collateral Account Bank, and such interest is to be credited to the relevant English Transaction Accounts in accordance with the Payment Account Bank or the Cap Collateral Account Bank's usual practices. A downgrade of the rating of either the Payment Account Bank or the Cap Collateral Account Bank by any of the Rating Agencies below the Minimum Rating will require the Issuer, with the Transaction Manager's assistance, to, within 30 (thirty) calendar days, procure a successor payment account bank and/or cap collateral account bank meeting the Minimum Rating in order to transfer the relevant English Transaction Accounts and the funds standing to the credit thereof to such bank within such time. The Payment Account Bank and Cap Collateral Account Bank will agree to comply with any directions given by the Issuer (or the Transaction Manager on its behalf) in relation to the management of the Payment Account and the Cash Reserve Account, respectively.

Applicable law and jurisdiction

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

Co-ordination Agreement

On or about the Issue Date, the Issuer, the Originator, the Servicers, the Asset Manager, the Monitoring Agent, the Transaction Manager, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Principal Paying Agent, the Portuguese Paying Agent and the Common Representative entered into the Co-ordination Agreement pursuant to which the parties (other than the Common Representative) are required, subject to Portuguese law, to give certain information and notices to and give due consideration to any request from or opinion of the Common Representative in relation to certain matters regarding the Receivables, the Originator, the Servicers, the Asset Manager and their respective obligations under the relevant Transaction Documents.

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

Pursuant to the terms of the Co-ordination Agreement, the Common Representative will have the benefit of the Seller's Representations and Warranties, the Asset Manager's Representations and Warranties and each Servicer's Representations and Warranties, in the Receivables Sale Agreement, the Asset Management Agreements and the Receivables Servicing Agreements, respectively. The Issuer authorised the Common Representative to exercise the rights provided for in the Co-ordination Agreement and the Originator, the Asset Manager and the Servicers acknowledged such authorisation therein.

Applicable law and jurisdiction

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

Paying Agency and Transaction Management Agreement

On the Issue Date, the Issuer, the Common Representative, the Transaction Manager and Principal Paying Agent, the Portuguese Paying Agent and the Servicers entered into the Paying Agency and Transaction Management Agreement pursuant to which the Transaction Manager, the Principal Paying Agent and the Portuguese Paying Agent were appointed by the Issuer to perform transaction management's duties and paying agency functions, as applicable, including:

In the case of the Transaction Manager:

(a) operating the Payment Account and the Cash Reserve Account in accordance with the terms of the Notes and the Class R Note and the Transaction Documents;

(b) providing the Issuer and the Common Representative with certain cash management, calculation, notification and reporting information in relation to the Payment Account and the Cash Reserve Account;

(c) maintaining adequate records to reflect all transactions carried out by or in respect of the Payment Account and the Cash Reserve Account;

In the case of the Principal Paying Agent, it shall, *inter alia*, upon receiving the relevant amounts from the Issuer, make payments to the Noteholders or to the Class R Noteholder, in accordance with the procedures of Interbolsa.

In the case of the Portuguese Paying Agent, it shall, *inter alia*, inform, on behalf of the Issuer, Interbolsa of the relevant amounts payable on each Interest Payment Date under each Note or the Class R Note, in accordance with the Interbolsa regulations and the time foreseen therein.

All references in this Prospectus to payments or other procedures to be made by the Issuer shall, whenever the same are obligations of the Transaction Manager under the Paying Agency and Transaction Management Agreement, be understood as payments or procedures that shall be performed by the Transaction Manager on behalf of the Issuer.

The Transaction Manager's, Principal Paying Agent's and Portuguese Paying Agent's fees will be payable in accordance with the relevant Payment Priorities on each Interest Payment Date or such other date on which the Payment Priorities apply.

In accordance with the Paying Agency and Transaction Management Agreement, the Transaction Manager shall, not less than 6 (six) Business Days prior to each Interest Payment Date, prepare and deliver to the Issuer, the Common Representative, the Rating Agencies, the Cap Counterparty, the Agents and the Sole Arranger and Placement Agent the Investor Report in respect of the related Collection Period for the purpose, *inter alia*, of making such report available to the Noteholders. Such Investor Report must, in respect of each Interest Payment Date, include an indication of the payments that must be made by the Issuer in accordance with the Payment Priorities contemplated in the Conditions.

Applicable law and jurisdiction

The Paying Agency and Transaction Management Agreement and all non-contractual obligations arising out or in connection therewith are governed by and construed in accordance with Portuguese law. The courts of Portugal have exclusive jurisdiction to hear and determine any disputes that may arise in connection therewith, including any question regarding its existence, validity or termination.

Cap Transaction

Interest Rate Cap Transaction

On or about the Issue Date, the Issuer entered into the Cap Transaction with Banco Santander, S.A. under a 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "**ISDA Master Agreement**"), together

with a Schedule thereto (the "**Schedule**"), a 1995 ISDA credit support annex (the "**Credit Support Annex**") and a cap confirmation (the "**Cap Confirmation**" and each, together with the ISDA Master Agreement, the Schedule and the Credit Support Annex, the "**Cap Agreement**"). The Cap Agreement was entered into in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Rated Notes.

Main features

The Cap Confirmation specified a Notional Amount for each Calculation Period, being the initial Calculation Period €102,000,000.00 (one hundred two million euros), which is to be continuously reduced thereafter, as specified in Section D of the Cap Confirmation. The Issuer paid, on the Issue Date, to the Cap Counterparty a Fixed Amount of € 885,000.00 (eight hundred eighty five thousand euros) and the Cap Counterparty will pay to the Issuer, on each Interest Payment Date, an amount, if positive, equal to the EUR-EURIBOR-Reuters floating rate that exceeds the cap rate specified in Section D of the Cap Confirmation over the notional amount.

If the Cap Counterparty (or its guarantor or credit support provider, as applicable) is downgraded below any of the required credit ratings set out in Cap Agreement, the Cap Counterparty will be required to carry out, within the time frame specified in the Cap Agreement, one or more remedial measures at its own cost which include the following:

(a) transfer all of its rights and obligations under the Cap Agreement to an appropriately rated entity;

(b) arrange for an appropriately rated entity to become co-obligor or guarantor in respect of its obligations under the Cap Agreement; and

(c) post collateral to support its obligations under the Cap Agreement.

Any such collateral will be credited to the Cap Collateral Account, together with any interest or distributions on, and any liquidation or other proceeds of, that collateral and will not be available for the Issuer to make payments to the Transaction Creditors generally, but must be applied in accordance with the Cap Collateral Account Priority of Payments described in Condition 8.2.3 (*Cap Collateral Account Priority of Payments*).

The occurrence of certain termination events and events of default contained in the Cap Transaction may cause the termination of the Cap Agreement prior to its stated termination date. Such events include (1) redemption of the Rated Notes pursuant to Condition 9.2 (*Optional Redemption in Whole for Taxation Reasons*), Condition 9.3 (*Junior Noteholder Put Option*) or Condition 9.4 (*Redemption in Whole at the Option of the Issuer*); (3) amendment of any Transaction Document without the prior written consent of the Cap Counterparty if such amendment affects the amount, timing or priority of any payments due from such Cap Counterparty to the Issuer or from the Issuer to such Cap Counterparty, (4) failure by the Cap Counterparty to take certain remedial measures required under the Cap Agreement following a Cap Counterparty Rating Event; and (5) acceleration of the Notes following service of an Enforcement Notice.

Pursuant to the Cap Confirmation, on or around the Issue Date the Issuer was required to pay out of the Payment Account to the Cap Counterparty a premium and the Cap Counterparty will only make a payment to the Payment Account on an Interest Payment Date if the floating rate payable on the Rated Notes in respect of such Interest Payment Date exceeds the strike price indicated in the Cap Confirmation. The notional amount for calculating any such payment will be the scheduled amortising amount indicated for the relevant Interest Period in the Cap Confirmation. Moreover, pursuant to Clause 3.4 to the Subscription Agreement, the Originator has agreed to cover any upfront hedging costs the Issuer may be required to incur in connection with this transaction.

The Cap Counterparty will be required to make payments pursuant to the Cap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Cap Counterparty will, subject to certain conditions, be required to pay such additional amount as

is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. Such a change in tax law may result in the termination of the Cap Agreement. The Issuer will not be required to gross up under the Cap Agreement. Any Cap Tax Credit Amounts payable by the Issuer shall be paid directly to the Cap Counterparty following receipt without regard to the Cap Collateral Account Priority of Payments or the Payment Priorities and shall not form part of the Available Distribution Amount.

Applicable law and jurisdiction

The Cap Agreement and any non-contractual obligation arising out of, or in connection with it are governed by and construed in accordance with English law. The courts of England shall have exclusive jurisdiction to hear any disputes that may arise in connection therewith.

USE OF PROCEEDS

The gross proceeds of the issue of the Notes and the Class R Note amounted to €126,100,000.00 (one hundred twenty six million and one hundred thousand euros).

On or about the Issue Date, the Issuer applied the gross proceeds of the Notes solely towards the payment of the Purchase Price of the Receivables included in the Receivables Portfolio.

On or about the Issue Date, the Issuer applied the gross proceeds of the Class R Note for the sole purposes of funding the Cash Reserve Account up to the Cash Reserve Account Required Amount.

CHARACTERISTICS OF THE RECEIVABLES PORTFOLIO

The information set out below has been prepared on the basis of the outstanding principal balances of the Receivables Portfolio as at 30 September 2018.

The Receivables Portfolio

As at 30 September 2018, the Receivables Portfolio had the characteristics indicated in the tables below and since that date there has been no material changes to such characteristics of the Receivables Portfolio.

This securitisation was structured in a way to ensure that the Receivables described in the tables below generate the amount of funds necessary to service any payments due and payable on the Notes and the Class R Note. Therefore, the underlying assets collateralizing the Notes and the Class R Note possess the characteristics that demonstrate capacity to generate such necessary funds.

The Receivables assigned to the Issuer consist essentially of defaulted and non-performing term loans (i.e. loans where one or more interest or principal payments was not made when due, in accordance with the Portuguese law, which is the applicable contract law), including consumer loans, credit card facilities, residential secured loans, overdrafts, construction loans, corporate secured loans and unsecured loans granted by the Originator to a Borrower, together with such rights, interest and claims of the Originator under the corresponding Receivables Agreement. The Receivables Portfolio includes secured loans and unsecured loans, representing, respectively, 51.5% and 48.5% of the Receivables Portfolio. The Receivables Portfolio also includes the receivable originated under the Loan Agreement, the latter being the only performing loan of the Receivables Portfolio.

The information below is derived from information provided by the Originator and backed by the Seller's Representations and Warranties, and thus has not been audited by the Issuer, the Servicers, the Common Representative or the Sole Arranger and Lead Manager, and no independent entity has audited such information for, or addressed an audit report to, the Noteholders.

Whenever in the tables below "*Appraisal Amount*" or "*Appraisal Amount (%)*" is mentioned, this refers to appraisals (such as drive-by and desktop) performed by or for the or (if such value was not available) by or for the Seller in the context of their portfolio review. These appraisals do not meet the criteria and a similar standard to the evaluations performed by or for the Originator, as explained under the paragraph above. Furthermore, no other party has undertaken, for the specific reasons of this transaction, evaluations of properties meeting such criteria and standard as mentioned under the paragraph above.

Definitions used in the tables below:

GBV or OB:	means gross book value
UPB:	means unpaid principal balance
WA:	means weighted average
REO:	means real estate owned

The information shown in Tables A to T below has been prepared on the basis of the following assumptions:

a) seasoning taken into account from defaults date up to 30 September 2018;
b) all values are expressed in Euros (€);
c) seasoning values are expressed in Years.

TABLE A: Portfolio Overview

Data as of 30 September 2018	
Total GBV (€)	480,754,628.67
Total UPB (€)	472,963,801.27
Total Original Valuation (€)[5][6]	354,694,140.57
Total Appraisal Amount (€)[7]	234,545,426.60
Total Interest & Cost Amount (€)	7,790,827.40
Number of borrowers (#)	2,455
Average GBV per borrower (€)	195,826.73
Average UPB per borrower (€)	192,653.28
Number of loans (#)	7,472
Average GBV per loan (€)	64,340.82
Average UPB per loan (€)	63,298.15
Secured GBV (€)	247,124,493.09
Unsecured GBV (€)	233,630,135.58
Secured UPB (€)	243,472,185.31
Unsecured UPB (€)	229,491,615.96
Top 1 borrower (by UPB)	21,879,452.05
Top 10 borrower (by UPB)	130,863,650.91
Top 25 borrower (by UPB)	199,353,991.19
Top 50 borrower (by UPB)	255,127,611.98
Top 100 borrower (by UPB)	305,516,204.23
WA default seasoning - all[8]	3.69
WA default seasoning – secured[3]	3.86
WA default seasoning - unsecured[3]	3.52
Altamira GBV	227,641,334.97
Hipoges GBV	179,633,227.06
Whitestar GBV	73,480,066.64
Total Gross Expected Recoveries (Altamira)	14,569,096.19
Total Gross Expected Recoveries (Hipoges)	85,717,702.43
Total Gross Expected Recoveries (Whitestar)	55,910,000.81
Ratio: Altamira Total Gross Expected Recoveries / Altamira GBV	6.40%
Ratio: Hipoges Total Gross Expected Recoveries / Hipoges GBV	47.72%
Ratio: Whitestar Total Gross Expected Recoveries / Whitestar GBV	76.09%
Corporate borrower GBV	394,262,825.62
ENI borrower GBV[9]	20,373,488.24
Individual borrower GBV	66,118,314.81
Corporate borrower GBV (%)	82.01%
ENI borrower GBV (%)	4.24%
Individual borrower GBV (%)	13.75%

[5] Total Original Valuation means Original Valuation Amount by Seller, if this value is not available then 0 was assumed.

[6] Considering that assets have been periodically evaluated according to the applicable regulatory requirements by the Originator, the valuations under "Total Original Valuation" or "Original Valuation" in Tables A to T are the oldest valuations available at the systems of the Originator.

[7] Total Appraisal Amount means Servicer Valuation, if Servicer Valuation is not available then Latest Valuation from third party or Seller has been used; if the latter is not available then the value 0 was assumed.

[8] Weighted by GBV. If default date is not reported, then the corresponding loan and associated GBV have not been taken into account in the calculation

[9] ENI stands for "Empresários em Nome Individual", i.e. self-employed individuals

TABLE B: Type of Property

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
Land	64,117,380.37	18.08%	29,933,723.96	12.76%	148	52,797,304.73	22.80%	53,342,638.13	22.71%
Flat	46,550,114.69	13.12%	47,042,886.85	20.06%	476	31,573,482.63	13.64%	32,199,899.00	13.71%
Apartment	52,126,203.30	14.70%	43,021,520.25	18.34%	210	30,877,637.97	13.34%	31,042,456.26	13.22%
Villa	39,295,663.33	11.08%	35,589,337.00	15.17%	266	22,485,287.73	9.71%	23,032,603.84	9.81%
Industrial	27,379,739.02	7.72%	20,543,799.45	8.76%	48	21,872,988.56	9.45%	22,599,905.75	9.62%
Office	21,965,316.00	6.19%	16,915,010.36	7.21%	52	21,727,036.16	9.38%	21,946,287.29	9.34%
Commercial	39,174,119.14	11.04%	9,558,707.52	4.08%	103	18,571,638.82	8.02%	18,692,443.29	7.96%
Detached house	24,634,538.50	6.95%	13,302,536.56	5.67%	74	15,139,060.27	6.54%	15,396,209.90	6.56%
Parking	22,607,764.76	6.37%	3,554,753.95	1.52%	409	5,836,857.80	2.52%	5,871,735.29	2.50%
Warehouse	2,604,475.00	0.73%	2,630,490.64	1.12%	11	3,793,537.91	1.64%	3,800,861.07	1.62%
Hotel	6,753,000.00	1.90%	5,236,331.00	2.23%	4	1,310,620.61	0.57%	1,315,229.17	0.56%
Building	1,789,150.00	0.50%	1,884,000.00	0.80%	7	836,896.01	0.36%	851,475.16	0.36%
Storage	494,050.00	0.14%	320,179.05	0.14%	34	628,042.67	0.27%	629,867.94	0.27%
Shop	1,258,472.46	0.35%	1,128,500.00	0.48%	19	625,489.66	0.27%	634,105.40	0.27%
House	-	0.00%	290,550.00	0.12%	2	609,675.63	0.26%	609,675.63	0.26%
Farm	1,491,650.00	0.42%	1,042,000.00	0.44%	5	511,374.93	0.22%	513,235.52	0.22%
Boat	2,000,000.00	0.56%	2,000,000.00	0.85%	1	404,165.91	0.17%	405,234.24	0.17%
Garage	102,000.00	0.03%	144,100.00	0.06%	3	6,105.07	0.00%	6,213.07	0.00%
Other	350,504.00	0.10%	407,000.00	0.17%	2	100.13	0.00%	109.32	0.00%
Not Applicable	-	0.00%	-	0.00%	8	1,931,160.37	0.83%	1,966,380.91	0.84%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

TABLE C: Type of Appraisal

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
Drive-by	219,293,850.17	61.83%	84,393,896.25	35.98%	724	95,533,594.45	41.26%	96,713,533.40	41.18%
Desktop	84,263,684.14	23.76%	77,800,770.00	33.17%	739	54,734,458.53	23.64%	55,952,773.99	23.82%
LinebyLine	22,840,783.45	6.44%	34,427,190.99	14.68%	270	41,072,245.17	17.74%	41,830,148.19	17.81%
Template	2,485,700.00	0.70%	19,089,774.18	8.14%	35	19,120,270.08	8.26%	19,121,831.54	8.14%
External Drive By	23,065,892.81	6.50%	12,524,328.50	5.34%	69	8,971,338.30	3.87%	9,047,325.61	3.85%
Full Valuation	2,744,230.00	0.77%	2,749,730.00	1.17%	3	818,824.15	0.35%	819,738.46	0.35%
Not Applicable	-	0.00%	3,559,736.68	1.52%	42	11,287,732.89	4.88%	11,371,214.99	4.84%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

TABLE D: Judicial District

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
Lisboa	51,493,205.30	14.52%	60,350,430.28	25.73%	378	57,329,441.36	24.76%	57,849,767.26	24.63%
Porto	84,688,956.45	23.88%	63,915,458.23	27.25%	423	53,944,781.57	23.30%	54,352,115.90	23.14%
Setubal	22,613,131.79	6.38%	10,807,257.75	4.61%	88	18,697,924.75	8.08%	19,114,430.22	8.14%
Aveiro	52,792,546.09	14.88%	15,872,434.41	6.77%	98	15,226,919.28	6.58%	15,389,679.91	6.55%
Coimbra	32,213,807.18	9.08%	14,848,543.35	6.33%	64	10,691,204.65	4.62%	10,713,698.18	4.56%
Faro	14,280,763.85	4.03%	11,734,468.18	5.00%	76	10,037,977.39	4.34%	10,277,572.34	4.38%
Açores	12,937,288.55	3.65%	7,154,286.97	3.05%	71	9,376,756.66	4.05%	9,908,092.60	4.22%
Braga	5,231,610.17	1.47%	4,502,964.06	1.92%	64	8,062,813.64	3.48%	8,104,286.49	3.45%
Evora	4,155,690.59	1.17%	4,768,307.66	2.03%	183	6,908,016.25	2.98%	6,937,570.88	2.95%
Madeira	31,541,777.27	8.89%	4,200,690.05	1.79%	92	6,618,694.13	2.86%	6,703,450.64	2.85%
Santarem	8,679,515.86	2.45%	9,137,119.38	3.90%	76	4,630,637.22	2.00%	4,691,179.45	2.00%
Funchal	3,842,739.36	1.08%	3,178,850.00	1.36%	29	3,711,235.93	1.60%	3,814,722.38	1.62%
Leiria	4,467,002.02	1.26%	5,291,752.33	2.26%	38	3,159,995.08	1.36%	3,220,350.31	1.37%
Vila Real	862,200.00	0.24%	1,127,728.00	0.48%	21	2,149,977.73	0.93%	2,177,336.10	0.93%
Portalegre	1,715,076.04	0.48%	2,008,056.00	0.86%	27	1,832,653.74	0.79%	1,847,403.67	0.79%
Viana Do Castelo	1,824,209.66	0.51%	1,546,945.00	0.66%	18	966,368.13	0.42%	972,715.29	0.41%
Beja	567,653.24	0.16%	1,466,818.00	0.63%	8	911,291.47	0.39%	917,144.48	0.39%
Viseu	1,386,284.11	0.39%	825,800.00	0.35%	15	685,083.17	0.30%	1,170,745.47	0.50%
Bragança	723,496.89	0.20%	439,000.00	0.19%	9	339,754.12	0.15%	340,236.54	0.14%
Castelo Branco	934,770.00	0.26%	814,250.00	0.35%	7	228,304.71	0.10%	231,439.01	0.10%
Guarda	288,500.00	0.08%	213,000.00	0.09%	2	200,953.83	0.09%	202,145.81	0.09%
Not Applicable	17,453,916.15	4.92%	10,341,266.95	4.41%	95	15,827,678.76	6.84%	15,920,483.25	6.78%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

TABLE E: Minimum Lien

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
1	200,595,816.50	56.55%	147,933,772.39	63.07%	1,234	169,547,102.69	73.23%	172,042,589.70	73.25%
2	42,353,498.79	11.94%	29,248,797.74	12.47%	215	24,085,169.08	10.40%	24,518,742.06	10.44%
3	59,625,148.90	16.81%	20,505,843.36	8.74%	167	13,981,790.92	6.04%	14,157,543.94	6.03%
4	5,339,021.31	1.51%	6,156,429.00	2.62%	34	4,462,296.78	1.93%	4,492,522.76	1.91%
5	1,402,468.18	0.40%	2,523,762.00	1.08%	11	1,216,131.39	0.53%	1,242,961.61	0.53%
6	617,700.00	0.17%	645,000.00	0.28%	3	254,516.27	0.11%	254,914.86	0.11%
7	420,500.00	0.12%	772,420.00	0.33%	3	539,868.35	0.23%	544,964.60	0.23%
8	9,917,567.52	2.80%	802,858.28	0.34%	7	1,225,229.74	0.53%	1,226,135.33	0.52%
10	107,400.00	0.03%	100,000.00	0.04%	1	64,267.51	0.03%	65,307.70	0.03%
Not Applicable	34,315,019.37	9.67%	25,856,543.83	11.02%	207	16,162,090.83	6.98%	16,310,883.62	6.95%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

TABLE F: Asset status

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
Claim	318,980,534.90	89.93%	207,732,199.43	88.57%	1,673	216,748,037.93	93.61%	219,916,684.17	93.64%
Sold	22,927,399.75	6.46%	18,813,071.97	8.02%	130	12,810,025.70	5.53%	12,922,808.38	5.50%
REO	10,159,311.71	2.86%	4,318,907.93	1.84%	49	1,625,650.50	0.70%	1,638,856.31	0.70%
1/2 Closed 1/2 Claim	566,519.30	0.16%	348,000.00	0.15%	4	289,568.33	0.13%	310,934.73	0.13%
1/2 REO 1/2 Claim	304,267.00	0.09%	325,000.00	0.14%	1	65,181.10	0.03%	67,282.60	0.03%
Closed	1,756,107.91	0.50%	3,008,247.27	1.28%	25	-	0.00%	-	0.00%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

TABLE G: Asset Completion

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
Completed	284,819,954.93	80.30%	186,329,263.26	79.44%	1,537	172,526,795.84	74.51%	174,683,613.55	74.38%
Sold	22,927,399.75	6.46%	18,813,071.97	8.02%	130	12,810,025.70	5.53%	12,922,808.38	5.50%
Under construction	9,143,432.24	2.58%	4,052,635.00	1.73%	52	5,472,516.72	2.36%	5,534,726.51	2.36%
REO	10,159,311.71	2.86%	4,318,907.93	1.84%	49	1,625,650.50	0.70%	1,638,856.31	0.70%
Closed	1,756,107.91	0.50%	3,008,247.27	1.28%	25	-	0.00%	-	0.00%
Not Applicable	25,887,934.03	7.30%	18,023,301.17	7.68%	89	39,103,474.79	16.89%	40,076,561.44	17.06%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

TABLE H: Appraisal Bucket[10]

	Original Valuation	Original Valuation (%)	Appraisal Amount	Appraisal Amount (%)	Number of assets	UPB	UPB (%)	GBV	GBV (%)
[0 - 100,000)	100,934,766.86	28.46%	43,799,377.16	18.67%	1,144	55,430,353.08	23.94%	56,388,288.06	24.01%
[100,000 - 200,000)	94,599,377.82	26.67%	66,278,412.56	28.26%	469	51,659,524.61	22.31%	52,883,743.00	22.52%
[200,000 - 300,000)	45,646,700.20	12.87%	20,632,170.58	8.80%	85	21,567,850.38	9.32%	21,914,967.68	9.33%
[300,000 - 400,000)	36,736,940.56	10.36%	21,497,058.20	9.17%	63	19,245,314.56	8.31%	19,346,055.44	8.24%
[400,000 - 500,000)	6,525,955.00	1.84%	16,778,951.39	7.15%	38	14,139,894.74	6.11%	14,171,213.90	6.03%
[500,000 - 600,000)	10,979,747.99	3.10%	11,744,117.04	5.01%	22	11,553,031.08	4.99%	11,807,261.63	5.03%
[600,000 - 700,000)	1,861,148.65	0.52%	7,571,890.99	3.23%	12	3,971,486.47	1.72%	3,972,466.22	1.69%
[700,000 - 800,000)	11,294,215.49	3.18%	4,385,501.76	1.87%	6	20,957,993.31	9.05%	21,220,218.77	9.04%
[800,000 - 900,000)	3,027,250.00	0.85%	4,308,754.00	1.84%	5	4,173,735.15	1.80%	4,220,926.69	1.80%
[900,000 - 1,000,000)	-	0.00%	4,733,428.66	2.02%	5	6,035,041.52	2.61%	6,046,780.74	2.57%
[1,000,000 - 2,000,000)	17,391,093.00	4.90%	19,082,801.42	8.14%	15	14,121,486.99	6.10%	14,165,242.70	6.03%
[2,000,000 - 3,000,000)	9,874,980.00	2.78%	8,464,107.84	3.61%	4	2,803,658.90	1.21%	2,805,088.04	1.19%
[3,000,000 and above	15,821,965.00	4.46%	5,268,855.00	2.25%	1	3,566,109.10	1.54%	3,566,109.10	1.52%
Not Applicable	-	0.00%	-	0.00%	13	2,312,983.67	1.00%	2,348,204.21	1.00%
Total	354,694,140.57	100.00%	234,545,426.60	100.00%	1,882	231,538,463.56	100.00%	234,856,566.18	100.00%

[10] Lower boundary of a range is included and the upper boundary excluded

TABLE I: Secured and Unsecured Borrowers

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Secured	247,124,493.09	51.40%	243,472,185.31	51.48%	914	37.23%
Unsecured	233,630,135.58	48.60%	229,491,615.96	48.52%	1,541	62.77%
Total	480,754,628.67	100.00%	472,963,801.27	100.00%	2,455	100.00%

TABLE J: Servicer

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Altamira	227,641,334.97	47.35%	223,638,632.86	47.28%	1,474	60.04%
Hipoges	179,633,227.06	37.36%	177,363,872.26	37.50%	182	7.41%
Whitestar	73,480,066.64	15.28%	71,961,296.15	15.21%	799	32.55%
Total	480,754,628.67	100.00%	472,963,801.27	100.00%	2,455	100.00%

TABLE K: Type of Borrower - Secured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Corporate	179,633,227.06	72.69%	177,363,872.26	72.85%	182	19.91%
Individual	49,944,876.99	20.21%	48,759,927.58	20.03%	569	62.25%
ENI	17,546,389.04	7.10%	17,348,385.47	7.13%	163	17.83%
Total	247,124,493.09	100.00%	243,472,185.31	100.00%	914	100.00%

TABLE L: Type of Borrower - Unsecured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Corporate	214,629,598.56	91.87%	211,101,432.59	91.99%	953	61.84%
Individual	16,173,437.82	6.92%	15,581,990.77	6.79%	570	36.99%
ENI	2,827,099.20	1.21%	2,808,192.60	1.22%	18	1.17%
Total	233,630,135.58	100.00%	229,491,615.96	100.00%	1,541	100.00%

TABLE M: Process Type - Secured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Insolvency	133,753,978.93	54.12%	132,326,052.37	54.35%	100	10.94%
Foreclosure	78,241,612.13	31.66%	76,736,604.80	31.52%	651	71.23%
Not Judicialized	17,535,967.92	7.10%	17,126,202.18	7.03%	23	2.52%
Bankruptcy	8,679,835.73	3.51%	8,593,740.58	3.53%	77	8.42%
Tax Foreclosure	3,911,029.22	1.58%	3,885,422.46	1.60%	25	2.74%
PER	2,405,593.10	0.97%	2,392,439.12	0.98%	4	0.44%
Injunction	136,416.15	0.06%	134,108.61	0.06%	1	0.11%
No file	-	0.00%	-	0.00%	-	0.00%
Not Applicable	2,460,059.91	1.00%	2,277,615.19	0.94%	33	3.61%
Total	247,124,493.09	100.00%	243,472,185.31	100.00%	914	100.00%

TABLE N: Process Type Unsecured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Bankruptcy	135,407,406.88	57.96%	132,878,648.19	57.90%	479	31.08%
PER	37,531,630.95	16.06%	36,969,749.54	16.11%	122	7.92%
Foreclosure	33,800,227.40	14.47%	33,467,363.14	14.58%	332	21.54%
No file	26,088,471.35	11.17%	25,384,142.06	11.06%	598	38.81%
Tax Foreclosure	760,351.72	0.33%	753,329.72	0.33%	5	0.32%
Injunction	-	0.00%	-	0.00%	-	0.00%
Insolvency	-	0.00%	-	0.00%	-	0.00%
Not Judicialized	-	0.00%	-	0.00%	-	0.00%
Not Applicable	42,047.28	0.02%	38,383.31	0.02%	5	0.32%
Total	233,630,135.58	100.00%	229,491,615.96	100.00%	1,541	100.00%

TABLE O: Country of residence - Secured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Portugal	244,175,978.16	98.81%	240,645,329.44	98.84%	891	97.48%
Uk	1,366,000.34	0.55%	1,306,707.21	0.54%	10	1.09%
Luxemburg	351,056.01	0.14%	330,033.84	0.14%	2	0.22%
France	288,991.71	0.12%	288,320.86	0.12%	3	0.33%
Germany	179,079.31	0.07%	175,479.81	0.07%	2	0.22%
Venezuela	175,207.53	0.07%	155,669.99	0.06%	1	0.11%
Ireland	169,461.54	0.07%	158,656.94	0.07%	1	0.11%
Canada	140,688.50	0.06%	138,345.72	0.06%	1	0.11%
Spain	106,403.71	0.04%	106,104.06	0.04%	1	0.11%
Usa	100,841.09	0.04%	97,016.16	0.04%	1	0.11%
Switzerland	70,785.19	0.03%	70,521.28	0.03%	1	0.11%
South Africa	-	0.00%	-	0.00%	-	0.00%
Total	247,124,493.09	100.00%	243,472,185.31	100.00%	914	100.00%

TABLE P: Country of residence - Unsecured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Portugal	232,722,568.80	99.61%	228,584,459.90	99.60%	1,537	99.74%
South Africa	604,283.83	0.26%	603,937.84	0.26%	1	0.06%
Spain	302,240.37	0.13%	302,191.37	0.13%	2	0.13%
Switzerland	1,042.58	0.00%	1,026.85	0.00%	1	0.06%
Canada	-	0.00%	-	0.00%	-	0.00%
France	-	0.00%	-	0.00%	-	0.00%
Germany	-	0.00%	-	0.00%	-	0.00%
Ireland	-	0.00%	-	0.00%	-	0.00%

Luxemburg	-	0.00%	-	0.00%	-	0.00%
Uk	-	0.00%	-	0.00%	-	0.00%
Usa	-	0.00%	-	0.00%	-	0.00%
Venezuela	-	0.00%	-	0.00%	-	0.00%
Total	233,630,135.58	100.00%	229,491,615.96	100.00%	1,541	100.00%

TABLE Q: Litigation - Secured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Yes	227,128,465.26	91.91%	224,068,367.94	92.03%	858	93.87%
No	19,996,027.83	8.09%	19,403,817.37	7.97%	56	6.13%
Total	247,124,493.09	100.00%	243,472,185.31	100.00%	914	100.00%

TABLE R: Litigation - Unsecured

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
Yes	202,459,160.11	86.66%	199,078,975.45	86.75%	921	59.77%
No	31,170,975.47	13.34%	30,412,640.51	13.25%	620	40.23%
Total	233,630,135.58	100.00%	229,491,615.96	100.00%	1,541	100.00%

TABLE S: GBV Bucket Secured[11]

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
[0 - 100,000)	27,987,383.73	11.33%	27,419,496.53	11.26%	553	60.50%
[100,000 - 200,000)	30,692,589.00	12.42%	29,945,221.28	12.30%	223	24.40%
[200,000 - 300,000)	11,098,176.29	4.49%	11,002,083.24	4.52%	47	5.14%
[300,000 - 400,000)	5,989,976.79	2.42%	5,745,018.31	2.36%	17	1.86%
[400,000 - 500,000)	5,816,743.01	2.35%	5,798,934.94	2.38%	13	1.42%
[500,000 - 600,000)	6,648,179.75	2.69%	6,603,075.01	2.71%	12	1.31%
[600,000 - 700,000)	3,183,806.27	1.29%	3,145,942.70	1.29%	5	0.55%
[700,000 - 800,000)	2,205,216.50	0.89%	2,195,413.61	0.90%	3	0.33%
[800,000 - 900,000)	2,526,313.45	1.02%	2,041,909.55	0.84%	3	0.33%
[900,000 - 1,000,000)	1,962,728.03	0.79%	1,950,234.15	0.80%	2	0.22%
[1,000,000 - 2,000,000)	18,091,959.16	7.32%	17,895,878.83	7.35%	13	1.42%
[2,000,000 - 3,000,000)	24,059,327.72	9.74%	23,804,654.86	9.78%	10	1.09%
[3,000,000 - 4,000,000)	14,846,571.19	6.01%	14,388,271.46	5.91%	4	0.44%
[4,000,000 - 5,000,000)	8,775,585.67	3.55%	8,773,810.67	3.60%	2	0.22%
[5,000,000 - 10,000,000)	24,746,855.45	10.01%	24,633,203.29	10.12%	3	0.33%
[10,000,000 - 15,000,000)	23,683,109.02	9.58%	23,326,559.02	9.58%	2	0.22%
[15,000,000 and above	34,809,972.06	14.09%	34,802,477.86	14.29%	2	0.22%
Total	247,124,493.09	100.00%	243,472,185.31	100.00%	914	100.00%

TABLE T: GBV Bucket Unsecured[6]

	GBV	GBV (%)	UPB	UPB (%)	Number of borrowers	Number of borrowers (%)
[0 - 100,000)	25,557,419.59	10.94%	24,949,046.88	10.87%	1,266	82.15%
[100,000 - 200,000)	14,252,805.46	6.10%	14,083,079.45	6.14%	102	6.62%
[200,000 - 300,000)	14,277,636.54	6.11%	14,096,707.49	6.14%	58	3.76%
[300,000 - 400,000)	8,811,042.62	3.77%	8,676,305.82	3.78%	25	1.62%
[400,000 - 500,000)	8,426,348.26	3.61%	8,190,646.89	3.57%	19	1.23%
[500,000 - 600,000)	6,450,154.59	2.76%	6,367,869.22	2.77%	12	0.78%
[600,000 - 700,000)	4,364,123.56	1.87%	4,344,359.90	1.89%	7	0.45%
[700,000 - 800,000)	3,626,002.18	1.55%	3,557,548.94	1.55%	5	0.32%
[800,000 - 900,000)	4,965,914.59	2.13%	4,938,708.82	2.15%	6	0.39%
[900,000 - 1,000,000)	3,736,109.40	1.60%	3,723,471.37	1.62%	4	0.26%
[1,000,000 - 2,000,000)	25,446,980.23	10.89%	25,221,193.66	10.99%	18	1.17%
[2,000,000 - 3,000,000)	18,345,623.36	7.85%	17,913,008.63	7.81%	7	0.45%
[3,000,000 - 4,000,000)	14,012,357.09	6.00%	13,953,894.79	6.08%	4	0.26%
[4,000,000 - 5,000,000)	8,585,067.29	3.67%	8,519,210.14	3.71%	2	0.13%
[5,000,000 - 10,000,000)	25,643,872.48	10.98%	24,986,347.67	10.89%	3	0.19%
[10,000,000 - 15,000,000)	24,258,188.64	10.38%	24,090,764.24	10.50%	2	0.13%
[15,000,000 and above	22,870,489.70	9.79%	21,879,452.05	9.53%	1	0.06%
Total	233,630,135.58	100.00%	229,491,615.96	100.00%	1,541	100.00%

[11] Lower boundary of a range is included and the upper boundary excluded

WEIGHTED AVERAGE LIFE OF THE NOTES

The actual weighted average life ("WAL") of the Notes cannot be stated or predicted, as the actual amount and timing of recoveries under the Receivables is unpredictable due to the non-performing nature of the Receivables, and a number of other relevant factors are unknown at the date hereof. The weighted average lives of the Notes will be influenced by, among other things, the ability to negotiate restructurings or discounted pay-offs with the Borrowers, the timing of foreclosure proceedings in Portuguese courts and the market circumstances under which Properties (or other Borrower assets) will be sold.

The WAL indicated below shows the expected average life of the Class A Notes and has been prepared on the basis of certain assumptions as described below regarding the characteristics of the Receivables in the Receivables Portfolio and the performance thereof. The WAL information for Class A Notes assumes, among other things, that:

a) the issue date of the Notes is 16 November 2018;
b) the modelled interest payment dates ("**IPD**") do not take into consideration public holidays;
c) Class A Notes WAL is estimated as of 23 November 2018;
d) the reference rate (Six Month EURIBOR) applicable to the payment dates is in line with the 6-month forward EURIBOR curve as of 31 October 2018;
e) the Servicers' business plans base case expected gross recoveries and expected recovery costs as per Tables A, B and C of the section "*Business Plans for the Receivables Portfolio*" are the inputs used in the model to calculate the WAL;
f) for each scenario depicted under the WAL table below, a constant adjustment percentage is applied to both expected gross recoveries;
g) the servicing fees and servicing fee deferral have been assessed in accordance with the terms of the Secured Commercial, Secured Residential and Unsecured Receivables Servicing Agreements;
h) the work-out procedures and timings are those as specified in each Servicer's business plan, whose assumptions depend on certain key assumptions, including, among others, the relevant Servicer's work-out strategy expectations, the court location, the stage of legal proceeding, and the relevant Servicer's portfolio review;
i) the interest charged to the Transaction Accounts has not been considered for the purposes of the calculations;
j) the interest cap has been taken into consideration to support interest rate payments on the Notes according to the 6-month forward EURIBOR curve with reference rate as of 31 October 2018;
k) a Subordination Event is deemed to be actioned on scenarios where the Cumulative Collection Ratio is lower than 90% of business plan;
l) the Class R Notes outstanding balance has been modelled according to the Pre-Enforcement Payment Priorities;
m) Collections estimated for the period from 31 July 2018 until 30 September 2018 amounting to €1,516,435.99 have been assumed to be added on the net collections on the Issue Date.

The actual characteristics and performance of the Receivables in the Receivables Portfolio could differ from the assumptions used in constructing the WAL information set forth below. The WAL projections are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under the servicers' base case scenario. These estimates have certain inherent limitations and it can be expected that some or all of the assumptions underlying these projections could not materialise or could vary significantly from actual results. No representations can be made with regards to the accuracy of the estimates, nor with regards to their realisation.

Adjustment for the Servicers' base case business plans. Positive adjustment means increase in gross recoveries, negative adjustment means decrease in gross recoveries and 0% adjustment is the base case as shown on Servicer's business plans provided at Issue Date.

Adjustment	Class A WAL
+15%	2.81
+10%	2.90
+5%	2.98
0%	3.10
-5%	3.17
-10%	3.19
-15%	3.33

The average life of the Class A Notes is subject to factors that are largely out of the control of the Issuer. As a consequence, no assurance can be given that the above estimates will prove in any way to be realistic and therefore they must be considered with caution.

SUMMARY OF PORTFOLIO REVIEW

The following is a summary of the portfolio reviews performed prior to the Issue Date by HG PT, Unipessoal, Lda. ("**Hipoges**"), Whitestar Asset Solutions, S.A. ("**Whitestar**"), Proteus Asset Management, Unipessoal Lda. ("**Altamira**") and the legal advisors to J.P. Morgan Securities plc as to matters of Portuguese law, Vieira de Almeida & Associados, Sociedade de Advogados, SP RL ("**VdA**"). For the sake of clarity, and as further detailed below, none of such portfolio reviews has been prepared at the request of the Issuer. This summary is not intended to be exhaustive and prospective investors should carry out their own investigations, searches or other actions in respect of the assets contained in the Receivables Portfolio and reach their own views prior to making any investment decision.

Hipoges, with registered office at Avenida José Malhoa, no. 27, 11.º, in Lisbon, Portugal, acts as the Servicer of the Secured Commercial Receivables and has no material interest in the Issuer. Hipoges performed an assessment which is summarised below, under the section headed "Secured Commercial Receivables", at the request of BST as initial Seller.

Whitestar, with registered office at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, 2770-203 Paço de Arcos, parish of Oeiras e S. Julião da Barra, Paço de Arcos e Caxias, municipality of Oeiras, acts as the Servicer of the Secured Residential Receivables, and has no material interest in the Issuer save as specified in the section *"The Parties"* above. Whitestar performed an assessment which is summarised below under the section headed "Secured Residential Receivables", at the request of BST as initial Seller.

Altamira, with registered office at Avenida da República 90, 2nd floor, 1600-206 Lisbon, acts as the Servicer of the Unsecured Receivables and has no material interest in the Issuer. Altamira performed an assessment which is summarised below, under the section headed "Unsecured Receivables", at the request of BST as initial Seller.

Vieira de Almeida e Associados, Sociedade de Advogados SP, RL, with registered office at Rua Dom Luis I, 28, 1200-151 Lisbon, acting in the capacity of legal advisors to J.P. Morgan Securities plc, and having no material interest in the Issuer, performed an assessment which is summarised below, under the section headed "Legal Due Diligence", at the request of J.P. Morgan Securities plc as the Sole Arranger and Lead Manager of the Guincho Finance transaction.

The information below has been accurately reproduced from the abovementioned portfolio reviews and as far the Issuer is aware and was able to ascertain from the information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1. Secured Commercial Receivables

Hipoges performed an assessment of a sample of the secured commercial portfolio and review of loan, financial, legal and property information (including the assessment on the existence of senior and junior liens and retention rights), guarantors and general guarantees, real estate guarantees (*garantias*) and judicial file status (including any *Processo Especial de Revitalização* (PER) proceedings status, powers of attorney and cash-in-court). This exercise was concluded in September 2018. The review was performed based on the documentation and information provided by BST (which did not include documentation on approximately 1% (one per cent.) of the clients in the secured commercial portfolio), and on certain investigations and searches carried out by Hipoges, including, among others, court reviews, requests for permanent certificates of real estate registration, contacts with insolvency administrators and solicitors and additional valuation reports from BST. Considering that the portfolio is dynamic with client, financial, legal and property status changing through the normal lifecycle of the assets, the portfolio review performed by Hipoges was based on the portfolio collateral determination date of 31 July 2018 (the "**Cut-off Date**"). All the information provided in this section refers to the referred Cut-off Date, unless otherwise expressly indicated.

For the purposes of the portfolio review, Hipoges relied on and assumed, among others, that the information and documentation provided by BST to that effect was exact and true at the relevant date and that no information or relevant documentation was omitted by BST.

Hipoges performed a detailed assessment of the top 30 (thirty) borrowers, representing an unpaid principal balance of approx. €139,492,456.93 as of 30 September 2018, covering approx. 78.65 per cent. of the total perimeter of the secured commercial portfolio as of 30 September 2018. Hipoges performed a review of real estate and guarantees by analysing the corresponding real estate registration certificates and also the cadastral registry of 99 per cent of the portfolio assets, in order to assess the information concerning the liens (senior and junior), maximum mortgage amount and ownership for each property. In this context, Hipoges performed (i) drive by valuations on a sample of properties fulfilling pre-defined criteria, carried out by independent experts certified by CMVM, who analysed the available documentation supported by market research and, where necessary, inquiries to the city halls; and (ii) desktop valuations on approximately €53,516,966.17 in terms of servicer valuation amount (c. 40.03 per cent. of total servicer valuation amount) as of 30 September 2018, or approximately €60,192,515.25 in terms of unpaid principal balance (UPB) (c. 35.78 per cent of total UPB) as of 30 September 2018. Apart from drive bys, Hipoges have also carried out different types of appraisals, such as templates, line-by-line and extrapolation.

The assessment performed by Hipoges and the indications resulting therefrom were taken into consideration by the Originator in defining the actual Secured Commercial Receivables that the Originator has assigned to the Issuer on the Issue Date, and was reflected in the business plan prepared by Hipoges.

In addition to the portfolio review, Hipoges performed the boarding of all information provided, including, but not limited to, the upload of all the borrowers' positions, contracts, court proceedings, and legal documentation received in connection thereto. Hipoges also performed a quality data review, data remediation and legal data review on all the borrowers included in the secured commercial perimeter, which included the subrogation in all the court proceedings regarding the secured commercial portfolio.

For details on the business plans and performance of the Receivables Portfolio in light of the above described assessments and analysis, see sections "*Business Plans for the Receivables Portfolio*" and "*Performance of the Receivables Portfolio*".

2. Secured Residential Receivables

Whitestar performed an assessment of the total secured residential portfolio and reviews loan, financial, legal and property information (including the assessment on the existence of senior liens and retention rights), guarantors and general guarantees, real estate guarantees (*garantias*) and judicial file status (including any PER proceedings status, powers of attorney and cash-in-court). This exercise was concluded in September 2018.

The review was performed based on the documentation and information provided by BST and on certain investigations and searches carried out by Whitestar, including, among others, court reviews, requests for permanent certificates of real estate registration, contacts with insolvency administrators and solicitors and additional valuation reports from BST. Where inconsistencies were found by Whitestar in relation to the data tape, Whitestar based its analysis on the supporting documentation and updated the data tape accordingly. Considering that the portfolio is dynamic with client, financial, legal and property status changing through the normal lifecycle of the assets, the portfolio review performed by Whitestar was based on the portfolio collateral determination date of 31 July 2018 (the "**Cut-off Date**"). All the information provided in this section refers to the referred Cut-off Date, unless otherwise expressly indicated.

For the purposes of the portfolio review, Whitestar relied on and assumed, among others, that the information and documentation provided by BST to that effect was exact and true at the relevant date and that no information or relevant documentation was omitted by BST.

Whitestar performed a portfolio review of all individual borrowers, and performed a detailed assessment of the top 10 (ten) borrowers, representing an unpaid principal balance of approx. €8,312,466.82 as of 30 September 2018, covering approx. 11.55 per cent. of the total perimeter secured residential portfolio serviced by Whitestar as of 30 September 2018. From the review of the Secured Residential Portfolio, Whitestar has found 149 new claims (corresponding to business Plan value of €13,577,669), has identified senior liens in 269 properties (corresponding to €20,105,392) and has found that 35 properties have been sold to third parties. Moreover, Whitestar has also found that 25 properties have been closed (in relation to which the recovery amount will be €0) as of 30 September 2018. The Whitestar perimeter also includes a total of 51 properties associated to 49 borrowers with a status as of 30 September 2018 of either property sold or property converted into Real Estate-Owned (REO).

In addition, Whitestar performed (i) drive-by valuations on a sample of properties fulfilling pre-defined criteria, carried out by independent experts certified by CMVM, who analysed the available documentation supported by market research and, where necessary, inquiries to the city halls; and (ii) desktop valuations using a "5-step model" on approximately €75,603,770.00 servicer valuation amount (c. 85.79 per cent. of total servicer valuation amount) as of 30 September 2018, or approximately €54,330,192.48 in terms of unpaid principal balance (c. 85.83 per cent. of the total unpaid principal balance) as of 30 September 2018.

The assessment performed by Whitestar and the indications resulting therefrom were taken into consideration by the Originator in defining the actual Secured Residential Receivables that the Originator assigned to the Issuer on the Issue Date, and was reflected in the business plan prepared by Whitestar.

For the purposes of its business plan (see "*Business Plans for the Receivables Portfolio*" – "*Whitestar Business Plan*"), Whitestar has determined different categories of possible mechanisms for recovery of the receivables, based on Whitestar's track record since 2012 onwards and the resolution process that would be the most likely to occur considered on a case-by-case basis, including, among others, repossession, judicial sale and amicable resolutions. According to the business model built by Whitestar, the variation of cash-flows during the life of the Notes is estimated to be greater between the end of the first year and the end of the second year, during which period the convergence effects of both the amicable resolutions are more prone to happen during the early servicing days of the receivables portfolio (50 per cent.) of the amicable resolutions occur during the first 12 months of servicing. The cash-flows estimates were modelled to start cashing-in only once the resolution phase has taken place.

The events that affect directly the estimation of the cash-flows are the following: (a) the time to foreclosure the property depends on the judicial processing and the corresponding legal phase; (b) in amicable resolutions, the credit claim process until real estate ownership is faster and less costly than through the judicial process; (c) the timings for selling property follow a region/location and type of asset criteria from the last 5 years of track record at Whitestar (from a statistical perspective, the sale of real estate trend during the recovery life of the transaction is more likely to be aligned with the past 5 years of data); (d) on average, it takes 12 months to collect monies arising from properties sold in court.

For details on the business plans and performance of the Receivables Portfolio in light of the above described assessments and analysis, see sections "*Business Plans for the Receivables Portfolio*" and "*Performance of the Receivables Portfolio*".

3. Unsecured Receivables

Altamira performed an assessment of all the exposures in the Unsecured Portfolio, including boarding, data review and remediation regarding the legal documentation provided by BST and available information on borrower credit quality. This exercise was concluded in August 2018.

For the purposes of the portfolio review, Altamira relied on and assumed, among others, that the information and documentation provided by BST to that effect was exact and true at the relevant date and that no information or relevant documentation was omitted by BST.

On top of the full legal and financial diligences of the portfolio, Altamira performed a detailed assessment of the top 30 (thirty) borrowers for BST and the top 14 (fourteen) borrowers for Banco Popular Portugal, S.A., representing an unpaid principal balance of approx. €54,763,183.02 as of 30 September 2018, covering approx. 25 per cent. of the total perimeter of the Unsecured Portfolio serviced by Altamira as of 30 September 2018. This review included an in-depth examination of such borrowers' exposures and an asset search on individual guarantors to identify attachable assets (real estate, salaries and movable assets). Attachable assets have been the main focus of the recovery strategy given that there have not been any foreclosures or bankruptcy filings in relation to the guarantors. Additionally, while 88.6% of the Unsecured Portfolio has been subject to litigation, the majority of guarantors have not been subject to litigation in relation to the Unsecured Portfolio.

In respect to the remaining borrowers, Altamira built a financial model and a business plan based on internal recovery curves from comparable portfolios that were under management at that date (see "*Business Plans for the Receivables Portfolio*" – "*Altamira Business Plan*").

In addition to the portfolio review, Altamira performed the boarding of all information provided, including, but not limited to, the upload of all the borrowers' positions, contracts, court proceedings, and legal documentation received in connection thereto. Altamira also performed a quality data review, data remediation and legal data review on all the borrowers included in the unsecured perimeter, which included the subrogation in all the court proceedings regarding the Unsecured Portfolio.

Following the above tasks, Altamira has concluded that the Unsecured Portfolio will be mostly resolved through court/bankruptcy liquidation (in light of the fact that 88.6% of the Unsecured Portfolio has been subject to litigation). Of the remaining 11.4% of the Unsecured Portfolio not yet subject to litigation (or 598 borrowers or €23.6M of the OPB), Altamira expects that 438 borrowers will be resolved amicably (or €3,5M or 2% of the OPB). Altamira further expects that 55% of the Unsecured Portfolio will be resolved during the first 24 months of management (because extrajudicial resolutions are projected to mainly occur during the first months of serving and the judicial proceedings verified in the Unsecured Portfolio are currently at an advanced stage.

The work performed by Altamira was taken into consideration by the Originator in defining the actual Unsecured Receivables that the Originator assigned to the Issuer on the Issue Date, and was reflected in the business plan prepared by Altamira.

For details on the business plans and performance of the Receivables Portfolio in light of the above described assessments and analysis, see sections *"Business Plans for the Receivables Portfolio"* and *"Performance of the Receivables Portfolio"*.

4. Legal review

VdA, as legal advisors to J.P. Morgan Securities plc as to matters of Portuguese law, conducted a legal review of a sample of loan agreements, in order to ascertain the compliance of the receivables resulting therefrom with the legal eligibility criteria set forth in the Securitisation Law, in particular in relation to (i)

the free transferability of credits, (ii) the pecuniary nature of credits, (iii) the inexistence of conditions in respect of the credits; and (iv) non-litigious nature of the credits.

The sample of loan agreement documentation reviewed was selected by BST, in cooperation with Hipoges, Whitestar and Altamira, comprising legal documentation in respect of 18 loans. According to information provided by BST, Hipoges, Whitestar and/or Altamira, the selection was made on the basis of the following criteria: (i) the originating entity (i.e., BST or Banco Popular Portugal, S.A.) and (ii) the type of product. The set of legal documentation under review did not exhaustively represent the entirety of the loans and relevant characteristics included in the Receivables Portfolio, and therefore the review/analysis of the loans is not necessarily valid or applicable to all the other loans/exposures in the Receivables Portfolio.

The legal review conducted by VdA was limited to the laws of Portugal as in force and effect as on 8 October 2018, and no independent investigation of, and no express or implicit opinion or judgement has been made on, the laws of any other jurisdictions.

The legal review has been prepared on the basis of a number of assumptions, including, but not limited to: (i) VdA has relied on the accuracy and completeness of the documentation and information provided and assumed that such documentation and information provided was and remained complete and up to date and was not misleading in any way; (ii) in relation to drafts (such as forms of agreements or others) or execution copies of documents, VdA has relied on the fact that they were true, complete and final versions of their respective contracts and that there were no variations whatsoever to the corresponding executed versions; (iii) VdA has assumed that all copies of documents and other materials provided were true, accurate and (unless otherwise indicated) complete copies of the originals and furthermore that all signatories, markings and stamps contained in such documents were genuine and legitimate, having been made by the corresponding persons in the capacities as indicated in such documents, enjoying due capacity and authority to execute such documents in the purported capacities. No review or investigation of the mortgage registrations with the relevant real estate registration office were made by VdA.

In addition, it has been flagged that due to limitations pertaining to the information and documentation made available, VdA was not able to confirm certain material aspects, such as the enforceability and validity of the security provided with respect to each loan or transfer restrictions.

It has also been pointed out that different loan agreements were not consistent among each other in terms of, among other contractual aspects, events of default and acceleration by the Originator, restrictions in respect of the creation of additional security over the particular secured asset, hardship (or grace) periods applying to borrowers, and confidentially restrictions.

As a global overview of the analysed loan agreements, and in order to ascertain the viability of the securitisation of the receivables originated by BST in accordance with such loan agreements, VdA prepared a synopsis of the characteristics of such receivables, bearing in mind the legal eligibility criteria set forth in article 4 of the Securitisation Law. This synopsis, contained in the table below, intended to be a very brief summary of the information that was specified in the charts of each analysed loan agreement, thus facilitating the comparison of the most relevant legal issues contained therein, in particular, those that should be taken into consideration in the selection of the portfolio of credits, in accordance with the terms provided for in the Securitisation Law.

Legal Eligibility Criteria	Findings	Indications
The credits are freely transferable and there are no legal or contractual limitation to their assignment	The analysed loan agreements did not contain any limitation on the assignment by BST of receivables arising therefrom.	It was concluded that receivables arising for BST from the analysed loan agreements could be assigned for securitisation purposes under these criteria.

Pecuniary nature of the credits	All receivables that may be owing to BST by the underlying borrowers under the loan agreements were of a pecuniary nature.	It was concluded that receivables arising for BST from the analysed loan agreements could be assigned for securitisation purposes under these criteria.
The credits are not subject to condition	No credits resulting from the loan agreements were found to be subject to condition.	It was concluded that receivables arising for BST from the analysed loan agreements could be assigned for securitisation purposes under these criteria.
The credits are not subject to litigation, do not constitute collateral nor are judicially seized or apprehended	This matter could only be ascertained in light of the actual performance of the loan agreements.	It was in any case noted that the analysed loan agreements documentation did not contain any provision that would impair these criteria.

Based on the assumptions and subject to the limitations in the legal review, and subject to any remainder documentation relating to the loan agreements that were not provided complying with the applicable legal requirements, VdA has identified no reason for the loan agreement documentation that has been reviewed to prevent the underlying receivables from being assigned for securitisation purposes.

BUSINESS PLANS FOR THE RECEIVABLES PORTFOLIO

Below are the business plan extracts for the Receivables Portfolio, prepared by Whitestar, Hipoges and Altamira, which act as Secured Residential Servicer, Secured Commercial Servicer and Unsecured Servicer Servicer, respectively. The information below is not intended to be exhaustive of any possible projections or forecasts on the relevant assets and prospective investors should carry out their own investigations, searches or other actions in respect of the assets contained in the Receivables Portfolio and reach their own views prior to making any investment decision.

1. Whitestar Business Plan

The information set out below includes the business plan extracts for Whitestar as at 30 September 2018 (please see tables under "*Whitestar Business Plans*" below, which pertain to the results of the portfolio review and the assumptions thereunder at the Closing Date.

The information included in this section is based upon the results of the portfolio review and the assumptions thereunder, which findings and assumptions influenced the contractual provisions, information and obligations set forth in the Receivables Sale Agreement and its respective Schedules. The information that influenced the terms of the Receivables Sale Agreement and therefore the business plan relates notably to (i) the accuracy of the disclosed ranking position of each collateral specified in the Receivables Sale Agreement and its respective Schedules, where applicable, and (ii) the assumption that the parties to the Receivables Sale Agreement will comply with all obligations under the terms of the Receivables Sale Agreement, including any obligation related with the remedy or contractual consequence of any such information not being true, complete or accurate.

To produce this Business Plan, Whitestar relied upon its internal historical performance which is backed by years of experience running over several similar portfolios. In the case of Guincho Finance, Whitestar sampled the last 6 (six) years of track record to calibrate the metrics and the assumptions made on the Business Plan, namely all the timings involved on the recovery process as well as on the sale of collaterals. Whitestar Business Plan takes into account the costs and property related timings of the Portuguese legal and real estate environment. The estimated recovery values, costs and timings are based on historical observations. The model is applying legal timings assumptions based on each legal process and per legal phase. On the RE Assets the model estimate recovery values (sale value of the property), costs and timings based on Whitestar's experience and inputs from internal valuation and RE teams.

The tables below show costs (not comprehensive) associated to the recovery of a secured loan, notably judicial costs on both foreclosure and bankruptcy files, as well as costs related to a property.

Cost	Units	Value	Multiple
Stamp tax	%/property	0.8%	
Insurance	%/property	0.0373%	
Property maintenance	EUR	600	
Property registration	€/property	250	1
Pledge cancelation & mortgage conversion	€/property	200	
Condo fees	€/month	50	
Broker fee	€/%		
0	15,000	1,845	
15,000	30,000	2,460	
30,000	50,000	3,075	
50,000		6.15%	
1,000,000		4.92%	

Credit assignment registration	€/property	450	2
deed	€/property	92	
marketable costs	€/property	123	
imi	€/property	0.50%	
NOA lettering cost	€/client	2.0	
hello letter	€/client	0.62	
sec letter	€/client	1.85	
Substitution Incident		102.00	

Property Type	Valuations	Energy Certificates
Building	175	750
Detached	87	217
Farm	75	0
Flat	74	163
Garage	37	0
Hotel	500	0
Land	120	0
Office	74	900
Parking	74	0
Shop	74	900
Storage	37	0
Warehouse	175	750
NA	75	0

Judicial Costs	Com título executivo
Taxa de justiça	
< 30.000€	38.25
> 30.000€	76.50
Fase 1 - Search of Assets/ Goods	139.23
Initial Cost	215.73

On going Judicial Cost by year	1	>1
bankruptcy	7%	7%
Judicial Sale - Repossession	7%	7%
Judicial Sale - 3rd Party	7%	7%
DIL	2%	2%
Amicable	2%	2%

This Whitestar Business Plan has been built in accordance with the methodology described above and on the basis of the above described assumptions. Projections, forecasts and estimates contained in the tables below are made by reference to the relevant date(s) therein indicated and are subject to change as provided for in the Transaction Documents. The same projections, forecasts and estimates involve a number of assumptions which may not materialise or may vary significantly.

On the basis of the abovementioned assumptions, Whitestar prepared a business plan that forecasts and summarises the future recoveries from the Secured Residential Receivables of the Receivables Portfolio, under a base case scenario that is based on past performance experienced by Whitestar on similar portfolios,

as well as certain other assumptions resulting from the portfolio review conducted by Whitestar on the Receivables Portfolio prior to the Closing Date (see section: "Summary of Portfolio Review").

Past performance is not necessarily indicative of what the actual future results may be and the base case business plan prepared by Whitestar does not guarantee that recoveries from the Receivables will occur within the forecasted timing nor that they will occur with the expected recovery rate.

Table A below summarises the key business plan figures as at 30 September 2018, namely: (i) the expected gross collections; (ii) the expected recovery costs in respect of the Secured Residential Receivables of the Receivables Portfolio; (iii) the expected net recoveries as a difference between (i) and (ii); (iv) the servicing fees payable to Whitestar under the Transaction Documents, in the event that the actual performance is in line with the projections of the business plan; and (v) the expected recoveries net of the base case servicing fees as a difference of item (iii) and item (iv) above.

The expected recovery costs under (ii) include a number of certain items in respect of the securitised non-performing loans work-out procedures; however, the expected recovery costs under (ii) exclude the expected servicing fees payable to Whitestar under the Transaction Documents.

In the event that the servicer's performance is lower than what the base case business plan shows, then performance triggers and deferability of fees may occur as stated in the Secured Residential Receivables Servicing Agreement (see section "Overview of Certain Transaction Documents" of the Prospectus).

Whitestar Business Plans

TABLE A

Gross Expected Recoveries in euro / Expected Recovery Costs in euro / Expected Net Recoveries in euro/ Expected Servicing Fees in euro / Expected Recoveries Net of Servicing Fees in euro

Date	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
31/10/2018	102,626.80	5,131.34	492,770.37	-395,274.90
30/11/2018	141,704.58	7,085.23	104,014.14	30,605.21
31/12/2018	155,392.90	7,769.64	101,124.98	46,498.27
31/01/2019	191,231.26	9,561.56	124,429.40	57,240.30
28/02/2019	213,914.94	10,695.75	116,771.67	86,447.53
31/03/2019	239,363.60	11,968.18	123,505.31	103,890.11
30/04/2019	245,374.67	12,268.73	128,877.78	104,228.16
31/05/2019	276,919.05	13,845.95	109,990.78	153,082.31
30/06/2019	302,905.02	15,145.25	113,969.17	173,790.59
31/07/2019	359,520.41	17,976.02	120,516.06	221,028.33
31/08/2019	405,813.18	20,290.66	120,326.39	265,196.13
30/09/2019	534,654.73	26,732.74	166,720.33	341,201.66
31/10/2019	500,588.88	25,029.44	135,984.85	339,574.59
30/11/2019	511,333.41	25,566.67	195,348.10	290,418.64
31/12/2019	536,179.51	26,808.98	117,571.09	391,799.44
31/01/2020	588,001.09	29,400.05	124,757.57	433,843.46
29/02/2020	684,572.54	34,228.63	151,246.67	499,097.24
31/03/2020	806,592.69	40,329.63	136,946.65	629,316.41
30/04/2020	932,769.70	46,638.48	126,556.12	759,575.09
31/05/2020	1,070,076.48	53,503.82	150,808.78	865,763.88
30/06/2020	1,153,259.80	57,662.99	130,961.86	964,634.95
31/07/2020	1,208,760.24	60,438.01	140,806.57	1,007,515.66

31/08/2020	1,307,910.11	65,395.51	164,413.46	1,078,101.14
30/09/2020	1,296,881.89	64,844.09	142,961.16	1,089,076.64
31/10/2020	1,356,023.57	67,801.18	182,649.33	1,105,573.07
30/11/2020	1,464,531.23	73,226.56	145,621.30	1,245,683.37
31/12/2020	1,526,879.89	76,343.99	145,211.16	1,305,324.74
31/01/2021	1,543,886.36	77,194.32	171,808.01	1,294,884.03
28/02/2021	1,526,136.21	76,306.81	131,600.99	1,318,228.41
31/03/2021	1,550,960.60	77,548.03	157,556.37	1,315,856.20
30/04/2021	1,555,072.37	77,753.62	141,266.47	1,336,052.28
31/05/2021	1,529,324.73	76,466.24	121,544.95	1,331,313.55
30/06/2021	1,513,931.69	75,696.58	116,472.03	1,321,763.07
31/07/2021	1,492,302.44	74,615.12	95,513.00	1,322,174.32
31/08/2021	1,405,778.20	70,288.91	130,179.92	1,205,309.36
30/09/2021	1,368,070.53	68,403.53	107,680.29	1,191,986.71
31/10/2021	1,365,666.75	68,283.34	120,824.68	1,176,558.74
30/11/2021	1,282,566.73	64,128.34	88,170.60	1,130,267.79
31/12/2021	1,273,099.59	63,654.98	103,781.12	1,105,663.49
31/01/2022	1,278,507.30	63,925.37	55,209.16	1,159,372.78
28/02/2022	1,256,364.33	62,818.22	72,841.36	1,120,704.76
31/03/2022	1,198,450.26	59,922.51	119,213.84	1,019,313.91
30/04/2022	1,114,944.23	55,747.21	113,573.51	945,623.51
31/05/2022	1,019,695.68	50,984.78	116,554.29	852,156.60
30/06/2022	1,017,861.11	50,893.06	97,229.16	869,738.89
31/07/2022	996,223.29	49,811.16	76,649.87	869,762.25
31/08/2022	967,532.87	48,376.64	112,155.78	807,000.45
30/09/2022	928,737.93	46,436.90	83,336.41	798,964.62
31/10/2022	825,851.06	41,292.55	73,556.35	711,002.16
30/11/2022	807,605.50	40,380.28	77,417.50	689,807.73
31/12/2022	763,117.04	38,155.85	68,900.59	656,060.59
31/01/2023	712,008.58	35,600.43	59,315.88	617,092.27
28/02/2023	666,642.26	33,332.11	69,448.20	563,861.95
31/03/2023	576,769.45	28,838.47	57,677.87	490,253.11
30/04/2023	583,058.05	29,152.90	31,266.21	522,638.94
31/05/2023	576,490.99	28,824.55	45,549.73	502,116.71
30/06/2023	494,611.13	24,730.56	28,729.98	441,150.58
31/07/2023	456,150.96	22,807.55	24,300.55	409,042.86
31/08/2023	475,460.03	23,773.00	14,098.24	437,588.79
30/09/2023	445,470.34	22,273.52	16,082.60	407,114.23
31/10/2023	443,328.30	22,166.41	22,425.92	398,735.96
30/11/2023	387,010.04	19,350.50	2,596.55	365,063.00
31/12/2023	349,755.64	17,487.78	10,909.97	321,357.90
31/01/2024	292,461.29	14,623.06	35,193.02	242,645.21
29/02/2024	259,172.10	12,958.61	8,047.18	238,166.32
31/03/2024	237,829.58	11,891.48	15,122.59	210,815.51
30/04/2024	179,251.23	8,962.56	463.91	169,824.76
31/05/2024	138,499.93	6,925.00	8,405.85	123,169.08
30/06/2024	129,287.52	6,464.38	2,136.92	120,686.22
31/07/2024	103,292.30	5,164.61	267.73	97,859.95
31/08/2024	54,347.76	2,717.39	267.73	51,362.64
30/09/2024	43,833.13	2,191.66	229.80	41,411.68
31/10/2024	34,271.93	1,713.60	229.80	32,328.53
30/11/2024	34,211.90	1,710.60	2,074.80	30,426.51
31/12/2024	30,535.31	1,526.77	6,368.54	22,640.00
31/01/2025	29,556.21	1,477.81	100.85	27,977.55
28/02/2025	29,456.56	1,472.83	100.85	27,882.88
31/03/2025	26,772.15	1,338.61	100.85	25,332.70

30/04/2025	26,711.64	1,335.58	66.15	25,309.90
31/05/2025	26,611.66	1,330.58	66.15	25,214.93
30/06/2025	26,150.99	1,307.55	0.00	24,843.44
31/07/2025	22,169.26	1,108.46	0.00	21,060.80
31/08/2025	22,069.17	1,103.46	0.00	20,965.71
30/09/2025	21,969.08	1,098.45	0.00	20,870.63
31/10/2025	12,750.65	637.53	0.00	12,113.12
30/11/2025	12,650.56	632.53	0.00	12,018.03
31/12/2025	6,867.00	343.35	0.00	6,523.65
31/01/2026	6,766.91	338.35	0.00	6,428.57
28/02/2026	6,666.82	333.34	0.00	6,333.48
31/03/2026	6,566.73	328.34	0.00	6,238.39
30/04/2026	6,466.64	323.33	0.00	6,143.31
31/05/2026	6,366.55	318.33	0.00	6,048.22
30/06/2026	6,266.46	313.32	0.00	5,953.14
31/07/2026	6,166.37	308.32	0.00	5,858.05
31/08/2026	6,066.28	303.31	0.00	5,762.97
30/09/2026	5,966.19	298.31	0.00	5,667.88
31/10/2026	5,866.10	293.30	0.00	5,572.79
30/11/2026	5,766.01	288.30	0.00	5,477.71
31/12/2026	5,665.92	283.30	0.00	5,382.62
31/01/2027	5,565.83	278.29	0.00	5,287.54
28/02/2027	5,465.74	273.29	0.00	5,192.45
31/03/2027	5,365.65	268.28	0.00	5,097.36
30/04/2027	5,265.56	263.28	0.00	5,002.28
31/05/2027	5,165.47	258.27	0.00	4,907.19
30/06/2027	5,065.38	253.27	0.00	4,812.11
31/07/2027	4,965.29	248.26	0.00	4,717.02
31/08/2027	4,865.20	243.26	0.00	4,621.94
30/09/2027	4,765.10	238.26	0.00	4,526.85
31/10/2027	4,665.01	233.25	0.00	4,431.76
30/11/2027	4,564.92	228.25	0.00	4,336.68
31/12/2027	4,464.83	223.24	0.00	4,241.59
31/01/2028	4,364.74	218.24	0.00	4,146.51
29/02/2028	4,264.65	213.23	0.00	4,051.42
31/03/2028	4,164.56	208.23	0.00	3,956.33
30/04/2028	4,064.47	203.22	0.00	3,861.25
31/05/2028	3,964.38	198.22	0.00	3,766.16
30/06/2028	3,864.29	193.21	0.00	3,671.08
31/07/2028	3,764.20	188.21	0.00	3,575.99
31/08/2028	3,664.11	183.21	0.00	3,480.91
30/09/2028	3,564.02	178.20	0.00	3,385.82
31/10/2028	3,463.93	173.20	0.00	3,290.73
30/11/2028	3,372.57	168.63	0.00	3,203.94
31/12/2028	3,281.20	164.06	0.00	3,117.14
31/01/2029	3,190.28	159.51	0.00	3,030.76
28/02/2029	3,099.39	154.97	0.00	2,944.42
31/03/2029	3,008.54	150.43	0.00	2,858.11
30/04/2029	2,917.84	145.89	0.00	2,771.94
31/05/2029	2,827.15	141.36	0.00	2,685.79
30/06/2029	2,736.92	136.85	0.00	2,600.08
31/07/2029	2,646.77	132.34	0.00	2,514.43
31/08/2029	2,556.84	127.84	0.00	2,429.00
30/09/2029	2,466.94	123.35	0.00	2,343.59
31/10/2029	2,377.05	118.85	0.00	2,258.20
30/11/2029	2,287.45	114.37	0.00	2,173.08

31/12/2029	2,198.21	109.91	0.00	2,088.30
31/01/2030	2,108.97	105.45	0.00	2,003.52
28/02/2030	2,020.91	101.05	0.00	1,919.86
31/03/2030	1,933.92	96.70	0.00	1,837.22
30/04/2030	1,848.07	92.40	0.00	1,755.67
31/05/2030	1,762.76	88.14	0.00	1,674.62
30/06/2030	1,677.55	83.88	0.00	1,593.68
31/07/2030	1,593.50	79.68	0.00	1,513.83
31/08/2030	1,510.69	75.53	0.00	1,435.16
30/09/2030	19,699.33	984.97	0.00	18,714.36

	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
Total	55,910,000.81	2,795,500.04	7,029,541.68	46,084,959.09

Interim Cash Collections

From 31 July 2018 to 30 September 2018, the total net cash collections under the Secured Residential Receivables is expected to be €406,040.10.

2. Hipoges Business Plan

The information set out below includes the business plan extracts for Hipoges as at 30 September 2018 (please see tables under "*Hipoges Business Plans*" below, which pertain to the results of the portfolio review and the assumptions thereunder at the Closing Date.

Assumptions:

Hipoges Iberia ("Hipoges") was invited by Banco Santander Totta, S.A. ("BST"), to participate in a portfolio review and servicing process of a secured commercial portfolio in the context and with the purpose of structuring of a securitized transaction. The secured commercial part of the Receivables Portfolio to be securitised had approximately €179,633,227 of Gross Book Value as of 30 September 2018.

Hipoges team has a considerable experience on Portuguese NPL and Real Estate market and has participated successfully in the past on several transactions on similar investment opportunities. As a common standard approach, Hipoges unsecured portfolios price is based on (i) historical collections on the relevant pool and/or, (ii) similar portfolios that Hipoges has under management.

During the recovery estimate process, Hipoges has sought to gather as much information as possible, and performed several ancillary activities to provide an accurate view of the whole portfolio.

Hipoges' business plan reflects not only the costs but also property related hypotheses and timings of the Portuguese legal and real estate environment. The business plan is also based in an asset line by line approach.

The Secured pricing model is divided in 3 parts:

a) the first part consists in inputs that reflect not only the costs but also property related hypotheses and timings of the Portuguese legal and real estate environment;

b) the second part consists in calculations of the estimated recovery values, costs and timings, based on datatape and assumptions. The model is applying legal timings assumptions based on each legal process (Foreclosure, Insolvency and Tax Foreclosure) and per legal phase. Those timings were built based on all the phase changes of the processes that Hipoges have or had under management.

On the RE Assets the model estimates also sale values, costs and timings, based on the due diligence and HG assumptions, based on Hipoges past experience, while for the ones reviewed, the model considered the sale inputs from Hipoges internal valuation team.

c) the third part is where the model calculates the cash-flows in order to assign the final Gross/Net Collections to the portfolio. The cash flow is divided in two parts. The first part is the cash flows generated through the assets disposals (Gross Collections) and the second, is the costs generated from the repossession, hold and sale of the assets, as well as the servicing fees.

On the basis of the abovementioned assumptions, Hipoges prepared a business plan that forecasts and summarises the future recoveries from the Secured Commercial Receivables of the Receivables Portfolio under a base case scenario that is based on past performance experienced by Hipoges on similar portfolios, as well as certain other assumptions resulting from the portfolio review conducted by Hipoges on the Receivables Portfolio prior to the Closing Date.

Past performance is not necessarily indicative of what the actual future results may be and the base case business plan prepared by Hipoges does not guarantee that recoveries from the Receivables will occur within the forecasted timing nor that they will occur with the expected recovery rate.

Table B below summarises the key business plan figures as at 30 September 2018, namely: (i) the expected gross collections; (ii) the expected recovery costs in respect of the Secured Commercial Receivables of the

Receivables Portfolio; (iii) the expected net recoveries as a difference between (i) and (ii); (iv) the servicing fees payable to Hipoges under the Transaction Documents, in the event that the actual performance is in line with the projections of the business plan; and (v) the expected recoveries net of the base case servicing fees as a difference of item (iii) and item (iv) above.

The expected recovery costs under (ii) include a number of certain items in respect of the securitised non-performing loans work-out procedures; however, the expected recovery costs under (ii) exclude the expected servicing fees payable to Hipoges under the Transaction Documents.

In the event that the servicer's performance is lower than what the base case business plan shows, then performance triggers and deferrability of fees may occur as stated in the Secured Commercial Receivables Servicing Agreement (see section "*Overview of Certain Transaction Documents*" of the Prospectus).

Hipoges Business Plans

Table B

Gross Expected Collections in euro / Expected Recovery Costs in euro/ Net Recoveries in euro/Expected Servicing Fees in euro / Expected Recoveries Net of Servicing Fees in euro

Date	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
31/12/2018	0.00	0.00	13,027.71	-13,027.71
31/01/2019	26,750.40	1,337.52	14,672.86	10,740.02
28/02/2019	26,750.40	1,337.52	1,975.12	23,437.76
31/03/2019	34,981.05	1,749.05	2,481.30	30,750.69
30/04/2019	37,560.59	1,878.03	2,481.30	33,201.26
31/05/2019	37,560.59	1,878.03	2,481.30	33,201.26
30/06/2019	164,161.38	8,208.07	24,372.03	131,581.28
31/07/2019	240,012.45	12,000.62	25,960.69	202,051.14
31/08/2019	241,250.05	12,062.50	38,578.69	190,608.86
30/09/2019	293,859.21	14,692.96	42,911.98	236,254.27
31/10/2019	294,056.50	14,702.82	43,022.11	236,331.57
30/11/2019	294,056.50	14,702.82	34,140.01	245,213.66
31/12/2019	407,613.48	20,380.67	70,766.85	316,465.96
31/01/2020	425,014.91	21,250.75	608,786.23	-205,022.07
29/02/2020	793,347.24	39,667.36	624,497.81	129,182.07
31/03/2020	795,287.03	39,764.35	647,226.25	108,296.43
30/04/2020	806,790.83	40,339.54	869,727.96	-103,276.67
31/05/2020	933,285.32	46,664.27	949,953.89	-63,332.84
30/06/2020	1,100,379.84	55,018.99	432,486.56	612,874.29
31/07/2020	1,050,700.20	52,535.01	198,567.90	799,597.29
31/08/2020	1,068,259.33	53,412.97	205,653.26	809,193.10
30/09/2020	1,126,002.36	56,300.12	-11,159.19	1,080,861.43
31/10/2020	1,156,714.45	57,835.72	48,018.06	1,050,860.67
30/11/2020	1,217,413.02	60,870.65	34,741.62	1,121,800.74
31/12/2020	1,242,703.05	62,135.15	255,843.87	924,724.03
31/01/2021	1,562,371.25	78,118.56	271,228.27	1,213,024.42
28/02/2021	1,556,758.45	77,837.92	154,821.06	1,324,099.46
31/03/2021	1,587,327.75	79,366.39	614,336.18	893,625.18
30/04/2021	1,791,257.36	89,562.87	555,036.53	1,146,657.96
31/05/2021	1,802,113.79	90,105.69	550,033.04	1,161,975.06
30/06/2021	1,828,976.25	91,448.81	551,655.02	1,185,872.42
31/07/2021	1,830,219.80	91,510.99	539,963.06	1,198,745.74

31/08/2021	1,854,479.47	92,723.97	577,871.53	1,183,883.96
30/09/2021	1,861,570.57	93,078.53	235,331.33	1,533,160.70
31/10/2021	1,866,191.05	93,309.55	187,588.30	1,585,293.20
30/11/2021	1,878,865.02	93,943.25	178,362.21	1,606,559.56
31/12/2021	1,848,320.49	92,416.02	169,426.59	1,586,477.88
31/01/2022	1,850,828.35	92,541.42	169,669.33	1,588,617.60
28/02/2022	1,848,083.97	92,404.20	168,491.36	1,587,188.41
31/03/2022	2,253,745.46	112,687.27	261,592.66	1,879,465.52
30/04/2022	2,253,745.46	112,687.27	-57,343.41	2,198,401.60
31/05/2022	2,240,709.91	112,035.50	-58,207.51	2,186,881.93
30/06/2022	1,902,612.49	95,130.62	-80,704.25	1,888,186.11
31/07/2022	1,822,256.60	91,112.83	-81,763.36	1,812,907.13
31/08/2022	1,822,256.60	91,112.83	-81,872.49	1,813,016.26
30/09/2022	1,650,200.14	82,510.01	-81,872.49	1,649,562.62
31/10/2022	1,648,587.28	82,429.36	56,255.24	1,509,902.68
30/11/2022	1,591,146.82	79,557.34	52,014.33	1,459,575.14
31/12/2022	1,591,146.82	79,557.34	52,014.33	1,459,575.14
31/01/2023	1,584,206.84	79,210.34	51,655.01	1,453,341.48
28/02/2023	1,473,860.98	73,693.05	49,231.70	1,350,936.24
31/03/2023	1,425,040.76	71,252.04	36,279.48	1,317,509.25
30/04/2023	1,416,958.55	70,847.93	40,190.92	1,305,919.71
31/05/2023	1,405,126.53	70,256.33	40,344.79	1,294,525.41
30/06/2023	1,388,909.44	69,445.47	40,344.79	1,279,119.18
31/07/2023	1,354,983.38	67,749.17	38,853.22	1,248,381.00
31/08/2023	1,353,632.49	67,681.62	38,801.78	1,247,149.08
30/09/2023	1,322,097.14	66,104.86	41,048.60	1,214,943.69
31/10/2023	1,160,106.28	58,005.31	34,332.97	1,067,768.00
30/11/2023	1,137,012.63	56,850.63	33,080.65	1,047,081.35
31/12/2023	1,123,331.05	56,166.55	30,224.57	1,036,939.93
31/01/2024	1,114,170.28	55,708.51	30,154.99	1,028,306.78
29/02/2024	1,043,468.78	52,173.44	28,661.92	962,633.42
31/03/2024	1,038,228.84	51,911.44	28,310.27	958,007.13
30/04/2024	897,693.32	44,884.67	20,946.47	831,862.18
31/05/2024	666,461.03	33,323.05	20,790.02	612,347.96
30/06/2024	629,946.20	31,497.31	19,700.74	578,748.15
31/07/2024	629,125.20	31,456.26	19,651.75	578,017.19
31/08/2024	629,125.20	31,456.26	19,651.75	578,017.19
30/09/2024	606,455.19	30,322.76	18,612.08	557,520.35
31/10/2024	592,364.72	29,618.24	18,577.27	544,169.21
30/11/2024	508,615.72	25,430.79	15,773.50	467,411.43
31/12/2024	496,795.45	24,839.77	15,176.75	456,778.93
31/01/2025	484,117.60	24,205.88	14,397.06	445,514.66
28/02/2025	419,316.03	20,965.80	10,930.53	387,419.69
31/03/2025	413,287.29	20,664.36	10,751.54	381,871.39
30/04/2025	407,090.55	20,354.53	10,339.49	376,396.53
31/05/2025	407,090.55	20,354.53	10,339.49	376,396.53
30/06/2025	404,096.32	20,204.82	10,138.91	373,752.59
31/07/2025	397,741.00	19,887.05	9,744.75	368,109.20

Date	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
31/08/2025	38,378.43	1,918.92	1,575.93	34,883.58
30/09/2025	33,182.45	1,659.12	1,575.93	29,947.40
31/10/2025	31,019.01	1,550.95	1,575.93	27,892.13
30/11/2025	26,079.85	1,303.99	1,288.45	23,487.41

31/12/2025	19,313.95	965.70	1,237.95	17,110.30
31/01/2026	19,313.95	965.70	1,237.95	17,110.30
28/02/2026	12,081.35	604.07	793.15	10,684.13
31/03/2026	9,886.11	494.31	639.64	8,752.16
30/04/2026	9,886.11	494.31	639.64	8,752.16
31/05/2026	9,886.11	494.31	639.64	8,752.16
30/06/2026	9,206.11	460.31	591.53	8,154.27
31/07/2026	3,577.45	178.87	247.62	3,150.97
31/08/2026	3,577.45	178.87	247.62	3,150.97
30/09/2026	3,577.45	178.87	247.62	3,150.97

	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
Total	85,717,702.43	4,285,885.12	10,904,719.42	70,527,097.89

Interim Cash Collections

From 31 July 2018 to 30 September 2018, the total net cash collections under the Secured Commercial Receivables is expected to be €689,976.70.

3. Altamira Business Plan

The information set out below includes the business plan extracts for Altamira as at 30th of September, 2018 (please see tables under "*Altamira Business Plans*" below, which pertain to the results of the portfolio review and the assumptions thereunder at the Closing Date).

Assumptions:

The tables below show the expected recoveries for different levels of debt, the court timings well as possible types of resolution that may infer greatly on the forecasted cash-flows. These assumptions were backed with the Altamira's track record of the current portfolio under management.

The gross recoveries are estimated as a function of the total outstanding principal. The recoveries are very much residual for higher buckets, as well as for the shortfall segment – there are 103 borrowers (or 8,1M in GBV) which have loans that were previously associated to mortgages (2M of which were 1st lien, 5,5M subordinated liens and the remaining 600k were different loans).

The resolution matrix in Table 3 below shows that low levels of debt are more prone to be resolved amicably (extra-judicial resolution), whereas for borrowers exhibiting higher UPB buckets are more likely to be resolved judicially.

The judicial timings correspond to the typical weighted average life of the Portuguese courts and of the current Altamira track record. Regarding the judicial expenses, it is seen that they stand on average as 7,5% of the total recovery, whether in foreclosure or bankruptcy processes.

OPB buckets	Recovery Rates
0 - €1,500	59,1%
1,500 - €5,000	52,0%
5,000 - €15,000	43,7%
15,000 - €25,000	38,6%
25,000 - €50,000	29,0%
50,000 - €100,000	24,0%
100,000 - €250,000	17,0%
250,000 - €500,000	13,1%
500,000 - €1,000,000	9,5%
1,000,000 - €3,000,000	6,5%
3,000,000 - €5,000,000	5,0%
'>€5,000,000	3,7%
Shortfall	2,0%

Table 1 – Gross recovery rates

Legal phase	Foreclosure (months)	Bankruptcy (months)
No File	30	23
Not Started	30	23
Debtor Summons	28	20
Pledge	19	17
Creditors Annoucements	15	12
Sale	9	8
Other Pledges	30	23

Finished	30	23

Table 2 – Portuguese courts timelines

OPB bucket	Judicial	Extrajudicial
<€15,000	20%	80%
<€50,000	50%	50%
>€50,000	80%	20%

Table 3 – Resolution matrix

On the basis of the abovementioned assumptions, Altamira prepared a business plan that forecasts and summarises the future recoveries from the Unsecured Receivables of the Receivables Portfolio under a base case scenario that is based on past performance experienced by Altamira on similar portfolios, as well as certain other assumptions resulting from the portfolio review conducted by Altamira on the Receivables Portfolio prior to the Closing Date.

Past performance is not necessarily indicative of what the actual future results may be and the base case business plan prepared by Altamira does not guarantee that recoveries from the Receivables will occur within the forecasted timing nor that they will occur with the expected recovery rate.

Table C below summarises the key business plan figures as at 30th of September, 2018, namely: (i) the expected gross collections; (ii) the expected recovery costs in respect of the Unsecured Receivables of the Receivables Portfolio; (iii) the expected net recoveries as a difference between (i) and (ii); (iv) the servicing fees payable to Altamira under the Transaction Documents, in the event that the actual performance is in line with the projections of the business plan; and (v) the expected recoveries net of the base case servicing fees as a difference of item (iii) and item (iv) above.

The expected recovery costs under (ii) include (not comprehensively) a number of certain items in respect of the securitised non-performing loans work-out procedures, such as costs associated to the recovery of an unsecured loan, notably judicial costs on both foreclosure and bankruptcy files; however, the expected recovery costs under (ii) exclude the expected servicing fees payable to Altamira under the Transaction Documents.

In the event that the servicer's performance is lower than what the base case business plan shows, then performance triggers and deferability of fees may occur as stated in the Unsecured Receivables Servicing Agreement (see section "*Overview of Certain Transaction Documents*" of the Prospectus).

Interim Cash Collections

From the 31st of July, 2018, to the 30th of September, 2018, the total net cash collections under the Unsecured Receivables is expected to be €420,419.19.

Altamira Business Plan

Table C

Gross Expected Collections in euro / Expected Recovery Costs in euro/ Net Recoveries in euro/Expected Servicing Fees in euro / Expected Recoveries Net of Servicing Fees in euro

Date	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
30/11/2018	430,783.01	60,309.62	31,719.40	338,753.99
31/12/2018	276,877.95	38,762.91	20,381.56	217,733.48
31/01/2019	333,041.94	46,625.87	22,102.92	264,313.15
28/02/2019	408,476.43	57,186.70	23,284.70	328,005.03
31/03/2019	408,976.11	57,256.66	24,104.89	327,614.56
30/04/2019	395,992.10	55,438.89	24,633.58	315,919.63
31/05/2019	388,895.24	54,445.33	24,928.25	309,521.65
30/06/2019	383,326.82	53,665.76	25,038.31	304,622.76
31/07/2019	377,908.40	52,907.18	25,001.09	300,000.14
31/08/2019	372,167.86	52,103.50	24,845.85	295,218.51
30/09/2019	365,965.40	51,235.16	24,595.98	290,134.27
31/10/2019	359,294.05	50,301.17	24,270.36	284,722.52
30/11/2019	352,200.08	49,308.01	23,884.39	279,007.68
31/12/2019	344,748.64	48,264.81	23,450.64	273,033.19
31/01/2020	337,008.20	47,181.15	22,979.42	266,847.63
29/02/2020	329,043.66	46,066.11	22,479.20	260,498.35
31/03/2020	320,913.52	44,927.89	21,956.94	254,028.69
30/04/2020	312,669.06	43,773.67	21,418.37	247,477.02
31/05/2020	304,354.45	42,609.62	20,868.21	240,876.62
30/06/2020	296,007.39	41,441.04	20,310.35	234,256.01
31/07/2020	287,659.80	40,272.37	19,748.00	227,639.43
31/08/2020	279,338.65	39,107.41	19,183.83	221,047.41
30/09/2020	271,066.67	37,949.33	18,620.04	214,497.29
31/10/2020	262,863.05	36,800.83	18,058.48	208,003.74
30/11/2020	254,744.00	35,664.16	17,500.69	201,579.15
31/12/2020	246,723.27	34,541.26	16,947.97	195,234.05
31/01/2021	238,812.52	33,433.75	16,401.40	188,977.37
28/02/2021	231,021.69	32,343.04	15,861.91	182,816.74
31/03/2021	223,359.26	31,270.30	15,330.28	176,758.68
30/04/2021	215,832.50	30,216.55	14,807.20	170,808.75
31/05/2021	208,447.62	29,182.67	14,293.23	164,971.72
30/06/2021	201,209.92	28,169.39	13,788.86	159,251.66
31/07/2021	194,123.90	27,177.35	13,294.52	153,652.03
31/08/2021	187,193.36	26,207.07	12,810.55	148,175.74
30/09/2021	180,421.46	25,259.00	12,337.25	142,825.20
31/10/2021	173,810.78	24,333.51	11,874.88	137,602.39
30/11/2021	167,363.37	23,430.87	11,423.63	132,508.87
31/12/2021	161,080.79	22,551.31	10,983.67	127,545.81
31/01/2022	154,964.11	21,694.98	10,555.12	122,714.02
28/02/2022	149,014.02	20,861.96	10,138.07	118,013.98
31/03/2022	143,230.75	20,052.30	9,732.57	113,445.87
30/04/2022	137,614.18	19,265.99	9,338.65	109,009.54
31/05/2022	132,163.82	18,502.93	8,956.30	104,704.59
30/06/2022	126,878.85	17,763.04	8,585.48	100,530.33
31/07/2022	121,758.12	17,046.14	8,226.15	96,485.84
31/08/2022	116,800.21	16,352.03	7,878.21	92,569.97

30/09/2022	112,003.41	15,680.48	7,541.57	88,781.36
31/10/2022	107,365.76	15,031.21	7,216.11	85,118.45
30/11/2022	102,885.08	14,403.91	6,901.67	81,579.50
31/12/2022	98,558.98	13,798.26	6,598.12	78,162.60
31/01/2023	94,384.85	13,213.88	6,305.27	74,865.71
28/02/2023	90,359.96	12,650.40	6,022.93	71,686.64
31/03/2023	86,481.40	12,107.40	5,750.92	68,623.09
30/04/2023	82,746.13	11,584.46	5,489.02	65,672.65
31/05/2023	79,150.99	11,081.14	5,237.02	62,832.83
30/06/2023	75,692.75	10,596.98	4,994.69	60,101.07
31/07/2023	72,368.06	10,131.53	4,761.80	57,474.74
31/08/2023	69,173.55	9,684.30	4,538.11	54,951.14
30/09/2023	66,105.75	9,254.81	4,323.38	52,527.57
31/10/2023	63,161.20	8,842.57	4,117.36	50,201.27
30/11/2023	60,336.39	8,447.09	3,919.82	47,969.48
31/12/2023	57,627.80	8,067.89	3,730.50	45,829.41
31/01/2024	55,031.92	7,704.47	3,549.15	43,778.31
29/02/2024	52,545.25	7,356.33	3,375.52	41,813.39
31/03/2024	50,164.28	7,023.00	3,209.36	39,931.92
30/04/2024	47,885.57	6,703.98	3,050.44	38,131.15
31/05/2024	45,705.69	6,398.80	2,898.50	36,408.39
30/06/2024	43,621.26	6,106.98	2,753.30	34,760.98
31/07/2024	41,628.94	5,828.05	2,614.61	33,186.28
31/08/2024	39,725.47	5,561.57	2,482.19	31,681.71
30/09/2024	37,907.61	5,307.07	2,355.82	30,244.73
31/10/2024	36,172.22	5,064.11	2,235.25	28,872.86
30/11/2024	34,516.20	4,832.27	2,120.28	27,563.66
31/12/2024	32,936.54	4,611.12	2,010.68	26,314.74
31/01/2025	31,430.30	4,400.24	1,906.25	25,123.80
28/02/2025	29,994.60	4,199.24	1,806.78	23,988.57
31/03/2025	28,626.64	4,007.73	1,712.07	22,906.84
30/04/2025	27,323.72	3,825.32	1,621.91	21,876.49
31/05/2025	26,083.20	3,651.65	1,536.13	20,895.42
30/06/2025	24,902.52	3,486.35	1,454.54	19,961.62

Date	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
31/07/2025	23,779.20	3,329.09	1,376.95	19,073.15
31/08/2025	22,710.84	3,179.52	1,303.20	18,228.12
30/09/2025	351,855.18	49,259.73	25,750.35	276,845.11

Altamira

	Gross Cash Flows	Servicing Fees	Recovery Expenses	Net Cash Flows
Total	14,569,096.19	2,039,673.47	977,502.91	11,551,919.82

DESCRIPTION OF THE ISSUER

Introduction

The Issuer is a limited liability company by shares (*sociedade anónima*) registered and incorporated in Portugal on January 2006 as a special purpose vehicle (known as "securitisation company", "STC" or *sociedade de titularização de créditos*) for the purpose of issuing asset-backed securities under the Securitisation Law and has been duly authorised by the Portuguese Securities Markets Commission (*Comissão do Mercado de Valores Mobiliários*, the "CMVM") through a resolution of the Board of Directors of the CMVM for an unlimited period of time and was given registration number 9143.

The registered office of the Issuer is at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, Paço de Arcos, Portugal, and the telephone number of the registered office + 351 21 384 5400

The Issuer is registered with the Commercial Registry Office of Lisbon under the sole commercial registration and taxpayer number 507 450 531.

The Issuer has no subsidiaries. The Issuer has no employees.

The Issuer is directly held by AGHL Portugal Investments Holdings S.A., which in turn is fully owned by Arrow Global Investments Holdings Limited, which is fully owned by Arrow Global Guernsey Holdings Limited, which is fully owned by Arrow Global One Limited, which is fully owned by Arrow Global Group PLC (a listed company).

Main Activities

The principal corporate purposes of the Issuer are set out in its articles of association (*Estatutos* or *Contrato de Sociedade*) and permit, *inter alia*, the purchase of a number of portfolios of assets from public and private entities and the issue of notes in series to fund the purchase of such assets and the entry into the relevant transaction documents to effect the necessary arrangements for such purchase and issuance including making appropriate filings with Portuguese regulatory bodies and any other competent authority and any relevant stock exchange.

Corporate Bodies

Board of Directors

The current board of directors of the Issuer appointed for the term 2015/2017 and remaining in office pursuant to law, their principal activities outside of the Issuer and their respective business addresses are:

Name	Function	Principal activities outside of the Issuer	Business Address
John Silva Calvão	Director	Chief Executive Officer at Zenith Service S.p.A..	Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, 2770-203 Paço de Arcos, Portugal
Homero José de Pinho Coutinho	Director	N/A	Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, 2770-203 Paço de Arcos, Portugal

The members of the board of directors are appointed by the shareholder(s) of the Issuer at General Meeting and the relevant term of office is of three years.

There are no potential conflicts of interest between any duties of the persons listed above to the Issuer and their private interests.

Supervisory Board

The members of the supervisory board of the Issuer, appointed for the term 2017/2019, their principal activities outside of the Issuer and their respective business addresses are:

Name	Function	Principal activities outside of the Issuer	Business Address
Barbara Margarida Palmela Beato Godinho Correia de Sousa Botelho	Chairman	Lawyer admitted to the Portuguese BAR	Avenida da Liberdade, nº 224, Lisbon, Portugal
Duarte Schmidt Lino	Member	Lawyer admitted to the Portuguese BAR	Avenida da Liberdade, nº 224, Lisbon, Portugal
João Albino Cordeiro Augusto	Member	Chartered auditor	Rua Oliveira Martins, nº 39, Luanda, Angola
Paulo Henrique Amado Narciso	Deputy member	Chartered accountant	Rua Padre Américo, nº 14 B Esc. 1, Lisbon, Portugal

The members of the supervisory board were appointed by way of a General Meeting shareholder resolution on 25 August 2017, following registration at the competent commercial registry office on 29 August 2017. The relevant term of office is of three years.

Independent statutory auditor

The Issuer's independent statutory auditor, for the term 2017/2019, is KPMG & ASSOCIADOS - SOCIEDADE DE REVISORES OFICIAIS DE CONTAS S.A., registered with Ordem dos Revisores Oficiais de Contas under number 189 and registered with CMVM under number 20161489, having its offices at Avenida Praia da Vitória, nº 71-A, 11º, 1069-006 Lisboa, Lisbon, Portugal, represented by Miguel Pinto Douradinha Afonso.

The independent statutory auditor was appointed by way of a General Meeting shareholder resolution on 25 August 2017, following registration at the competent commercial registry office on 29 August 2017. The relevant term of office is of three years.

Shareholders General Meeting

The chairman and secretary of the Issuer's shareholder general meeting are Mr. Tiago Correia Moreira and Mr. Francisco Maria Moura, respectively, with office at Rua Dom Luis I, 28, 1200-151 Lisbon, Portugal.

Legislation Governing the Issuer's Activities

The Issuer's activities are governed by the Securitisation Law and supervised by the CMVM.

Insolvency of the Issuer

The Issuer is a special purpose vehicle and as such it is not permitted to carry out any activity other than the issue of securitisation notes and certain activities ancillary thereto including, but not limited to, the borrowing of funds in order to ensure that securitisation notes have the necessary liquidity support and the entering into of documentation in connection with each such issue of securitisation notes.

Accordingly, the Issuer will not have any creditors other than the Portuguese Republic in respect of tax liabilities, if any, the Noteholders and the Transaction Creditors, third parties which are creditors for Issuer

Expenses, and noteholders and other creditors in relation to other series of securitisation notes issued or to be issued in the future by the Issuer from time to time.

The segregation principle imposed by the Securitisation Law and the related privileged nature of the noteholders' entitlements, on the one hand, together with the own funds requirements and the limited number of general creditors an STC may have, on the other, makes the insolvency of the Issuer a remote possibility. In any case, under the terms of the Securitisation Law, such remote insolvency would not prevent Noteholders from enjoying privileged entitlements to the Receivables.

Capital Requirements

The Securitisation Law imposes on the Issuer certain capitalisation requirements for supervisory purposes.

The level of capitalisation of the Issuer is determined by reference to the value outstanding of notes issued by the Issuer and traded (*em circulação*) at any given point in time. Apart from the minimum share capital, a securitisation company must meet further own funds levels depending upon the value outstanding of the securitisation notes issued. In this respect, (a) if the value outstanding of the notes issued and traded is €75 (seventy-five) million or less, the own funds of the Issuer shall be no less than 0.5 (zero point five) per cent. of the nominal amount outstanding of such notes, or (b) if the nominal amount outstanding of the notes issued and traded exceeds €75 (seventy-five) million, the own funds of the Issuer, in relation to the portion of the nominal amount outstanding of the notes in excess of €75 (seventy-five) million, shall be 0.1 (zero point one) per cent. of the value outstanding of such notes.

An STC can use its own funds to pursue its activities. However, if, at any time, the STC's own funds fall below the percentages referred to above the STC must, within 3 (three) months, ensure that such percentages are met. CMVM will supervise the Issuer in order to ensure that it complies with the relevant capitalisation requirements.

The required level of capitalisation can be met, *inter alia*, through share capital, ancillary contributions (*prestações acessórias*) and reserves as adjusted by profit and losses.

The entire authorised share capital of the Issuer comprises 250,000 (two hundred and fifty thousand) issued and fully paid shares (the "**Shares**") of €1 (one) each.

The Shareholder

All of the Shares are held directly by AGHL Portugal Investments Holdings, S.A., a Portuguese limited liability company with the sole registration and taxpayer number 513 482 270, which is the sole shareholder of the Issuer. There are not any special mechanisms in place to ensure that control is not abusively exercised. Risk of control abuse is mitigated by the provisions of the Securitisation Law and the remainder applicable legal and regulatory provisions and the supervision of the Issuer by the CMVM.

Capitalisation and Indebtedness of the Issuer

The following table and financial information sets out the capitalisation and indebtedness of the Issuer:

Capitalisation and Indebtedness of the Issuer	**As at 30 June 2018 (non-audited)**
Indebtedness	
Guincho Finance transaction	
Class A Notes	€84,000,000.00
Class B Notes	€14,000,000.00
Class J Notes	€25,000,000.00

Class R Note	€3,100,000.00
Total Securitisation Transactions	**€775,179,494.00**
Share capital (Authorised €250,000; Issued 250,000 shares with a par value of €1 each)	€250,000.00
Ancillary Capital Contributions	€723,960.00
Reserves and retained earnings	€246,848
Net result	€174,967.00
Total capitalisation	**€1,395,775.00**

Financial Statements

Audited financial statements of the Issuer are published on an annual basis at www.cmvm.pt and are certified by an auditor registered with the CMVM.

DESCRIPTION OF THE COMMON REPRESENTATIVE

Citicorp Trustee Company Limited incorporated on 24 December 1928 under the laws of England and Wales having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, with a company registration number 235914. The Common Representative is an indirect wholly-owned subsidiary of Citigroup Inc., a diversified global financial services holding company incorporated in Delaware. The Common Representative is not in a control, parent/subsidiary or group relationship with the Issuer.

The Common Representative is regulated by the Financial Conduct Authority.

DESCRIPTION OF THE ORIGINATOR

Introduction to Banco Santander Totta, S.A.

Banco Santander Totta, S.A. ("**BST**") is a limited liability company (*sociedade anónima*) incorporated under the laws of Portugal with a registered and fully-paid share capital of EUR 1,256,723,284.00, represented by 1,256,723,284 ordinary shares with a nominal value of EUR 1 each, and registered in the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 500 844 321. BST's registered address is at Rua Áurea, no. 88, in Lisbon, Portugal, and its registered office telephone number is +351 21 3262031. BST was registered by deed on 19 December 2004. BST is a credit institution whose activities are regulated by the Credit Institutions General Regime and is subject to the Portuguese Companies Code (approved by Decree-Law no. 262/86, of 2 September 1986, as amended).

As at 31 December 2017, the majority shareholders of BST were:

Shareholder	Nº of shares	%
Santander Totta, SGPS, S.A.	1,241,179,513	98.76%
Taxagest - SGPS, S.A.	14,593,315	1.16%

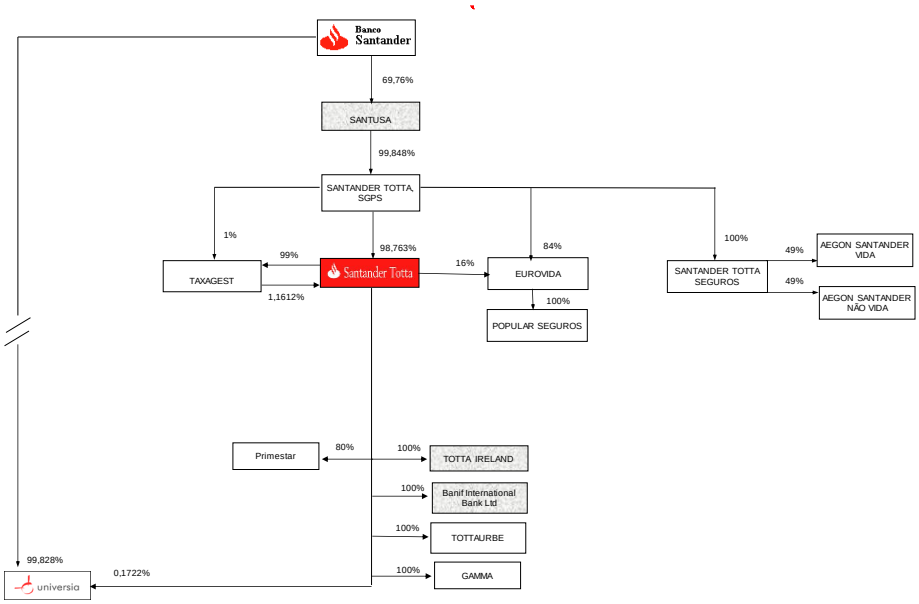
Santander Totta, SGPS, S.A. holds directly approximately 98.76 per cent. of BST. Both shareholders of BST – Santander Totta, SGPS, S.A. and TaxaGest SGPS, S.A. (two holdings comprised in the BST Group) – are indirectly fully owned by Banco Santander, S.A. and therefore, the Originator is indirectly owned by Banco Santander, S.A.

The Originator, being (i) a credit institution and (ii) a financial intermediary (i.e. an entity which provides investment services/activities and ancillary services) and an issuer of securities admitted to trading on a Portuguese regulated market, is subject to the supervision of respectively (i) the Bank of Portugal and (ii) the CMVM, which, among other regulatory areas, supervise the acquisition and disposition of substantial holdings in BST.

Organisational Structure

The BST Group (the Originator and its consolidated subsidiaries) is a financial group focusing primarily its operation on retail banking. BST Group provides a full range of products and services to individuals, companies and institutional investors in Portugal. In addition, following the incorporation of BSN and Totta – Crédito Especializado, Instituição Financeira de Crédito, S.A. by the Originator, the BST Group comprises the investment bank networks of BST and the related group of operating companies which are controlled by Santander Totta, SGPS, S.A.

The diagram on the next page shows the structure of the BST Group.



Acquisition of Banco Popular Portugal, S.A.

On 7 June 2017, Banco Santander, S.A., disclosed to the market the acquisition of 100 per cent. of the voting rights and share capital of Banco Popular Español, S.A. within the context of the BRRD framework. Such acquisition also comprises the activities of Banco Popular Portugal, S.A..

On 5 September 2017, BST disclosed to the market that, following the aforementioned acquisition of Banco Popular Español, S.A. by Banco Santander, S.A. within the context of a resolution measure approved by the Single Resolution Mechanism under the SRM Regulation and the consolidation of the Banco Popular group's business into the BST Group, the purchase by BST from Banco Popular Español, S.A. of 100 per cent. of the share capital of Banco Popular Portugal, S.A following transactions was approved.

On the same date, the Boards of Directors of BST and of Banco Popular Portugal, S.A. also approved a simplified merger project, which was registered on 6 September 2017, pursuant to article 116 of the Portuguese Companies Code, whereby Banco Popular Portugal, S.A. On 27 December 2017, BST announced that the simplified merger project mentioned above has been concluded with the incorporation of Banco Popular Portugal, S.A. into the Originator. Banco Popular Portugal, S.A. therefore ceased to exist as a legal entity and all of its rights and obligations have been transferred to BST.

INFORMATION ON CREDIT ORIGINATION POLICIES

Risk assessment is a requisite prior to authority being given for any credit transaction in BST. This assessment consists in analysing the customer's capability to comply with the contractual commitments assumed with BST, which implies analysing the customer's credit quality, its credit transactions, solvency and profitability. Additionally, an assessment and revision of the attributed rating is also carried out whenever an alert or event appears that may affect the customer and/or the operation. The decision process on operations is intended to analyse these and to take the respective decision, considering the risk profile and the relevant components of the operation in determining a balance between risk and profitability.

BST uses its own models for attributing solvency classification or internal ratings for the different customer segments, to measure the credit capacity of a customer or a transaction, each rating corresponding to a non-performing probability. Global classification tools are applied to country risk segments, financial institutions and Wholesale Banking Groups, both in determining their rating as in following up the risks assumed. These tools attribute a rating to each customer as a result of a quantitative, or automatic, module, based upon balance sheet data and/or ratios, or macroeconomic variables complemented by the analysis carried out by the risk analyst that follows up with the customer.

For the portfolios of standardized risks, both in the case of private customers and in non-portfolio businesses, scoring tools are implemented that automatically attribute an evaluation/decision in respect of the transactions submitted. These decision tools are complemented with a behavioural scoring model, a device that allows greater predictability of the assumed risks and which is used both in the pre-sale and in the sale period.

The evaluation of a customer and/or operation, through rating or scoring, is an assessment of credit capacity, which is quantified through the probability of default (PD). In addition to the evaluation of the customer, the quantitative risk analysis carries other features such as the period of the operation, the type of product and the existing guarantees.

What is thus taken into account is not just the probability that the customer may not comply with their contractual obligations (PD) but that the exposure at default (EAD) may be estimated as well as the percentage EAD that may not be recovered (loss given default or LGD). These factors (PD, LGD and EAD) are the main credit risk parameters and, when taken jointly, allow an estimate of the expected loss or that of the unexpected loss. The expected (or probable) loss, is considered as a further activity cost (reflecting the risk premium), and this cost duly included in the price of the operations.

DESCRIPTION OF THE SECURED RESIDENTIAL SERVICER AND ITS SERVICING PROCEDURES

Introduction

Whitestar Asset Solutions, S.A. ("**WS**") has been appointed as Secured Residential Servicer under the Secured Residential Servicing Agreement.

WS is a private limited liability company incorporated under Portuguese law under the form of a limited liability company (*sociedade anónima*) since 2007, having its registered office at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, 2770-203 Paço de Arcos, parish of Oeiras e S. Julião da Barra, Paço de Arcos e Caxias, municipality of Oeiras with a share capital of €50,000.00 and registered with the Commercial Registry of Lisbon under the sole registration and taxpayer number 508 099 161.

Directors

The Servicer's directors are currently João Manuel Vitorino Bugalho, Tomás Ramos Salvado, and Zachary Jason, appointed until 2020. None of the directors are shareholders of WS.

The Servicer's statutory auditor is KPMG & Associados - Sociedade de Revisores Oficiais de Contas S.A., registered with *Ordem dos Revisores Oficiais de Contas* with the no. 189, having its offices at Avenida Praia da Vitória, no. 71-A, 11th floor, 1069-006 Lisbon, Portugal, represented by Miguel Pinto Douradinha Afonso.

The shareholder of WS

The share capital of WS is represented by 10.000 shares that are totally held directly by AGHL Portugal Investments Holdings, S.A., a Portuguese limited liability company with the sole registration and taxpayer number 513 482 270, which is the sole shareholder of the Secured Residential Servicer.

Risk Management and Internal Audit

Internal audit and development of internal control systems has been a priority of the Board of Directors of the Secured Residential Servicer.

To incorporate this concern, during 2010 the Board of Directors created the Audit, Risk and Governance Department which lead to the existence of two new Committees: Audit Committee and Risk Committee, both with internal control mechanisms. Increasing business and structures required a systematic and disciplined approach to internal controls in order to help the Board of Directors to improve its governance by reducing risks.

Internal audit activities developed and implemented in WS are in line with the national and International recommendations and best practices by assessing suitability of existing controls versus the risks intended to be reduced as well as evaluating its functionality and effectiveness.

Main Activities

WS's corporate purpose is, among other activities, to practice, for and on behalf of securitisation companies or other companies, all acts related with the identification and evaluation of assignable credits' portfolios and any other acts adequate for the good management of the credits and, if that is the case, of the correspondent collateral, ensuring the collection and administrative services pertaining to the credits, as well as all relations with the respective debtors and all acts required for conserving, modifying and terminating the guarantees at stake.

WS has been acting as servicer in the context of securitisation transactions since its incorporation and has been authorized in such capacity by the CMVM.

In addition to its servicing activities, WS also provides loan advisory services, valuation of performing and non-performing whole loans and forecasting cash flows under different economic cycles, portfolio due

diligences, real estate management services, outsourcing services, securitisation and structuring advisory and other advisory services related to all aspects of credit management.

WS total staff reaches approximately 525 (five hundred and twenty five) employees and general staff, as at mid-2017.

WS manages several portfolios from national and international investors, which comprise, as at December 2017, approx. 590,000 (five hundred and ninety thousand) Borrowers, 685,000 (six hundred and eighty five thousand) credits, totalizing €6.6B of Notional Outstanding. Additionally, WS manages approx. €629M of property value including claims and real estate assets.

DESCRIPTION OF THE SECURED COMMERCIAL SERVICER AND ITS SERVICING PROCEDURES

Introduction

Founded in 2008, HipoGes is one of the leading Asset Management platforms in Southern Europe for distressed assets with more than €16 billion of assets under management. With offices in Spain, Portugal, Greece and Italy and circa 368 employees worldwide, HipoGes works for some of the leading financial institutions and international investors specialized in the distressed assets sector.

HipoGes provides all types of servicing solutions (Primary, Special and Master servicing) and manages a very broad spectrum of assets including: residential mortgages, corporate and SME loans, commercial real estate, unsecured loans, government & corporate receivables, and REO portfolios. HipoGes provides services all along the investment cycle: (i) due diligence & pricing advisory, (ii) closing & structuring, and (iii) loan servicing / legal enforcement, real estate management, disposal strategy, reporting & portfolio management.

HG PT – Unipessoal, Lda. ("HG") has been appointed as the Secured Commercial Servicer under the Secured Commercial Receivable Servicing Agreement.

HG is a private limited liability company incorporated under Portuguese law under the form of a limited liability company (sociedade unipessoal por quotas) since 2013, having its registered office at Avenida Duque de Loulé, no. 106, 2nd floor, 1050-093 Lisbon, with a share capital of €5,000.00 and registered with the Commercial Registry of Lisbon under the sole registration and taxpayer number 510 891 691.

Managers

The Secured Commercial Servicer's managers are currently Hugo Reinaldo Carvalho Velez and Claudio Panunzio.

The Secured Commercial Servicer's statutory auditor is Deloitte & Associados, SROC S.A, registered with Ordem dos Revisores Oficiais de Contas with the no. 1.129, having its offices at Av. Eng. Duarte Pacheco nº 7, 1070-100 Lisboa, Portugal, represented by Paulo Alexandre Antunes.

The shareholder of HG

As at the date hereof, the entirety of the share capital of HG is held by HipoGes Iberia SL, a Spanish limited liability company, which is the sole shareholder of the Secured Commercial Servicer.

Risk Management and Internal Audit

The internal audit function covers two main areas: monitoring the policies and procedures of HG and providing consultancy services internally to improve and develop business activity. More specifically, this involves assessing compliance with internal policies and procedures, assessing the adequacy of the control environment and performances of controls, risk assessment and general monitoring and communications functions.

The Risk Management function has been created and implemented under ISO 31000 and COSO standards. The Risk Management function performs Risk Assessment (risk identification, analysis and evaluation) and Risk Treatment, as well as construction and continued development of the Risk Matrix of HG. These activities are performed by the software AutoAudit and Issue Track of Thomson Reuters. The Risk Management function is also responsible for the coordination, guidance and supervision of the internal process and procedures guides. This also involves managing the approval process for these guides and any future updates thereto. The process for these guides are expected to become modulated by Process Maps with Bizagi Software.

Main Activities

HG's corporate purpose is, among other activities, to perform financial and investment advisory services to financial institutions and companies in general, to prepare commercial information obtained from public and private entities, and to provide services of management and purchase and sale of properties. In addition, HG's activities include developing, licensing and sale of software, and provision of other IT services, in particular those dedicated to financial services.

HG currently manages 4.4 billion euros in a broad spectrum of assets, including residential mortgages, corporate and SME loans, commercial real estate, unsecured loans, government & corporate receivables, and REO portfolios. HG provides services throughout the investment cycle, namely: (i) due diligence and pricing consultancy; (ii) closing and structuring; (iii) loan servicing and legal enforcement (in collaboration with law firms); real estate management and leasing services; communication strategies; reporting and portfolio management.

DESCRIPTION OF THE UNSECURED SERVICER AND ITS SERVICING PROCEDURES

Introduction

Altamira is a leading servicer in Europe, and the largest independent servicer in Iberia, with more than €58 billion of assets under management and a broad asset scope, including secured and unsecured debt (NPLs) as well as residential, commercial and land real estate assets. Altamira is headquartered in Madrid and operates from more than 35 offices located across Spain, Portugal, Greece and Cyprus. Altamira's underwriting/advisory teams reviewed 16 deals in 2017 and in only 7 months of 2018 already reviewed 17 deals.;

Proteus Asset Management, Unipessoal Lda. ("**Proteus**" or "**Entity**"), a company founded in March 8, 2017 and incorporated under the laws of Portugal, with share capital of fifty thousand euros (€50,000), with registered office at Avenida da República, no 90, 2nd floor, registered with the Commercial Register Office of Lisbon, under the sole registration and taxpayer number 514 323 736, has been appointed as Unsecured Servicer under the Unsecured Servicing Agreement.

Proteus' corporate purpose is, among others, to practice in its own name or for the account of other third parties, every action regarding the identification and valuation of loans' portfolios or other assets, namely real estate properties, and every proper act leading to appropriate management of those assets and, if applicable, their respective guarantees in order to ensure investment services, management and collection of every secured or unsecured loan class, credit or debt-related securities, and real estate properties located in Portugal or foreign countries, as well as all relations with borrowers and to perform all conservatory, modifying and/or extinctive act referring to guarantees, if applicable.

Currently, Proteus is the entity designated by Oitante S.A. (Banif successor) to promote the judicial and extrajudicial collection of its loans. This portfolio, the only under management, has ~€1.3bn of NPL's and REO's (1.330 Borrowers and 4550 REO's). Proteus operates under a framework of complete credit recovery processes over a broad range of assets, including secured and unsecured debt (NPLs), and in-house developed capabilities in areas such as real estate marketing, valuations, brokers & sales performance management, property management & development.

Human, Technical and Material Resources

The Loans Department (area within the Proteus structure responsible for the management and collection of debts) has, in its service, 15 people (7 legal managers and 8 asset managers) all with more than 8 years' experience in the judicial and extrajudicial collections area. In the number of persons mentioned above, there are 2 persons dedicated exclusively to the processing and classification of electronic notifications and the proactive management of amounts withheld in legal proceedings, commonly known as cash in court.

In technical terms, Proteus provides the necessary means for the proper management and control of processes and debtors that are under its management, ensuring the good passage of information and its updating. It is also pertinent to mention that an information technology tool is in the accelerated phase of implementation that will aggregate all the information in a single application, integrated with CITIUS, that will allow an end-to-end management of the processes (judicial and extrajudicial) with the capacity to produce robust management indicators and warnings about possible deviations that may exist in the future and that allow a preventive action to ensure compliance with the objectives outlined in the business plan.

Managers

Proteus managers are currently Julián Navarro Pascual, Pedro Manuel Cardoso Guerreiro and Ana Teresa Lopes Rodrigues Baptista.

Proteus' statutory auditor is KPMG & Associados - Sociedade de Revisores Oficiais de Contas S.A., registered with Ordem dos Revisores Oficiais de Contas with no. 189, having its offices at Avenida Praia da Vitória, no. 71-A, 8 th floor, 1069-006 Lisbon, Portugal, represented by Fernando Antunes.

The Shareholder of Proteus

The shareholder of Proteus Asset Management Unipessoal, LDA (Proteus) at the date hereof, the entirety of the share capital of Proteus is held by Altamira Asset Management SA, a Spanish company, which is the sole shareholder of the Unsecured Servicer.

Main Activities

Lastly, Proteus also focuses on team training towards credit recovery, as well as other training actions with a more technical nature specific to legal managers.

(i) Procedures relating to the NPLs management

Without making an exhaustive list of the procedures applicable to the management of this portfolio, we will indicate the most relevant ones:

1) Boarding:

a) POA presentation in CITIUS;

b) Substitution incident in CITIUS;

c) Indication in CITIUS of the IBAN of the investor;

d) Communication to enforcement agents, insolvency administrators and employers of the delivery of the credit file / management to Proteus for the purpose of sending communications, notifications and payments;

e) Registration in a system of all cash in court, with their origin, classification and scheduling;

f) Allocation of each debtor and each process in the asset and in the respective legal manager taking into account the type of debtor (individual or corporate) and by type of guarantee (personal or real).

2) Daily management:

a) Definition of strategies (more than one strategy will be defined for each dossier) in the light of the information obtained during the due diligence phase;

b) Contacts with all debtors and other stakeholders in the credits in order to confirm or change the previous strategies. Each asset and legal manager has the obligation to check their entire portfolio monthly;

c) Presentation of settlement solutions or other forms of friendly credit recovery by meeting the possibilities of debtors within the business plan premises;

d) Control of payment agreements;

e) Analysis of non-judicial debtors with a view to taking a decision on whether or not this debtor should be prosecuted and which judicial means are most appropriate to expedite recovery;

f) In the judicial proceedings and in accordance with the possibilities provided by applicable law, seek to unblock difficulties and create opportunities to increase the amounts received.

g) Given the treatment, information and status of each legal process, the legal manager defines recovery strategies and recovery times. These strategies and recovery times can be revised taking into account contemporary events.

3) Macro Management:

a) Daily analysis of management reports (specific KPIs), namely on amounts recovered, recovery times, adequacy of defined strategies and their need for revision;

b) Weighting and presentation to the investor programs of extrajudicial regularization so that it appreciates the application of such programs to the debtors;

c) Regular presentation of management reports with all the information that allows verifying compliance with the business plan and demonstrating all actions taken.

(ii) Risk Management and internal control

Proteus Asset Management, SA has a specific structure to manage the risk and internal control function which is segregated from the Company's business areas.

The Unit is responsible to address the following tasks:

a) Carry out control actions to evaluate the compliance of laws, regulations and recommendations of the Regulatory and Supervisory Authorities regarding the services provided by the Company, as well as the implementation of the Conduct code and other company policies in these matters;

b) Issue opinions and make recommendations, prior to issuing policies, internal regulations, and relevant changes in procedures and processes;

c) Identify and register potential conflicts of interest or illegitimate benefits in the exercise of the Company's activities;

d) Coordinate the company procedures to comply with the legal duties of Prevention of Money Laundering and Terrorist Financing activities.

e) Assure the formal and informal communication between the Authorities of Supervision/Regulation and the company;

f) Supervise the actions and / or action plans leading to the implementation of the recommendations identified in the scope of Audit work performed by clients

g) Follow up on the complaint processes received at the Company.

Currently, the Compliance and internal control structure is integrated by three employees, one responsible and two technicians, and is expected to be resized due to the increase in assets under management.

DESCRIPTION OF THE ASSET MANAGER AND ITS SHAREHOLDER

GAM – Gncho Asset Management, S.A. (the "**Asset Manager**") was incorporated on 5 November 2018 as a limited liability company and its commercial scope is the acquisition of real estate for subsequent resale. On the Issue Date, GAM – Gncho Asset Management, S.A. meets such other requirements for operating as a company for purchase and resale of real state (*sociedade de compra para revenda*) and thus benefiting from the special tax regime applicable to such companies, in respect of acquisitions, holdings and disposals of real estate.

This means that, and subject to retention of such requirements each year, real estate assets acquired by the Asset Manager are exempt from Municipal Transaction Tax (*Imposto Municipal sobre as Transações Onerosas de Imóveis* – "IMT"). The IMT is based on a range of rates up to 6.5% (six point five per cent.) (depending on the nature and type of the asset) applicable to the higher of the acquisition price or the tax property value (*valor patrimonial tributário*) of the real estate asset. There are certain additional requirements for such IMT exemption, including that the relevant real estate asset must be resold to a third party (that is not also a company for purchase and resale) within 3 years from acquisition and in the same conditions as it was acquired.

Additionally, the Municipal Property Tax (*Imposto Municipal sobre Imóveis* – "**IMI**"), which otherwise could go up to 0.45% (zero point forty five per cent.) p.a. (depending on the relevant municipality) of the tax property value (*valor patrimonial tributário*) of the real estate asset, is suspended for 3 three years as from the relevant acquisition of the real estate asset. If the real estate asset is not resold within such timeframe, IMI will become due in subsequent years, until the resale has taken place.

The sole shareholder of the Asset Manager is Guincho Asset Management Holdings D.A.C. (the "**Shareholder**") an Irish orphan bankruptcy remote Designated Activity Company. The Shareholder's shares are currently being held on trust by Wilmington Trust SP Services (Dublin) Limited for the benefit of a Qualifying Beneficiary, which is defined under the Declaration of Trust made by Wilmington Trust SP Services (Dublin) Limited on 9 November 2018 as "any person, a purpose, activity or object of which is exclusively charitable under the laws of Ireland". Under this Declaration of Trust, a "Trustee" shall be the "Original Trustee" (Wilmington Services) or any other future "trustee", appointed in accordance with the Land and Conveyancing Law Reform Act 2009 and section 57 of the Succession Act 1965. No Transaction Party is eligible to be appointed as a Qualifying Beneficiary of the Shareholder.

The ultimate beneficiary owner of Guincho Asset Management Holdings D.A.C. will be the Qualifying Beneficiary. On the date hereof, the legal owner of Guincho Asset Management Holdings D.A.C. is Wilmington Trust SP Services (Dublin) Limited who holds the beneficial interest in the shares of the Shareholder on trust for the Qualifying Beneficiary.

Wilmington Trust SP Services (Dublin) Limited is indirectly wholly owned by M&T Bank Corporation, a New York Stock Exchange listed company.

The purchase by Guincho Asset Management Holdings D.A.C. of the shares of the Asset Manager was funded through an unsecured loan granted by BST to Guincho Asset Management Holdings D.A.C.. On the Closing Date, the receivables arising under such loan were assigned to the Issuer and form part of the Receivables Portfolio.

The Asset Management Agreements include a number of provisions in relation to the corporate status of the Asset Manager, including where parties to the Asset Management Agreements agree to refrain from initiating legal proceedings against the Asset Manager, to limited recourse principles, that the Asset Manager shall not engage in additional activities, provide encumbrances over its assets or contract debt.

DESCRIPTION OF THE MONITORING AGENT

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., is a private Portuguese company in the legal form of a public limited company.

The company is registered with the Portuguese Institute of Statutory Auditors under number 189 and with the Portuguese Securities Market Commission under number 20161489.

The corporate purpose of the company is to carry out the statutory audit activity, in accordance with the respective legislation, and to advise on matters where the qualifications required for the exercise of the auditor's role are indicated.

DESCRIPTION OF THE ACCOUNTS BANK

Banco Santander Totta, S.A., a credit institution incorporated under the laws of the Portuguese Republic, with head office at Rua Áurea, no. 88, Lisbon, Portugal, registered with the Commercial Registry Office of Lisbon under the sole registration and tax payer number 500 844 321 and with a share capital of €1,256,723,284.00, in its capacity as the bank at which the General Collections Account, the Collections Accounts and the Cash Reserve Account are held in accordance with the terms of the Portuguese Accounts Agreement.

DESCRIPTION OF THE TRANSACTION MANAGER, PAYMENT ACCOUNT BANK AND CAP COLLATERAL ACCOUNT BANK

Citibank, N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

DESCRIPTION OF THE CAP COUNTERPARTY

Banco Santander, S.A. is the parent bank of Grupo Santander. It was established on 21 March 1857 and incorporated in its present form by a public deed executed in Santander, Spain, on 14 January 1875.

Banco Santander, S.A. and its consolidated subsidiaries are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the US, offering wide range of financial products.

In Latin America, Santander Group have majority shareholdings in banks in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay.

At December 31, 2017, Santander Group had a market capitalization of €88.4 billion, shareholders' equity of €94.5 billion and total assets of €1,444.3 billion. Santander Group had €1,162.3 billion in customer funds under management at that date.

As of December 31, 2017, we had 68,223 employees and 6,315 branch offices in Continental Europe, 25,971 employees and 808 branches in the United Kingdom, 88,713 employees and 5,891 branches in Latin America, 17,560 employees and 683 branches in the United States and 1,784 employees in Corporate Activities.

Banco Santander, S.A has a long- term credit rating of "A-" by Fitch (as of December 2017), "A" by Standard & Poor´s (as of April 2018), "A2" by Moody´s (as of April 2018) and "AH" by DBRS (as of April 2018).

SELECTED ASPECTS OF PORTUGUESE LAW RELEVANT TO THE RECEIVABLES PORTFOLIO

Securitisation Legal Framework

Securitisation Law

Decree-Law no. 453/99, of 5 November 1999, as amended by Decree-Law no. 82/2002, of 5 April 2002, Decree-Law no. 303/2003, of 5 December 2003, Decree-Law no. 52/2006, of 15 March 2006, and by Decree-Law no. 211-A/2008, of 3 November 2008 (together the "**Securitisation Law**") has implemented a specific securitisation legal framework in Portugal, which contains a simplified process for the assignment of credits. The Securitisation Law regulates, amongst other things; (i) the establishment and activity of Portuguese securitisation vehicles; (ii) the type of credits that may be securitised; (iii) the entities which may assign credits for securitisation purposes; and (iv) the terms and conditions under which credits may be assigned for securitisation purposes. Some of the most important aspects of this legal framework include:

(a) the establishment of special rules facilitating the assignment of credits (including mortgage loans) in the context of securitisation transactions;

(b) the types of originators/assignors which may assign their credits pursuant to the Securitisation Law;

(c) the types of credits that may be securitised and the legal eligibility criteria such credits have to comply with; and

(d) the creation of 2 (two) different types of securitisation vehicles: (i) credit securitisation funds ("Fundos de Titularização de Créditos" – "**FTC**"), and (ii) credit securitisation companies ("Sociedades de Titularização de Créditos" – "**STC**").

Securitisation Tax Law

Decree-Law no. 219/2001, of 4 August 2001 as amended by Law no. 109-B/2001, of 27 December 2001, Decree-Law no. 303/2003, of 5 December 2003, Law no. 107-B/2003, of 31 December 2003 and by Law no. 53-A/2006, of 29 December 2006 (together the "**Securitisation Tax Law**") established the tax regime applicable to the securitisation of credits implemented under the Securitisation Law. The Securitisation Tax Law allows for a neutral fiscal treatment of securitisation vehicles as well as tax exemptions regarding the amounts paid by the securitisation vehicles to non-resident entities without a permanent establishment in Portuguese territory, although currently Decree-Law no. 193/2005 will apply to Noteholders as this regime is more favourable from a tax point of view and applies to the debt securities in general, including on securitisation transactions. A withholding tax of 35 (thirty-five) per cent also applies on the interest amounts in the event that (i) such non-resident entity is located in a country or territory included in the list of countries determined by the Portuguese Tax Ministry pursuant to Ministerial Order (*Portaria*) no. 150/2004, of 13 February 2004, as amended, or whenever (ii) the interest payments are made to accounts opened in the name of one or several accountholders acting on behalf of third entities which are not disclosed.

STC Securitisation Companies

STCs are established for the exclusive purpose of carrying out securitisation transactions in accordance with the Securitisation Law. The following is a description of the main features of an STC.

Corporate Structure

STCs are commercial companies (*sociedades anónimas*) incorporated with limited liability, having a minimum share capital of €250,000.00. The shares in STCs can be held by one or more shareholders and are in registered form. STCs are subject to the supervision of the CMVM and their incorporation is subject to the prior authorisation by the CMVM. STCs are subject to ownership requirements. A prospective shareholder must obtain approval from the CMVM in order to establish an STC. Such approval is granted when the

prospective shareholder shows that it is capable of providing the company with a sound and prudent management.

If qualified shareholdings (as defined in the RGICSF) in an STC are to be transferred to another shareholder or shareholders, prior authorisation of the CMVM of the prospective shareholder has to be obtained. The interest of the new shareholder in the STC has to be registered within 15 (fifteen) days of the purchase.

Regulatory Compliance

In order to ensure the sound and prudent management of STCs, the Securitisation Law provides that the members of the board of directors and the members of the board of auditors meet high standards of professional qualification and personal reputation.

The members of the board of directors and the members of the board of auditors must be registered with the CMVM.

Corporate Object

STCs can only be incorporated for the purpose of carrying out one or more securitisation transactions by means of the acquisition, management and transfer of receivables and the issue of securitisation notes for payment of the purchase price for the acquired receivables.

An STC may primarily finance its activities with its own funds and by issuing notes.

Without prejudice to the above, pursuant to the Securitisation Law, STCs are permitted to carry out certain financial activities, but only to the extent that such financial activities are (i) ancillary to the issuance of the securitisation notes, and (ii) aimed at ensuring that the appropriate levels of liquidity funds are available to the STC.

Types of credits which may be securitised and types of assignors

The Securitisation Law sets out details of the types of credits that may be securitised and the specific requirements which are to be met in order for such credits to be securitised.

The Securitisation Law allows a wide range of originators to assign their credits for securitisation purposes including the Portuguese Republic, public entities, credit institutions, financial companies, insurance companies, pension funds, pension fund management companies and other corporate entities whose accounts have been audited for the last 3 (three) consecutive years by an auditor registered with the CMVM.

Assignment of credits

Under the Securitisation Law, the sale of credits for securitisation is effected by way of assignment of credits. In this context the following should be noted:

Notice to Debtors

In general, an assignment of credits is effective against the relevant debtor after notification of assignment is made to such debtor.

Notification to the debtor is required to be made by means of a registered letter (to be sent to the debtor's address included in the relevant receivables contract) and such notification will be deemed to have occurred on the third business day following the date of posting of the registered letter.

An exception to this requirement applies when the assignment of credits is made under the Securitisation Law by, *inter alios*, credit institutions or financial companies, and such entities are the servicers of the credits in which case there is no requirement to notify the relevant debtor since such assignment is deemed to be effective in relation to such debtor when it is effective between assignor and assignee.

Accordingly, in the situation set out above, any payments made by the debtor to its original creditor after an assignment of credits has been made will effectively belong to the assignee who may, at any time and even in the context of the insolvency of the assignor, claim such payments from the assignor.

Assignment Formalities

There are no specific formality requirements for an assignment of credits under the Securitisation Law. A written private contract between the parties is sufficient for a valid assignment to occur (including an assignment of mortgage loans). Transfer by means of a notarial deed is not required. In the case of an assignment of mortgage loans, the signatures to the assignment contract must be certified by a notary public, the company secretary of each party or a lawyer qualified for such purpose (when the parties have appointed such a person) under the terms of the Securitisation Law and other laws applicable in Portugal, namely Decree-Law no. 76-A/2006, of 29 March 2006. Pursuant to the Securitisation Law, such certification is required for the registration of the assignment at the mortgage asset's relevant Portuguese Real Estate Registry Office.

In order to perfect an assignment of mortgage loans against third parties, the assignment must be followed by the corresponding registration (as described in the paragraph below) of the transfer of the mortgage loans in the Real Estate Registry Office.

The Portuguese real estate registration provisions allow for the registration of the assignment of any mortgage asset at any Portuguese Real Estate Registry Office, even if the said Portuguese Real Estate Registry Office is not the office where the mortgage asset is registered, both in person as well as online through the following website: www.predialonline.pt. The registration of the transfer of the mortgage loans requires the payment of a fee for each mortgage loan of approximately €200 (two hundred euros).

The Securitisation Law provides for the assignment of credits to be effective between the parties upon execution of the relevant assignment agreement. This means that in the event of insolvency of the assignor prior to registration of the assignment of credits, the credits will not form part of the insolvency estate of the assignor even if the assignee may have to claim its entitlement to the assigned credits before a competent court.

However, the assignment of the security is only effective against third parties acting in good faith further to registration of such assignment with the registry by or on behalf of the assignee. The Issuer is entitled under the Securitisation Law to request such registration.

Assignment and Insolvency

Unless an assignment of credits is effected in bad faith, such assignment under the Securitisation Law cannot be challenged for the benefit of the assignor's insolvency estate and any payments made to the assignor in respect of credits assigned prior to a declaration of insolvency will not form part of the assignor's insolvency estate even when the term of the credits falls after the date of declaration of insolvency of the assignor. In addition any amounts held by the servicer as a result of its collection of payments in respect of the credits assigned under the Securitisation Law will not form part of the servicer's insolvency estate.

Mortgages charging real estate under Portuguese law

Concept

A mortgage entitles the mortgagee, in the event of default of the relevant obligations, to be paid in preference to non-secured creditors from the proceeds of the sale of the relevant property, the subject of the mortgage.

Legal Form, Registry and Priority Rights

Until 31 December 2008, mortgages were only created by means of a notarial deed, which is a contract prepared and testified by, and executed before, a public notary and in compliance with certain formalities as to its creation (in some cases banks may have special template forms, pursuant to applicable legislation).

However, as from 1 January 2009, the entering into mortgage agreements is allowed under the following terms:

- public deed or private document, respectively, executed before, or certified by, a public notary;

- private document certified by a lawyer, bailiff (s*olicitador*) or commerce associations; or
- public document executed before a Real Estate Registry Office.

The notarial deed, private document or public document for the creation of a mortgage are not sufficient for the full validity and enforceability of this type of security, and registration with the Real Estate Registry Office is required in order for a mortgage to be considered validly created both between the parties and towards third parties.

Furthermore, registration also rules the ranking of creditors in the event that several mortgages are created over the same property. In this case, the ranking of rights among such creditors will correspond to the priority of mortgage registration (*i.e.*, the creditor with a prior registered mortgage will rank ahead of the others).

Although mortgagees have priority over non-secured creditors, there are preferential rights which apply as a matter of law and which rank ahead of a mortgage, such as: (i) amounts due to the Portuguese Republic in respect of social security charges and taxes (except when insolvency of the obligor has been declared); and (ii) employees' credits in respect of unpaid salaries due by the mortgagor.

In accordance with the Portuguese Civil Code, the relevant originator, as lender of a mortgage loan, may require a borrower to provide additional security for a mortgage loan if the value of the property securing the mortgage loan is insufficient to cover the amount of the mortgage loan due to reasons which are not attributable to the lender.

Enforcement and court procedures

Enforcement of a mortgage over real property may only be made through a court procedure, whereby the mortgagee is entitled to demand the sale by a court of the property and be paid from the proceeds of such sale (after payment to the preferential creditors, if any).

The mortgagee may not take possession or become owner of the property (foreclosure) by virtue of enforcement of the mortgage, and is only entitled to be paid out of the proceeds of sale of the relevant property.

Should the mortgagee be willing to acquire the property, he may bid in the court sale along with (but with no preference) any other parties interested in the purchase of the property.

In case there are various creditors with mortgages over the same property, the proceeds of the sale of the property are distributed among the secured creditors in accordance with the registration priority and are allocated first to the payment of the first ranking secured creditor, with the remaining amount (if any) being allocated to the next ranking creditor.

Court procedures in relation to enforcement of mortgages over real property usually take 2 (two) to 4 (four) years on average for a final decision to be reached on the execution of a mortgage loan. Court fees payable in relation to the enforcement process are calculated on the basis of a fixed percentage of the value of the property. For additional information on the enforcement process, see below under "Enforcement Proceedings").

Risk of Set-Off by Borrowers

The Securitisation Law does not expressly deal with set-off. Accordingly, articles 847 to 856 of the Portuguese Civil Code are applicable.

The Securitisation Law has an impact on set-off risk to the extent that, by virtue of establishing that the assignment of credits by a credit institution, a financial company, an insurance company, pension funds and pension fund managers is effective against the debtor on the date of assignment of such credits without notification to the debtor being required (provided that the assignor is the servicer of the assigned credit), it

effectively prevents a debtor from exercising any right of set-off against an assignee if such right did not exist against the assignor prior to the date of assignment.

Set-Off on Insolvency

Under article 99 of the *Código de Insolvência e Recuperação de Empresas* (the Code for the Insolvency and Recovery of Companies), implemented by Decree-Law no. 53/2004, of 18 March 2004, a debtor will only be able to exercise any right of set-off against a creditor after a declaration of insolvency of such creditor provided that, prior to the declaration of insolvency, (i) such set-off right existed, and (ii) the circumstances allowing set-off, as described in article 847 of the Portuguese Civil Code were met.

Data Protection Law

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (The General Data Protection Regulation/GDPR)

Law no. 67/98 of 26 October 1998 ("**Law 67/98**" or the "**Data Protection Law**") continues to apply to personal data processing in Portugal, pending approval of the internal law which will complement and apply certain provisions of the GDPR for Portugal.

Pursuant to the GDPR, any processing of personal data requires express consent from the data subject, unless the processing is necessary in certain specific circumstances as provided under the relevant laws.

Transfer of personal data to an entity within a European Union Member State must be notified to the relevant data subjects and, depending on the intended terms and purposes, must be authorised by said data subjects.

Assignment under the Securitisation Law

Assignments conducted under the Securitisation Law consist of assignment of credits and not of contractual positions. All the STC is acquiring is the entitlement to receive certain cash flows and not the contractual position of the Originator. Therefore, the assignment of the relevant receivables does not impose on the STC an obligation (if any) to perform further disbursements to the clients of the assignor as this will remain an obligation (if any) of the assignor.

Enforcement Proceedings

General Regime

Entitlement to file Enforcement Proceedings

In order to file for enforcement proceedings, the creditor must have an enforcement document ("*título executivo*") that validates its request.

Such enforcement document defines the enforcement's purposes and limits. Pursuant to Portuguese law, the following documents are considered valid enforcement titles:

(a) Condemnatory decisions;

(b) Documents issued or authenticated by notary or by any other entities with the same qualifications, originating or recognizing a valid obligation (this should be the case of the Receivable Agreements);

(c) Credit instruments ("*títulos de crédito*") such as cheques, promissory notes ("*livranças*"), etc.; or

(d) Documents that the law determines to constitute enforcement titles such as, for example an injunction request that has been granted enforceable status.

Criteria for obtaining an enforcement measure in the context of Enforcement Proceedings

The obligation that originates the enforcement proceedings must be certain, due and of net value.

By certain the law requires that the object of the obligation is determined or determinable, meaning, that one must be able to identify what the object of the obligation is.

By due the law requires that the obligation is demandable. One can only file enforcement proceedings for the obligations in which the due date has already been met.

As for the requirement that the obligation is of net value it means that the obligation that is to be enforced in the proceedings has to have a determined amount or object.

As to the net value it is important to draw your attention to the fact that in case there is an interest rate to be applied to the amount of the obligation to be enforced, the interest shall be considered until the date that the amount in question is fully paid.

As to the debtor, the enforcement must be brought against the person who in the enforcement title is named as debtor.

The enforcement of a debt with an *in rem* security granted by a third party and enforceable against it, such as obligations to withhold income, pledges, mortgages, preferred claims, rights of retention, confiscation and seizure on third party assets will be brought directly against that third party if the enforcement agent wishes to enforce the guarantee.

When the enforcement has only been brought against the third party and it is known that the assets with the *in rem* security are insufficient, the enforcement creditor may, in the same process, request the continuation of the enforcement against the debtor who shall be order to satisfy the claim.

Jurisdiction

The enforcement shall be submitted before a Civil Court.

If the enforcement document is based on a court decision, the enforcement proceedings shall be requested in the court of first instance where the case was heard, unless in that location there is an enforcement court.

For the other enforcement documents the location of the court shall depend on what is to be enforced, but the general rule is that the competent court is the court for the domicile of the enforcement debtor. However, in case of a claim secured by a mortgage, the competence is of the court of the location of the property.

Main Bodies of the Enforcement Proceedings

There are two main bodies in the enforcement proceedings:

(a) The enforcement agent;

(b) The enforcement judge.

As to the enforcement agent, it is his duty to conduct the proceedings. He shall perform all the enforcement diligences, including summons, notifications and necessary publications under the supervision and control of the enforcement judge.

Enforcement agents are professionals with appropriate training who must be registered with the Enforcement Agents' Chamber and therefore a list with the identity of such enforcement agents is available at the internet platform *Citius*.

The appointment of enforcement agent is made by choice of the enforcement creditor in the enforcement request.

As to the enforcement judge, not only does he have a general duty to supervise and control the proceedings but also to issue a preliminary decision, to decide on the opposition to the enforcement and to the seizure order as well as to decide on the verification and rankings of the credits, to decide on any pleadings brought up by the enforcement creditor, the enforcement debtor or third parties interested.

The Proceedings

The proceedings include the following stages:

1. Enforcement request;
2. Opposition to the enforcement;
3. Enforcement measures – seizure;
4. Opposition to seizure by debtor / guarantor;
5. Calling of creditors with registered rights;
6. Judicial sale and payment to the enforcement creditors;
7. Termination of the enforcement.

Introduction Stage

Once the enforcement creditor has a proper title/document he may file the proceedings by submitting an enforcement request through the internet platform *Citius* (which is only available for lawyers duly registered in Portugal).

The request is a legal standard form where the enforcement creditor must include the following elements:

(a) Indication of the enforcement's purpose;

(b) Concise explanation of the facts where the request is based;

(c) Net value of the credit;

(d) Indication of any assets or information on the enforcement debtor's possessions that may be seized with the relevant documents;

(e) Appointment of the enforcement agent;

(f) Request to waive the prior summon of the enforcement debtor (if applicable).

Also, when filing for the enforcement proceedings the enforcement creditor must present the enforcement document and all the documents that may be considered important to find assets to seize.

The court shall refuse the request for:

(a) Failure to include the aforementioned elements;

(b) Absence of proper identification of the parties involved, their address and value attributed to the proceedings;

(c) Failure to present the enforcement title or for plain insufficiency of the title;

(d) Failure to present proof of payment of court initial fees;

(e) The petition is not duly signed or written in Portuguese.

Once the enforcement request is received by the court there may be (i) a preliminary decision, a prior summon of the debtor and the seizure of the assets (ordinary process) or (ii) the proceedings may follow its course starting with a seizure (summary process);

In the preliminary decision the enforcement judge examines the enforcement title and may decide:

(a) on an immediate rejection – if the enforcement title is not valid;

(b) to invite the enforcement creditor to correct any irregularities of the enforcement request;

(c) to order the summons of the enforcement debtor.

There is no preliminary decision (and the proceeding starts with the seizure) in the enforcement proceedings based on:

(a) Decisions from judicial or arbitration courts;

(b) Injunction request that has been granted enforceable status as stated in Decree-Law no. 269/98, of 1 September, as amended;

(c) Documents issued or authenticated by notary that constitutes or recognizes a valid pecuniary obligation secured by a mortgage or a pledge;

(d) Any pecuniary obligation that is in an amount equal or lower than €10,000.00 (ten thousand euros).

There is always a preliminary decision:

(a) When the credit to be enforced depends on the verification of a certain condition or instalment by the enforcement creditor;

(b) When the pecuniary obligation to be executed depends on the calculation of a net amount;

(c) When the enforcement title is only against one debtor and such debtor states that other party is also liable for the debt;

(d) In enforcement proceedings against subsidiary enforcement debtor's (such as guarantor or when there is a request to waive the prior summons).

Opposition to prior summons

Once the enforcement debtor is summoned, he must pay the amount to be enforced or in alternative present opposition to the enforcement within 20 (twenty) days from the date he was summoned.

The grounds to oppose the summons depend on the enforcement title.

If the enforcement title is a court decision, the enforcement debtor can only oppose to the enforcement proceedings with one of the following grounds:

(a) Absence of enforcement title or its invalidity;

(b) Forgery of the proceedings or the court decision;

(c) Lack of grounds to proceeding with the enforcement;

(d) Void of the summons or absence of summons;

(e) Obligation to be enforced is not certain, demandable and of net value;

(f) Prior sentence to the same obligation;

(g) Any fact occurred after the sentence that preclude the right to enforce the sentence;

(h) The existence of a credit of the debtor against the creditor which is possible to compensate;

(i) If the title is a court decision that ratifies a confession or an agreement between the parties, any cause whish may make such act invalid.

If the enforcement title is an arbitration court's sentence, the enforcement debtor may oppose to the proceedings with any of the above-mentioned grounds plus any grounds that may invalidate the said decision.

If the enforcement is based on any other title the enforcement creditor may oppose the enforcement with the any of the above-mentioned grounds along with any cause that may invalidate the enforcement creditor's right to enforce the obligation in question.

The enforcement judge receives the opposition and either rejects or accepts the opposition. Generally, the opposition, even if accepted by the enforcement judge, will not suspend the proceedings.

In case the opposition is accepted, parallel proceedings are opened to decide on the opposition (while enforcement continues) and the enforcement creditor may answer to the opposition within 20 (twenty) days from the day he was notified of the opposition.

If the opposition was presented after the prior summon of the debtor, the enforcement proceedings will only be suspended if the enforcement debtor pays a deposit in the amount to be enforced (such deposited amount will be used to pay the debt if the opposition presented is accepted and considered valid).

The enforcement judge will decide if the opposition is valid. If the judge decides to find it valid, it shall determine the termination of the proceedings, if not the enforcement shall continue, in case it had been suspended.

The enforcement measures

The obligation is enforced through the seizure of assets of the enforcement debtor. The law states that all the assets of the enforcement debtor that can be seized can be subject to enforcement proceedings. In cases specially provided by the law, third party assets can be seized if the enforcement has been brought against that third party.

If the debt enforced is secured by a mortgage or a pledge, the enforcement measures begin with the seizure of such asset.

The seizure is always limited to the assets necessary for the payment of the debt in question and the foreseeable costs of the enforcement. Hence, only objects and rights which can be evaluated in pecuniary terms can be seized. Assets which are not tradable cannot be seized and there are also some legal limits to seizure of some assets which can only be seized partially (like the salary of the debtor for example) or only in certain conditions.

It is convenient that the enforcement creditor indicates the mortgaged / pledged assets securing the debt in the enforcement petition. If no security exists or if he does not indicate the assets, in order to initiate the seizure, the enforcement agent takes all the proper measures to find assets that can be seized.

In order to find those assets, the enforcement agent may, if necessary, consult the records of social security and property registries. In case he is not able to locate assets that can be subject to seizure, the enforcement creditor is notified in order to identify other assets to be seized and the enforcement debtor is summoned to list assets capable of seizure.

The seizure shall proceed until there are enough assets to face the amount to be enforced. Once the assets are seized they are entrusted to someone who will be the depository, who shall administrate them with zeal and proper care. Currently, there are no depositaries created for these purposes and, therefore, the depositary is typically the enforcement agent.

After every and each diligence of seizure the enforcement agent shall write a report. Also, the enforcement agent shall summon the enforcement debtor, the creditors that have a registered guarantee of the asset in question, the tax authorities and the social security.

Opposition to the seizure

If there is no prior summons**,** the enforcement starts with the seizure of the enforcement debtor's assets. At the seizure or within 20 (twenty) days of the seizure the enforcement debtor is notified to oppose to the enforcement in the terms mentioned above.

Also, with the seizure of the first asset, the enforcement debtor may oppose to the seizure within 20 (twenty) days with the following grounds:

(a) Inadmissibility of the seizure of the assets or its extension;

(b) Seizure of assets that should not be seized in the specific seizure diligence;

(c) Seizure of assets that should not be seized for that specific obligation;

The seizure may be suspended upon the opposition to the seizure of the asset in question if the enforcement debtor pays for the proper deposit but in this case it shall only suspend the seizure of the asset in question.

Creditors with registered rights

The creditors with registered and known rights over the asset to be seized may claim their credits. The enforcement judge will then analyse the claimed credits and, if necessary, rank them in accordance.

Judicial sale and payment to the enforcement creditors

The payment to the enforcement creditor may be carried out by one of the following modes:

(a) In cash;

(b) Adjudication of the seized assets;

(c) Assignment of earnings;

(d) Payment in instalments;

(e) Product of sale.

The payment in cash shall occur when the seized asset was cash, bank deposit or any pecuniary credit.

The adjudication of seized assets gives the enforcement creditor the possibility to choose to keep the seized assets as payment, even if partial.

However, it must be noted that the creditor (even if beneficiary of the mortgage asset) does not have the right to take possession or become owner of the asset (foreclosure) by virtue of enforcement of the mortgage, being only entitled to be paid in accordance with the payment procedures listed above.

Should the beneficiary be willing to acquire the actual asset, he may present a bid to acquire the asset. If, during the sale process, there is no offer in an amount higher than the proposal of the relevant creditor and there are no other creditors ranking senior to the mortgage creditor, the property is adjudicated to the creditor (receiving it as a payment in kind).

Nevertheless, if there are other creditors ranking senior to the mortgage creditor and the mortgage creditor is willing to acquire the actual mortgaged property, then it must deposit to the order of the court the amount in Euros that is required to repay such senior creditors, so that the mortgaged property may be attributed to such mortgage creditor (while ensuring higher ranking creditors are fully paid).

If the mortgage creditor presents a bid prior to the start of the sale process asking for the adjudication of the asset, and during the sale process there are other bids in higher amounts, the mortgage creditor may inform that it is willing to acquire for a higher price and, in such case, an auction takes place before the court.

The assignment of earnings takes place when, by request of the enforcement agent, the seized assets were real estate or any assets subject to registration. In that case, after hearing the enforcement debtor, if he does not request for the sale of the asset, the enforcement creditor may be paid by the income generated by the goods in question.

As to the sale, the following six alternatives may be considered:

(a) Sale by closed letter;

(b) Sale in stock markets;

(c) Direct sale to persons or entities that are entitled to acquire the seized assets;

(d) Sale by private negotiation;

(e) Sale by auction;

(f) Sale by public deposit;

(g) Sale by electronic auction.

In fact, in parallel with the opposition and seizure process (and if no deposit has been made to suspend the proceeding), the enforcement agent may promote the judicial sale of the relevant assets, if necessary.

The sale process is decided by the enforcement agent but the law foresees that when the sale is of properties, it shall be preferentially made by means of electronic auction without any real estate companies involved.

If no offer is presented or no offer is accepted and there are no other creditors ranking above a secured creditor, the Enforcement Agent will move on to the sale by private negotiation process. However, the creditor holding a right in rem security (e.g. mortgage) may opt to request the adjudication of the property as payment of its credits. This option must be exercised by the creditor holding a right in rem security.

Likewise, in the process of sale by means of closed letters, there are no real estate companies involved. However, if the sale is made by means of direct negotiation (for example, when the sale by submission of closed letters has been frustrated) real estate companies may be contacted. In any case, the secured creditor must be consulted.

If the credit is secured by more than one mortgage, the enforcement agent may sell the assets individually or as a portfolio and when the mortgaged asset is put on sale, the enforcement agent indicates a reference amount that must be, at least, 85% (eighty-five per cent.) of the valuation amount defined by the Portuguese tax offices or the valuation amount determined by an external entity requested by the agent. The offers of amounts lower than such reference price are not accepted. If no higher offer is presented, the enforcement agent must promote the sale by other means and then accept the best offer (the 85% (eighty-five per cent.) threshold no longer applying). Whenever the proceeds of the sale of the mortgaged property are insufficient to repay the mortgaged creditor in full then such creditor will also be entitled to be paid as a common creditor out of the proceeds of sale of any other assets (if available) of the debtor that will need to be seized to this effect.

Such proceedings follow the same steps as outlined above in respect to the mortgage assets. If, in respect of the same debtor, there is more than one debt and more than one security / types of security, the claim presented by the creditor may cover all the debts and related security.

Special Recovery Proceeding ("*Processo Especial de Revitalização*")

The special recovery proceeding is a stand-alone procedure outside of the scope of insolvency proceedings. It is a judicial proceeding based on out of court negotiations that shall be confirmed by the court. This proceeding aims to promote a rehabilitation of debtors facing financial difficulties ("*Processo Especial de Revitalização*" or "***PER***") and was introduced in the CIRE by Law no. 16/2012 of 20 April 2012. The special recovery proceeding can be used by a debtor (an enterprise – *empresa*) that is in a difficult economic situation or in a situation of imminent insolvency, but proves it is economically viable (in essence, such debtor is in a distressed financial situation but an insolvency has not been declared by a court). A debtor that has already been declared insolvent cannot utilise the special recovery procedure (but may do so after the proceedings were initiated and up until the insolvency is declared by the court). Special recovery proceedings are designed to provide a moratorium on creditor action while a recovery plan is agreed.

The special recovery proceeding commences with the joint declaration of the debtor and one or more creditors, who are not specially related to the debtor and who make up, at least, 10% of the non-subordinated claims and with a proposal of a recovery plan accompanied, at least, with the description of the debtor's financial situation (addressed to the court that is competent to open insolvency proceedings in respect of the debtor). Once the formal requirements for opening the proceedings are verified the court will automatically open the proceedings. While, for the purpose of commencing special recovery proceedings, it is necessary for the debtor and one or more creditors, who are not specially related to the debtor and who make up, at least, 10% of the non-subordinated claims and with a proposal of a recovery plan accompanied, at least, with the description of the debtor's financial situation, other creditors may, at any time during the negotiations to agree the recovery plan, declare that they intend to participate in this proceeding by informing debtor of their

intention to participate in the negotiations. Not all creditors will necessarily take part in the negotiations. However, once the plan has been approved and confirmed by the court it will, subject to the following exceptions for secured creditors, bind all creditors. Secured creditors are bound by the plan, but the priority of their security can only be affected with their specific consent. In practice the debtor will have canvassed significant creditors before applying to the court to commence the proceedings.

If special recovery proceedings are commenced the judge will immediately appoint a judicial administrator who will supervise and control the management of the debtor's estate during the negotiations between the debtor and the creditors. The fees of the judicial administrator will be paid by the debtor. The debtor's directors remain in office and do not lose their powers of management. The court will decide which specific powers the judicial administrator will have on a case by case basis. However, in general, the judicial administrator will be entrusted with the duty of supervising and providing guidance on the negotiations concerning the recovery plan and making sure the debtor does not cause any delay to its rehabilitation or carry out acts which serve no purpose to its rehabilitation. The debtor (acting through its directors if it is a legal entity) and the judicial administrator will negotiate the recovery plan with creditors that decide to take part in the negotiations.

The debtor's creditors must lodge a formal, written claim referred to as a "proof of debt". The judicial administrator will then review the claims and a list of all accepted claims will be published on the website *Citius* (the Portuguese judiciary online platform which includes an online section for insolvency notifications).

If the parties involved in the negotiations agree on the content of the recovery plan, the recovery plan is considered approved when more than two-thirds of all of the debtor's creditors (by value) vote in favour of the plan and more than half of those votes correspond to non-subordinated claims (by value) (creditors who abstain from voting are not counted). There is no creditors' meeting to vote on the recovery plan and so the votes of creditors are made in writing by post. The quorum is calculated according to the value of creditors' debts, which is calculated based on the list of claims published on the website *Citius*. Once approved by creditors, the plan must be validated by the court and, once validated by the court, it will bind all the creditors, even those that have not participated in the negotiations. The court will only validate the recovery plan if the majority rules that apply to an insolvency plan implemented through insolvency proceedings are observed. Once the plan is validated by the court, the special recovery proceeding ends and the recovery plan will be implemented and the company will continue with its business. Any discharge of debts will be governed by the recovery plan.

While negotiations are taking place in relation to the agreement of a recovery plan no legal action claiming the payment of a debt can be commenced and pending actions with the same purpose will be suspended. If the recovery plan is approved and validated by the judge, those actions will be considered terminated or continued (according to the provisions of the plan), and the payment of claims existing prior to the proceedings will be made according to the approved plan.

Provisions in contracts which result in the termination of the contract because of the opening of special recovery proceedings are valid and effective.

Special recovery proceedings are meant to be urgent restructuring proceedings and the proceedings lasts for a period of two months, which can be extended by a further month provided the judicial administrator and the debtor agree to the extension. This period starts counting from the publication of the debts' list on the website *Citius*.

If the recovery plan is not approved by all creditors, or no agreement can be reached on the recovery plan before it is put to the creditors' vote, the special recovery proceedings will be closed. If the debtor is not insolvent the closing of the proceeding leads to the extinction of all effects of the special recovery proceedings. In such cases, the debtor may proceed with its activity but it will be prevented from using the special recovery proceeding for a two-year period from the date that the first special recovery proceeding

was closed. If the debtor is insolvent, the closing of the proceeding leads to the declaration of insolvency of the debtor and to the opening of insolvency proceedings.

The relevant decisions and notices within this proceeding are published on the website *Citius*. This will include the decision to open and close special recovery proceedings and the list of creditors' claims.

Insolvency Proceedings ("*Processo de Insolvência*")

General Regime

The Portuguese insolvency and restructuring regime applicable to Portuguese companies (excluding public companies and financial and insurance companies) is governed by the CIRE which establishes the Portuguese insolvency regime.

There is only one type of insolvency proceedings (*processo de insolvência*) available, under which a company can be either (i) liquidated (either in accordance with a statutory/legal regime or through an insolvency plan) or (ii) rescued pursuant to an insolvency plan. The main purpose of these insolvency proceedings is the reimbursement of creditors and such proceedings can lead either to statutory liquidation proceedings or to the approval of an insolvency plan.

The same principles apply to the insolvency of natural persons, i.e., the insolvency proceedings may either lead to the liquidation of their assets or, to a payment plan according to which the payment of creditor's claims will occur.

Insolvency matters are heard in the Court of Commerce or in Sections of Commerce at a District Court. Where Courts of Commerce or Sections of Commerce at a District Court do not exist, corporate insolvency matters are also heard at standard District Courts. At present, there are only two Courts of Commerce (Lisboa and Vila Nova de Gaia) and two Sections of Commerce (at the District Courts of Aveiro and Sintra). Insolvency proceedings must be initiated at the Court of Commerce or District Court where the company has its head office, domicile or centre of main interests.

Insolvency is defined as a debtor's inability to meet its obligations as they fall due. If the debtor is a company, it will also be deemed to be insolvent when the aggregate value of its liabilities is higher than the value of its assets determined upon a fair assessment.

The debtor's insolvency will be imminent whenever the management recognises that all the efforts to avoid impending insolvency have been made without success and it is expected that, according to the regular course of company business, the company will soon become unable to meet its financial obligations as they fall due or that the debtor's liabilities will exceed its assets.

Commencement of proceedings

Insolvency proceedings may be initiated by the debtor or by a third party by filing an application for the opening of insolvency proceedings. Distinct procedural rules apply in accordance with who is filing the insolvency request to commence the proceedings.

The management of the company (manager, director or board of directors) must file for the opening of corporate insolvency proceedings whenever the legal requirements of insolvency are confirmed or may file for the opening of corporate insolvency proceedings whenever the insolvency of the debtor is imminent.

The decision to file for insolvency must be adopted by the debtor within 30 (thirty) days of the becoming insolvent or from the moment the debtor acting in accordance with its duties, should have become aware of the debtor's insolvency.

Where the debtor fails to comply with the obligation to file for insolvency, the debtor can be subject to personal liability for culpable insolvency. The CIRE foresees no similar liability in relation to the failure of the debtor to file for insolvency in cases of imminent insolvency.

An application to commence insolvency proceedings may also be initiated by any entity responsible for the debtor's debts, by any of the debtor's creditors or by the public prosecutor on behalf of the entities he or she legally represents. For this purpose, the applicant must show the grounds under which it is alleged that the debtor is insolvent, based on the verification of any of the evidentiary facts mentioned above, as well as the type and amount of the debt owed to it by the debtor, providing evidence to substantiate this.

Court's decision

By filing an insolvency request for the opening of corporate insolvency proceedings the debtor is acknowledging the fact that it is insolvent or that insolvency is imminent. Therefore, the court will consider the request as admittance by the debtor that it is insolvent and will deal with the request in a formal manner. In this case, the court will normally open the insolvency proceedings (the debtor is declared insolvent) within 3 (three) working days from the filing of the request.

Where the request is filed by a creditor or other third party and no reason for the immediate rejection of that request exists, the court will notify the debtor of the petition within 10 (ten) days from the filing of the request. The debtor then has the choice to either oppose or not the petition. If the debtor does not oppose the petition, the debtor is deemed to have admitted its insolvency and the debtor will be declared insolvent. In case the debtor opposes the petition, the court must schedule the hearing to consider the insolvency request within 5 (five) days from receiving the debtor's opposition. After the hearing, the court will, within 5 (five) days, either declare the insolvency or order the closing of the proceeding; the court's decision may be appealed by the applicant or debtor.

Where the court concludes that an application to commence corporate insolvency proceedings is unfounded or deceitful, the applicant (debtor or third party) may be liable for any losses and damages to the debtor or to any of its creditors which were caused by the application.

Where the court declares the debtor insolvent and opens corporate insolvency proceedings, the court must, among other actions prescribed by law, also:

(a) appoint an insolvency administrator;

(b) serve a notice on the creditors to file their proofs of debt within a period up to 30 (thirty) days from the date the opening of the corporate insolvency proceedings is notified to certain creditors or, for those creditors not directly notified, the date on which the opening of the corporate insolvency proceedings is published; and

(c) except in certain specific circumstances, order that the company's assets be transferred to the insolvency administrator.

Although the competence to appoint the insolvency administrator is of the court, an insolvency administrator may be recommended by the creditor in the insolvency request (in particular when a specific know-how is necessary to understand the business or to manage the assets).

The first creditors' meeting

At the first creditors' meeting a decision must be made on whether the debtor's activities (including establishments forming part of the assets of the insolvent estate) should be continued or should be closed down. No specific quorum requirements apply to this meeting and a simple majority is required for the approval of the decisions.

If the creditors decide that the debtor should be closed down and that it is not appropriate to propose an insolvency plan to deal with the debtor's liquidation or the rescue of the debtor, then the company will be liquidated in accordance with the statutory regime in the CIRE. If an insolvency plan is proposed and then not approved the liquidation procedure in the CIRE will also be followed. The aim of liquidation proceedings is for the liquidator to collect in and sell the assets of the company in order for distributions to be made to the company's creditors.

If the creditors decide that the debtors' activities should be continued then an insolvency plan to rescue the debtor needs to be prepared and approved.

Insolvency plan ("*plano de insolvência*")

The settlement of creditors' claims, the liquidation of the insolvent estate and its distribution among the creditors, as well as the status of the debtor's liabilities after the closure of the insolvency proceedings, may be determined by an insolvency plan. The insolvency plan may provide for different solutions than provided for under the statutory liquidation regime. In addition, an insolvency plan may be used to reach a compromise with creditors so that the company can be rescued and continue in business.

An insolvency plan may be prepared by any party to the insolvency proceedings (the insolvency administrator, the company or a creditor or a group of creditors). While the insolvency plan is being prepared the liquidation of the company is suspended. The insolvency plan must include all existing creditors and specify the purpose of the plan and how it will be implemented. The insolvency plan must also contain a payment plan, which will include all claims submitted by creditors that have been approved by the insolvency administrator.

The insolvency plan must provide for creditors to be treated equally (unless differences are justified by objective circumstances or creditors agree to be treated differently) and the content of the insolvency plan may be freely proposed by the party preparing the plan.

Any agreement by which the administrator, the company or any third person grants any advantage to a creditor that is not set out in the insolvency plan is null and void.

The insolvency plan will be debated and approved at a creditors' meeting. In order for a creditors' meeting to be quorate it must be attended in person or by proxy by creditors holding at least one-third by value of the total number of claims with voting rights. The insolvency plan is binding on all creditors once it has been approved in accordance with the majorities stated in the CIRE (votes in favour of the plan of creditors representing two-thirds of the issued votes (one euro of claim corresponds to one vote) and more than half of the issued votes must correspond to non-subordinated claims). Creditors whose rights are not affected by the plan and creditors with subordinated claims below a certain level do not have voting rights.

After the corporate insolvency proceedings are opened and until the proceedings are closed any secured party may only enforce its rights against the insolvent debtor by filing a claim within the insolvency proceedings. Once an insolvency plan has been approved it will not be possible for any party to enforce its security (unless such enforcement is contemplated by the plan).

Ranking of claims

The CIRE distinguishes between four categories of claims within the insolvency proceedings: secured, preferential, unsecured and subordinated. Such claims are paid in the following order.

Secured claims. Those with security in rem over assets which are part of the insolvent estate (up to the value of those assets). Secured claims also include special creditors' preferential claims, such as the preferential right employees benefit from over the specific company premises where they carry out their activity. This category of claim not only covers the principal claim but also the interest arising on that claim. If the secured claim exceeds the value of the secured creditor's security, any shortfall will be an unsecured claim in the insolvency proceedings.

Prior Ranking claims. These are the general creditors' prior ranking claims over the assets in the insolvent estate (up to the value of the assets over which such preferential claims exist), and where the claims are not extinguished as a consequence of the declaration of insolvency. Prior ranking claims include certain debts to tax and social security authorities. The priority granted to the party that applied for the opening of the corporate insolvency proceedings is ranked as a prior ranking claim. Funds provided to a debtor in the special recovery proceedings (i.e. pursuant to the recovery plan) are also ranked as preferential claims and no time limit applies to this priority.

Unsecured claims. Those not covered by any of the above categories (and which are not subordinated). These will generally be the majority of the claims in the insolvency proceedings.

Subordinated claims. The following claims are subordinated and will be paid after all other claims in the insolvency proceedings (except where they carry general or special creditors' preferential rights, or are secured by legal mortgages which are not extinguished as a result of the declaration of insolvency):

(a) The claims of persons with a special relationship with the debtor; these include shareholders, partners, persons who have been in a position of control over the debtor, other group companies and persons to whom such claims have been transferred in the two years prior to the commencement of the corporate insolvency proceedings;

(b) Interest on non-subordinated claims arising after the commencement of the insolvency proceedings, except for those covered by security in rem and by general creditors' preferential rights up to the value of the assets in question;

(c) Claims which are subordinated by agreement between the parties (i.e. contractual subordination is valid and effective as a matter of Portuguese insolvency law);

(d) Claims arising from obligations of the debtor in which it receives no consideration in return;

(e) Claims against the insolvent estate which, as a result of decisions benefiting the estate itself, are held by a third party not acting in good faith;

(f) Claims for interest on subordinated claims arising after the commencement of the corporate insolvency proceedings; and

(g) Claims in respect of shareholders' loans.

Upon the opening of corporate insolvency proceedings, the priority of the following claims ceases:

(a) General creditors' preferential rights attached to claims against the insolvent estate held by the State, local authorities and social security institutions, which arose more than 12 months prior to the commencement of the corporate insolvency proceedings;

(b) Special creditors' preferential rights attached to claims against the insolvent estate and held by the State, local authorities and social security institutions, and which were due and payable more than 12 months prior to the commencement of the corporate insolvency proceedings;

(c) Legal mortgages for which an application for registration was made in the two months prior to the commencement of the corporate insolvency proceedings, which secure claims against the insolvent estate and in respect of which the mortgagee is the State, local authorities or social security institutions;

(d) If dependent on registration, security in rem over registrable real or movable property forming part of the insolvent estate, which support claims against the insolvent estate which are already in existence but not yet registered or where registration has not yet been applied for; and

(e) Security in rem over assets forming part of the insolvent estate to the extent they are securing claims judged to be subordinated.

The costs and expenses of the corporate insolvency proceedings take priority over all claims and will be paid from the proceeds of the insolvent estate (or from the company's income if its operations are continued after the approval of an insolvency plan) and, if these are not sufficient, the costs will be met by the sale of assets which are subject to security interests up to a limit of 10 (ten) per cent. of the proceeds of such sale.

Credits secured by mortgage assets

Accordingly, when the creditor has a mortgage or other *in rem* security over assets in the insolvency estate, the creditor is paid with the proceeds of the sale of the relevant mortgaged asset, provided that no privileged

creditor ranks with priority over it. The costs and expenses of the insolvency proceedings (including court costs, insolvency administrator's costs and fees, certain liabilities which arise after the commencement of insolvency proceedings, etc.) take priority over all claims and will be paid from the proceeds of the insolvent estate and, if these are not sufficient, the costs will be met by the sale of assets which are subject to security interests up to a limit of 10% (ten per cent.) of the proceeds of such sale.

It shall be noted that the sale in an insolvency proceeding follows the rules mentioned above applicable to the enforcement proceedings except when the insolvency administrator opts for an alternative proceeding he considers more appropriate.

Where an insolvency plan is approved by the creditors and in the absence of any provision to the contrary in the insolvency plan, any right *in rem* or preference is not affected by the insolvency plan (it should in any case be noted that, even if the mortgage itself, for example, cannot be affected, the amount of the credit may have been reduced as per the agreed insolvency plan).

The insolvency plan is binding on all creditors once it has been approved in accordance with the majorities stated in the CIRE and then confirmed by the insolvency judge.

Once an insolvency plan has been approved it will not be possible for any party to enforce its security (unless such enforcement is contemplated by the plan).

If an insolvency plan is adopted and the company does not comply with the measures identified, the moratorium and creditors forgiveness cease their effects and new insolvency proceedings may start.

Credits secured by pledges

In case the creditor is secured by pledges the insolvency proceedings follow the same process explained above with the exception of financial pledges, constituted under Decree-Law no. 105/2004, of 8 May, as amended, in respect of which the commencement of insolvency proceedings shall not affect out-of-court enforcement provisions.

OVERVIEW OF PROVISIONS RELATING TO INTERBOLSA

General

Interbolsa manages a centralised system (*sistema centralizado*) composed of interconnected securities accounts, through which such securities (and inherent rights) are held and transferred, and which allows Interbolsa to control at all times the amount of securities so held and transferred. Issuers of securities, financial intermediaries, the Bank of Portugal and Interbolsa, as the controlling entity, all participate in such centralised system.

The centralised securities system of Interbolsa provides for all the procedures required for the exercise of ownership rights inherent in notes held through Interbolsa.

In relation to each issue of securities, Interbolsa's centralised system comprises, *inter alia*, (i) the issue account, opened by the relevant issuer in the centralised system and which reflects the full amount of issued securities; and (ii) the control accounts opened by each of the financial intermediaries which participate in Interbolsa's centralised system, and which reflect the securities held by such participant on behalf of its customers in accordance with its individual securities accounts.

Securities held through Interbolsa will be attributed an International Securities Identification Number ("**ISIN**") code through the codification system of Interbolsa and will be accepted for clearing through LCH.Clearnet, S.A. as well as through the clearing systems operated by Euroclear and Clearstream, Luxembourg and settled by Interbolsa's settlement system. Under the procedures of Interbolsa's settlement system, settlement of trades executed through the Stock Exchange takes place on the second Business Day after the trade date and is provisional until the financial settlement that takes place through TARGET2 on the settlement date.

Form of the Notes and the Class R Note

The Notes and the Class R Note are in dematerialised book-entry (*escritural*) and nominative (*nominativa*) form and title to the Notes and the Class R Note is evidenced by book entries in accordance with the provisions of the Portuguese Securities Code and the applicable CMVM regulations. No physical document of title will be issued in respect of Notes held through Interbolsa.

The Notes and the Class R Note have been registered in the relevant issue account opened by the Issuer with Interbolsa and will be held in control accounts by each Affiliate Member of Interbolsa on behalf of the holders of the Notes and the holder of the Class R Note. Such control accounts reflect at all times the aggregate of Notes and the Class R Note held in individual securities accounts opened by holders of the Notes and the holder of the Class R Note with each of the Affiliate Member of Interbolsa. The expression "**Affiliate Member of Interbolsa"** means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of their customers and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg for the purpose of holding accounts on behalf of Euroclear and Clearstream, Luxembourg.

Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes and/or in the Class R Note shall be treated as the holder of the principal amount of the Notes or the Class R Note, as applicable, recorded therein.

One or more certificates in relation to the Notes or in relation to the Class R Note (each a "**Certificate**") will be delivered by the relevant Affiliated Member of Interbolsa in respect of its registered holding of Notes and the Class R Note upon the request by the relevant Noteholder and the Class R Noteholder and in accordance with that Affiliated Member's procedures and pursuant to article 78 of the Portuguese Securities Code.

Any Noteholder and the Class R Noteholder will (except as otherwise required by law) be treated as its absolute owner for all purposes regardless of the theft or loss of the Certificate issued in respect of it and no person will be liable for so treating any relevant Noteholder and the Class R Noteholder.

Payment of principal and interest in respect of Notes and the Class R Note

Whilst the Notes and the Class R Note are held through Interbolsa, payment of principal and interest in respect of the Notes and the Class R Note will be (a) credited, according to the procedures and regulations of Interbolsa, to TARGET2 System payment current-accounts held in the payment system of TARGET2 by Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes or with the Class R Note and thereafter (b) credited by such Affiliate Member of Interbolsa from the aforementioned payment current-accounts to the accounts of the owners of those Notes or the Class R Note or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes or of the Class R Note, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer must provide Interbolsa with a prior notice of all payments in relation to the Notes and the Class R Note and all necessary information for that purpose. In particular, such notice must contain:

(a) The identity of the Principal Paying Agent; and

(b) A statement of acceptance of such responsibility by the Principal Paying Agent.

The Portuguese Paying Agent notifies Interbolsa of the amounts to be paid for payments to be processed in accordance with Interbolsa procedures and regulations.

In the case of a partial payment, the amount held in the TARGET 2 current account of the Portuguese Paying Agent must be apportioned *pro-rata* between the accounts of the Affiliate Members of Interbolsa. After a payment has been processed, whether in full or in part, following the information sent by Interbolsa to the Bank of Portugal, such entity will confirm that fact to Interbolsa.

Transfer of the Notes and the Class R Note

The Notes and the Class R Note held through Interbolsa may, subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, be transferred to a person who wishes to hold such Notes and/or the Class R Note. No owner of a Note or the Class R Note will be able to transfer such Note, except in accordance with Portuguese law and the applicable procedures of Interbolsa.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions which will be incorporated by reference into each Note registered with Central de Valores Mobiliários, the central securities settlement system managed by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários S.A.

€84,000,000.00 Class A Asset-Backed Floating Rate Notes due 2038

€14,000,000.00 Class B Asset-Backed Floating Rate Notes due 2038

€25,000,000.00 Class J Asset-Backed Variable Return Notes due 2038

(the "Notes")

Issued by Hefesto STC, S.A.

1. General

1.1. The Issuer has agreed to issue the Notes subject to these Conditions and the terms of the Common Representative Appointment Agreement.

1.2. Certain provisions of these Conditions are summaries of the Common Representative Appointment Agreement, the Co-ordination Agreement, the Servicing Committee Rules and the Paying Agency and Transaction Management Agreement and are subject to their detailed provisions.

1.3. The Noteholders are bound by the terms, and are deemed to have notice of all the provisions, of all the Transaction Documents.

1.4. Copies of the Transaction Documents are available for inspection by the Noteholders, on reasonable notice, during normal business hours at the registered office of the Issuer, the Common Representative and at the specified office of the Principal Paying Agent.

2. Definitions

Unless expressly defined in these Conditions or if the context requires otherwise, capitalised words and expressions used in these Conditions shall have the meanings and constructions ascribed to them in the Master Framework Agreement (as the same may be amended and supplemented from time to time), the defined terms of which are included hereto as an Annex (*Definitions*) to these Conditions.

3. Form, Denomination and Title

3.1. ***Form and denomination of the Notes***: The Notes are in dematerialised book-entry (*escritural*) form and nominative (*nominativa*) in the specified denomination of €100,000 (one hundred thousand euro) each in the case of the Class A Notes and the Class B Notes, and €1,000 (one thousand euros) each in the case of the Class J Notes.

3.2. ***Title***: The registered holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of any payment) whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such holder. Title to the Notes will pass by registration in the relevant individual securities account held with an affiliate member of Interbolsa. References herein to the "holders" of Notes or Noteholders are to the persons in whose names such Notes are so registered in the securities account with the relevant affiliate member of Interbolsa.

4. Status and Ranking

4.1. ***Status***: The Notes of each Class constitute direct, secured and limited recourse obligations of the Issuer and the Notes and the other related Issuer Obligations will benefit from the statutory segregation provided by the Securitisation Law.

4.2. ***Ranking***: The Notes in each Class will at all times rank *pari passu* amongst themselves without preference or priority.

4.3. ***Sole Obligations***: The Notes are obligations solely of the Issuer limited to the segregated Receivables Portfolio corresponding to this transaction (as identified by the corresponding asset code awarded by the CMVM pursuant to Article 62 of the Securitisation Law) and other Transaction Assets and without recourse to any other assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, managers or shareholders and are not obligations of, or guaranteed by, any of the other Transaction Parties.

4.4. ***Issuer Covenants***: So long as any Note remains outstanding the Issuer shall comply with all the covenants of the Issuer as set out in the Transaction Documents, which, for the sake of clarity, include a negative covenant of not to create any security interest on any of its assets (other than security (if any) which may be created over the Cap Collateral Account to the benefit of the Cap Counterparty).

4.5. ***Use of Proceeds***: On or about the Issue Date, the Issuer shall apply the gross proceeds of the Notes solely towards the payment of the Purchase Price of the Receivables included in the Receivables Portfolio.

5. Statutory Segregation

5.1. ***Segregation under the Securitisation Law***: The Notes and any related Issuer Obligations have the benefit of the statutory segregation under the Securitisation Law.

5.2. ***Restriction on Disposal of the Transaction Assets***: The Issuer may only assign the Receivables to securitisation funds ("*fundos de titularização de créditos*" or "**FTC's**") or other securitisation companies ("*sociedades de titularização de créditos*" or "**STC's**") pursuant to Article 45(1) of the Securitisation Law; the Issuer may further assign the Receivables in accordance with Article 45(2) of the Securitisation Law, notably to the Asset Manager.

6. Cash Reserve Account

6.1. ***Opening of the Cash Reserve Account***: On the Issue Date, a cash reserve account will be established with the Accounts Bank in the name of the Issuer (the "**Cash Reserve Account**") pursuant to the Portuguese Accounts Agreement. The Cash Reserve Account will be funded with the Cash Reserve Account Required Amount which, on the Issue Date, is an amount equal to €3,100,000.00 (three million one hundred thousand euros), and which will be transferred from the amounts received by the Issuer from the €3,100,000.00 Class R Note due 2038, issued by the Issuer on the Issue Date, with the ISIN PTHEF3OM0002, for the sole purposes of funding the Cash Reserve Account up to the Cash Reserve Account Required Amount (the "**Class R Note**").

6.2. ***Use of the Cash Reserve Account***: The Cash Reserve Account will provide the Issuer with limited funds in order to pay for any Issuer Expenses and certain other items in the Payment Priorities as specified therein. Any amounts standing to the credit of the Cash Reserve Account on final redemption, or on early redemption in whole of the Notes, will be credited to the Payment Account and treated as Available Distribution Amount on the Final Legal Maturity Date of the Notes or on the date on which all of the Notes are subject to any early redemption in whole, as applicable.

7. Notes Interest Amount

7.1. ***Accrual of Interest:*** The Notes of each Class bear interest on its Principal Amount Outstanding from the Issue Date and will be paid semi-annually in arrears on each Interest Payment Date. Interest will accrue from, and including, the immediately preceding Interest Payment Date (or, in the case of the First Interest Payment Date, the Issue Date for the relevant Notes) to, but excluding, the relevant Interest Payment Date, subject as provided in Condition 8 (*Payment Priorities*). If any Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next succeeding Business Day unless it would thereby fall in the next calendar month, in which case it will be brought forward to the preceding Business Day. For the avoidance of doubt, if not paid on the relevant Interest Payment Date, the Interest Amount shall accrue on a daily basis irrespective of whether such day is a Business Day. "**Interest Amount**" shall mean the amount of the interest payable in respect of each Class of Notes for such Interest Period (including any deferred interest if payable on the relevant Interest Payment Date), to be calculated by the Transaction Manager in accordance with Condition 7.4 (*Calculation of Interest Amount*) below.

7.2. ***Rate of interest****:* The Notes will represent entitlements to payment of interest in respect of each successive interest period from the Issue Date at an annual rate in respect of each Note equal to EURIBOR for 6 (six) months deposits in Euro (the "**Six Month EURIBOR**", as defined below) (or in the case of the First Interest Period, the linear interpolation between EURIBOR for 6 (six) and EURIBOR for 12 (twelve) months deposits in Euro), plus Relevant Margins, being 2% (two per cent.) for the Class A Notes, 6% (six per cent.) for the Class B Notes and 12% (twelve per cent.) for the Class J Notes, provided that if the interest rate applicable during a given interest period on a Class of Notes in accordance with the foregoing would be negative, the relevant interest rate shall be deemed 0.00% (zero per cent.).

For the purpose of these Conditions:

"**Six Month EURIBOR**" means, on any Interest Determination Date, the rate determined by the Transaction Manager by reference to the Euro Screen Rate on such date, or if, on such date, is unavailable:

(a) the Rounded Arithmetic Mean of the offered quotations, as at or about 11.00 a.m. (Brussels time) on that date, of the reference banks to leading banks for Euro-zone interbank market for euro deposits for six months in the Representative Amount determined by the Transaction Manager after request of the principal Euro-zone office of each of the reference banks; or

(b) if, on such date, two or three only of the reference banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those reference banks providing such quotations; or

(c) if, on such date, one only or none of the reference banks provide such a quotation, the Rounded Arithmetic Mean of the rates quoted, as at or about 11.00 a.m. (Brussels time) on such Interest Determination Date, by leading banks in the Euro-zone for loans in euro for six months in the Representative Amount to leading European banks, determined by the Transaction Manager after request of the principal office in the principal financial center of the relevant Participating Member State of each such leading European bank;

"**Euro Screen Rate**" means, in relation to an Interest Determination Date, the offered quotations for euro deposits for 6 (six) months by reference to the Screen as at or about 11.00 a.m. (Brussels time) on that date;

"**Interest Determination Date**" means, with respect to the First Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each

subsequent Interest Period, the date falling on the second Business Day immediately preceding the Interest Payment Date at the beginning of such Interest Period;

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"**Rounded Arithmetic Mean**" means the arithmetic mean (rounded, if necessary, to the nearest 0.0001, 0.00005 being rounded upwards);

"**Screen**" means, the display designated as EURIBOR01 Page as quoted on the Reuters Screen; or

(i) such other page as may replace EURIBOR01 Page as quoted on the Reuters Screen on that service for the purpose of displaying such information; or

(ii) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Common Representative) as may replace such services.

Whenever it is necessary to compute an amount of interest in respect of the Notes for a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in such period divided by 360.

7.3. ***Cessation of Interest***: The Notes will cease to be entitled to the Interest Amount as from the date on which final redemption is to take place unless payment of principal is improperly withheld or refused, in which case it will continue to be entitled to receive the Interest Amount in accordance with this Condition until the earlier of:

(i) 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

(ii) the day which is 7 (seven) days after the Principal Paying Agent (or the Common Representative) has notified the relevant Noteholder that it has received all sums due in respect of the Notes up to such 7th (seventh) day (except to the extent that there is any subsequent default in payment).

7.4. ***Calculation of Interest Amount***: The Transaction Manager will, as soon as practicable after the Calculation Date in relation to each Interest Period, calculate the amount of the Interest Amount payable in respect of each Class of Notes for such Interest Period.

7.5. ***Unpaid Interest***: Interest will accrue on any unpaid interest on any class of Notes, from the due date up to the date of actual payment at the interest rate from time to time applicable to the relevant Notes and shall be due and payable in accordance with this Condition 7 (*Notes Interest Amount*) or on such other date or dates as the Common Representative may specify by written notice to the Issuer. If there are any Interest Amounts in respect of any class of Notes other than the Class A Notes which are due but not paid on any Interest Payment Date (other than the Final Legal Maturity Date), such amounts shall not be regarded as payable on such date and shall accrue interest during the period from (and including) the Interest Payment Date upon which such unpaid amounts are deferred to (and excluding) the date of actual payment thereof.

7.6. ***Class J Return Amount***: The Class J Notes will in addition bear an entitlement to payment of the Class J Return Amount in the amount (if any) calculated by the Transaction Manager to be paid from the Available Distribution Amount on any Interest Payment Date. This amount will only be payable to the extent that funds are available to the Issuer for that purpose under the relevant Payment Priorities.

8. Payment Priorities

8.1. ***Payment Priorities***: The Issuer is required to apply the Available Distribution Amount in accordance with the Pre-Enforcement Payment Priorities or thereafter in accordance with the Post-Enforcement Payment Priorities, as applicable, without prejudice to what is established in Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*) below.

8.2. ***Priority of Payments***: Payments of interest and principal on the Notes will at all times be made in accordance with the Payment Priorities, as follows:

8.2.1. ***Pre-Enforcement Payment Priorities***

Prior to (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), the Available Distribution Amount shall be applied on each Interest Payment Date in making or providing for the following payments, in the following order of priority (the "**Pre-Enforcement Payment Priorities**") (but in each case only to the extent that all payments or provisions of a higher priority that fall due to be paid or provided for on such Interest Payment Date have been made in full):

(a) first, in or towards payment of the Issuer's liability to Tax, in relation to this Transaction, if any;

(b) second, in or towards payment of the Common Representative's Fees and the Common Representative's Liabilities in relation to this Transaction;

(c) third, in or towards payment of the Issuer Expenses, *pari passu* and on a *pro rata* basis, to the extent not yet paid under items (a) and (b) above;

(d) fourth, in or towards payment of interest due and payable on the Class R Note pursuant to the Class R Note Conditions;

(e) fifth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class A Notes on such Interest Payment Date, but so that interest past due will be paid before current interest;

(f) sixth, in or towards crediting of the Cash Reserve Account up to an amount equal to the Cash Reserve Account Required Amount;

(g) seventh, in or towards payment of principal due and payable on the Class R Note pursuant to the Class R Note Conditions, which payment shall be limited to the lower of (i) the principal amount outstanding under the Class R Note and (ii) the amount by which the funds standing to the credit of the Cash Reserve Account as of the preceding Calculation Date exceed the Cash Reserve Account Required Amount under item (f) above, provided that if such amount is negative, then this limb (ii) shall be deemed zero;

(h) eighth, in or towards the payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class B Notes, provided that a Subordination Event has not occurred in respect to such Interest Payment Date;

(i) ninth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;

(j) tenth, upon occurrence of a Subordination Event in respect to such Interest Payment Date, in or towards payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class B Notes;

(k) eleventh, in or towards payment, *pari passu* and on a *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full, (ii) the Secured Commercial Servicer Mezzanine Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Mezzanine Performance Fee to the Secured Residential Servicer and (iv) the Unsecured Servicer Mezzanine Performance Fee to the Unsecured Servicer;

(l) twelfth, in or towards payment of any amounts due and payable by the Issuer pursuant to the Subscription Agreement to the Noteholder (including any amounts due and payable as indemnity);

(m) thirteenth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Interest Amount in respect of the Class J Notes;

(n) fourteenth, in or towards payment, *pari passu* and on an adjusted *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to Euro 5,000 and on the Final Redemption Date until redemption in full of the Class J Notes, (ii) the Secured Commercial Servicer Junior Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Junior Performance Fee to the Secured Residential Servicer and (iv) the Unsecured Servicer Junior Performance Fee to the Unsecured Servicer;

(o) fifteenth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Class J Return Amount.

For purposes of calculating the adjusted pro-rata between the Secured Commercial Servicer Junior Performance Fee, the Secured Residential Servicer Junior Performance Fee and the Unsecured Servicer Junior Performance Fee and the Principal Amount Outstanding of the Class J Notes under item fourteenth of the Pre-Enforcement Payment Priorities above, the proportionate allocation shall be made by considering the calculation of principal amount outstanding of the Class J Notes as equal to: (i) the sum of the Target Price at Issue Date (as provided under Schedule 11 (*Target Price of each Borrower*) to the Receivables Servicing Agreements), less (ii) the principal notional of the Senior Notes at Closing, less (iii) the principal notional of the Mezzanine Notes at Issue Date and less (iv) the sum of all principal payments paid to the Class J Notes.

Provided, however, that should the Transaction Manager not receive the Servicer Report within 12 (twelve) Business Days after the end of the relevant Collection Period:

(a) it shall prepare the Investor Report in respect of the immediately following Interest Payment Date by applying the Available Distribution Amount in an amount not higher than the amounts standing to the credit of the Cash Reserve Account on the immediately preceding Interest Payment Date (after application of the Pre-Enforcement Payment Priorities on such Interest Payment Date) towards payment only of items from (a) to (e) (but excluding from the Issuer Expenses the Servicer Fees due to the Servicer under item (c) of the Pre-Enforcement Payment Priorities),

and

(b) any amount that would otherwise have been payable under items from (f) to (o) of the Pre-Enforcement Payment Priorities will not be included in the relevant Investor Report and shall not be payable on the relevant Interest Payment Date and shall be payable (together with the relevant the Servicer Fees) in accordance with the applicable Payment Priorities on the first following Interest Payment Date on which there are enough Available Distribution Amount and on which details for the relevant calculations will be timely provided to the Transaction Manager.

*8.2.2. **Post-Enforcement Payment Priorities***

Following (i) the delivery of an Enforcement Notice, (ii) a redemption in whole of the Notes for taxation reasons pursuant to Condition 9.2 (*Optional Redemption in whole for Taxation Reasons*), or (iii) an optional redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*), all amounts received or recovered by the Issuer and/or the Common Representative will be applied by the Common Representative or the Transaction Manager or (if applicable) the Principal Paying Agent (in both cases on behalf of the Common Representative) in making the following payments in the following order of priority (the "**Post-Enforcement Payment Priorities**") but in each case only to the extent that all payments of a higher priority have been made in full:

(a) first, in or towards payment of the Issuer's liability to Tax, in relation to this Transaction, if any;

(b) second, in or towards payment of the Common Representative's Fees and the Common Representative's Liabilities in relation to this Transaction;

(c) third, in or towards payment of the Issuer Expenses, to the extent not yet paid under items (a) and (b) above;

(d) fourth, in or toward payment of interest due and payable on the Class R Note pursuant to the Class R Note Conditions;

(e) fifth, in or towards payment *pari passu* on a *pro rata* basis of the Interest Amount in respect of the Class A Notes, but so that interest past due will be paid before current interest;

(f) sixth, in or towards payment of principal due and payable on the Class R Note pursuant to the Class R Note Conditions;

(g) seventh, in or towards payment *pari passu* on a *pro rata* basis of the Principal Amount Outstanding of the Class A Notes until the Class A Notes have been redeemed in full;

(h) eighth, in or towards payment *pari passu* on a *pro rata* basis of the Interest Amount in respect of the Class B Notes, but so that interest past due will be paid before current interest;

(i) ninth, in or towards payment *pari passu* on a *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class B Notes until the Class B Notes have been redeemed in full, (ii) the Secured Commercial Servicer Mezzanine Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Mezzanine Performance Fee to the Secured Residential Servicer, (iv) the Unsecured Servicer Mezzanine Performance Fee to the Unsecured Servicer and (v) of any amounts due and payable by the Issuer pursuant to the Subscription Agreement to the Noteholders, including any amounts due and payable as indemnity;

(j) tenth, in or towards payment *pari passu* on a *pro rata* basis of the Interest Amount in respect of the Class J Notes, but so that interest past due will be paid before current interest;

(k) eleventh, in or towards payment *pari passu* on an adjusted *pro rata* basis (with reference to the respective amounts thereof), of (i) the Principal Amount Outstanding of the Class J Notes until the Principal Amount Outstanding of the Class J Notes is equal to Euro 5,000 and on the Final Redemption Date until redemption in full of the Class J Notes, (ii) the Secured Commercial Servicer Junior Performance Fee to the Secured Commercial Servicer, (iii) the Secured Residential Servicer Junior Performance Fee to the Secured Residential Servicer and (iv) the Unsecured Servicer Junior Performance Fee to the Unsecured Servicer;

(l) twelfth, in or towards payment, *pari passu* and on a *pro rata* basis, of the Class J Return Amount.

For purposes of calculating the adjusted *pro-rata* between the Secured Commercial Servicer Junior Performance Fee, the Secured Residential Servicer Junior Performance Fee and the Unsecured Servicer Junior Performance Fee and the Principal Amount Outstanding of the Class J Notes under item eleventh of the Post-Enforcement Payment Priorities above, the proportionate allocation shall be made by considering the calculation of principal amount outstanding of the Class J Notes as equal to: (i) the sum of the Target Price at Issue Date (as provided under Schedule 11 (*Target Price of each Borrower*) to the Receivables Servicing Agreements), less (ii) the principal notional of the Senior Notes at Closing, less (iii) the principal notional of the Mezzanine Notes at Issue Date and less (iv) the sum of all principal payments paid to the Class J Notes.

8.2.3. ***Cap Collateral Account Priority of Payments***

Amounts standing to the credit of the Cap Collateral Account will not be available for the Issuer to make payments to the Noteholders and the other Transaction Creditors generally, but shall be applied only in accordance with the following provisions:

(a) prior to the occurrence or designation of an Early Termination Date in respect of the Cap Agreement, solely in or towards payment or transfer of:

(i) any Return Amounts (as defined in the Credit Support Annex);

(ii) any Interest Amounts and Distributions (each as defined in the Credit Support Annex);

(iii) any return of collateral to the Cap Counterparty upon a novation of the Cap Counterparty's obligations under the Cap Agreement to a replacement cap counterparty, on any day (whether or not such day is an Interest Payment Date), directly to the Cap Counterparty in accordance with the terms of the Credit Support Annex;

(b) upon or immediately following the occurrence or designation of an Early Termination Date (as defined in the Cap Agreement) in respect of the Cap Agreement where (A) such Early Termination Date (as defined in the Cap Agreement) has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) or an Additional Termination Event (as defined in the Cap Agreement) resulting from a Cap Counterparty Rating Event and in respect of which the Cap Counterparty is the Affected Party (as defined in the Cap Agreement) and (B) the Issuer enters into a replacement cap agreement in respect of such Cap Agreement on or around the Early Termination Date of such Cap Agreement, on the later of the day on which such replacement cap agreement is entered into and the day on which the Replacement Cap Premium (if any) payable to the Issuer has been received (in each case, whether or not such day is an Interest Payment Date), in the following order of priority:

(i) first, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement cap agreement with the Issuer with respect to the Cap Agreement being novated or terminated;

(ii) second, in or towards payment of any termination payment due to the outgoing Cap Counterparty pursuant to the Cap Agreement; and

(iii) third, the surplus (if any) (a "**Cap Collateral Account Surplus**") on such day to be transferred to the Payment Account for an amount equal to the relevant Cap Collateral Account Surplus and deemed to form part of the Available Distribution Amount;

(c) following the occurrence or designation of an Early Termination Date in respect of the Cap Agreement where (A) such Early Termination Date has been designated following an Event of Default (as defined in the Cap Agreement) in respect of which the Cap Counterparty is the Defaulting Party (as defined in the Cap Agreement) or an Additional Termination Event (as

defined in the Cap Agreement) resulting from a Cap Counterparty Rating Event and in respect of which the Cap Counterparty is the Affected Party (as defined in the Cap Agreement) and (B) the Issuer is unable to or elects not to enter into a replacement cap agreement on or around the Early Termination Date of such Cap Agreement, on any day (whether or not such day is a Payment Date) in or towards payment of any termination payment due to the Cap Counterparty pursuant to the Cap Agreement;

(d) following the occurrence or designation of an Early Termination Date in respect of the Cap Agreement where such Early Termination Date has been designated otherwise than as a result of one of the events specified at items (b) and (c) above, on any day (whether or not such day is an Interest Payment Date) in or towards payment of any termination payment due to the outgoing Cap Counterparty pursuant to the Cap Agreement; and

(e) following payment of any amounts due pursuant to (c) and (d) above, if amounts remain standing to the credit of the Cap Collateral Account, such amounts may be applied on any day (whether or not such day is an Interest Payment Date) only in accordance with the following provisions:

(i) first, in or towards payment of any Replacement Cap Premium (if any) payable by the Issuer to a replacement cap counterparty in order to enter into a replacement cap agreement with the Issuer with respect to the Cap Agreement being terminated; and

(ii) second, the surplus (if any) (a "**Cap Collateral Account Surplus**") remaining after payment of such Replacement Cap Premium to be transferred to the Payment Account and deemed to form part of the Available Distribution Amount,

provided that if the Issuer has not entered into a replacement cap agreement with respect to the Cap Agreement on or prior to the earlier of:

(1) the day that is 10 (ten) Business Days prior to the date on which the Principal Amount Outstanding of all Classes of Notes is reduced to zero (other than following the occurrence of an Event of Default to Condition 12 (*Events of Default and Enforcement*); or

(2) the day on which an Enforcement Notice is given pursuant to Condition 12 (*Events of Default and Enforcement*),

then the Collateral Amount on such day shall be transferred to the Payment Account for an amount equal to the relevant Cap Collateral Account Surplus and deemed to form part of the Available Distribution Amount. In accordance with Clause 17.4 (*Cap Collateral Account Priority of Payments*) to the Master Framework Agreement, this Condition 8.2.3 (*Cap Collateral Account Priority of Payments*) may not be amended without the Cap Counterparty express consent.

8.3. ***Available Distribution Amount***: For the purposes of this Condition, "**Available Distribution Amount**" means, in respect of each Interest Payment Date, the amount calculated by the Transaction Manager as of the Calculation Date immediately preceding such Interest Payment Date, which is equal to:

(a) all amounts credited or transferred, in respect of the Receivables Portfolio and in respect of the Collection Period immediately preceding such Interest Payment Date, into the Payment Account;

(b) all amounts due and payable to the Issuer in respect of such Interest Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than (1) any Collateral Amounts, any termination payment required to be made under the Cap Agreement, any collateral payable or transferable (as the case may be) under the Cap Agreement and any Replacement Cap Premium paid to the Issuer (which will not be

available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Cap Collateral Account Priority of Payments) and (2) any Cap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Cap Agreement, without regard to the Cap Collateral Account Priority of Payments or any Payment Priorities). For the sake of clarity, no funds standing to the credit of the Cap Collateral Account will be part of the Available Distribution Amount;

(c) all other amounts credited or transferred during the Collection Period immediately preceding such Interest Payment Date into the Payment Account;

(d) all interest accrued in each of the Transaction Accounts and credited to such Transaction Accounts (except for the Cap Collateral Account) during the Collection Period immediately preceding such Interest Payment Date;

(e) if any, all amounts received by the Issuer from the Seller pursuant to the Receivables Sale Agreement during the Collection Period immediately preceding such Interest Payment Date (including any amount received by the Issuer from the Seller as indemnity in case of breach by the Seller of any Seller's Representations and Warranties);

(f) all amounts standing to the credit of the Cash Reserve Account;

(g) the Transferred Receivables Available Proceeds;

(h) on the earlier of (1) the Final Legal Maturity Date and (2) such other prior date on which the Notes are all to be redeemed in full, all the amounts standing to the credit of the General Collections Account, the Secured Commercial Expenses Account, the Secured Residential Expenses Account and the Unsecured Expenses Account;

(i) any amounts (other than the amounts already allocated under other items of the Available Distribution Amount) paid into the Payment Account during the Collection Period immediately preceding such Interest Payment Date other than the Available Distribution Amount utilised on the immediately preceding Interest Payment Date,

but excluding, for the avoidance of doubt:

(a) the proceeds deriving from the transfer in whole or in part (if any) of the Receivables Portfolio pursuant to the Receivables Servicing Agreement, credited to the Payment Account, but which have not yet become Transferred Receivables Available Proceeds;

(b) any amount of negative interest debited to the Transaction Accounts by the Accounts Bank, the Payment Account Bank or the Cap Collateral Account Bank (if applicable);

(c) any court deposits released by the relevant court and due to be returned to the Seller under clause 8.3 (*Court Deposits*) of the Receivables Sale Agreement;

(d) without duplication of the above, any Cap Collateral Account Surplus paid into the Payment Account in accordance with the Collateral Account Priority of Payments.

"**Transferred Receivables Available Proceeds**" means the proceeds deriving from the transfer in whole or in part (if any) of any Receivable (net of any indemnity amounts paid to the relevant third-party purchasers of such Receivables) pursuant to the Receivables Servicing Agreement and credited into the Payment Account. To avoid any double-counting, any such Transferred Receivables Available Proceeds shall only fall under paragraph (i) of the definition of Available Distribution Amount and not any other paragraph thereunder.

8.4. ***Notifications etc.***: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the

Transaction Manager will (in the absence of manifest error) be binding on the Issuer, the Transaction Manager, the Principal Paying Agent, the Portuguese Paying Agent, the Common Representative, the Noteholder and (subject as aforesaid) no liability to any such person will attach to the Transaction Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes in accordance with the terms of the Transaction Documents, other than by reason of its own negligence, bad faith, wilful default or fraud.

8.5. ***Interpretation***: In these Conditions, "**Business Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("**TARGET 2**") is open for settlement of payments in Euro (a "**TARGET 2 Day**") or, if such TARGET 2 Day is not a day on which banks are open for business in London and Lisbon, the next succeeding TARGET 2 Day on which banks are open for business in London and Lisbon.

8.6. ***Failure of Transaction Manager*:** If the Transaction Manager fails at any time to determine the Interest Amount, the Common Representative may, or will use commercially reasonable endeavours to appoint a person (at the expense of the Issuer which for the avoidance of any doubt shall be considered as an Issuer Expense) who will, calculate such Interest Amount. Such calculation will be deemed to have been made by the Transaction Manager and shall be binding on the Issuer, the Transaction Manager, the Principal Paying Agent, the Portuguese Paying Agent, the Noteholders and the Common Representative. The Transaction Manager shall be liable for any loss, liability, claim, action, damages or expenses arising out of or in connection with its failure in determining the Interest Amount, save where such failure is caused by a technical or administrative problem beyond the control or responsibility of the Transaction Manager.

8.7. ***Interest Period***: Each period beginning on (and including) the Issue Date or any Interest Payment Date (as applicable) and ending on (but excluding) the next Interest Payment Date is an "**Interest Period**". Interest accrues on the Notes on a daily basis irrespective of whether such day is a Business Day.

9. Final Redemption, Mandatory Redemption in Part and Optional Redemption

9.1. ***Mandatory Redemption in part of the Notes***: On each Interest Payment Date, subject to the relevant Payment Priorities, the Issuer will cause any Available Distribution Amount to be applied in or towards payment of the Principal Amount Outstanding of the Notes in each case in an amount rounded down to the nearest 0.01 euro and as determined on the related Calculation Date.

9.2. ***Optional Redemption in Whole for Taxation Reasons***: The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date:

(a) after the date on which, by virtue of a change in Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would be required to make a Tax Deduction from any payment in respect of the Notes (other than by reason of the relevant Noteholder having some connection with the Portuguese Republic, other than the holding of the Notes); or

(b) after the date on which, by virtue of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law), the Issuer would not be entitled to relief for the purposes of such Tax law for any material amount which it is obliged to pay, or the Issuer would be treated as receiving for the purposes of such Tax law any material amount which it is not entitled to receive under the Transaction Documents; or

(c) after the date of a change in the Tax law of the Issuer Jurisdiction (or the application or official interpretation of such Tax law) which would cause the total amount payable in respect of any of the Notes to cease to be receivable by the Noteholders including as a result of any of the Borrowers being obliged to make a Tax Deduction in respect of any

payment in relation to any Receivables or the Issuer being obliged to make a Tax Deduction in respect of any payment in relation to any Note,

subject to the following:

(A) that the Issuer has given not more than sixty (60) nor less than thirty (30) days' notice to the Noteholders and the Common Representative (and copying the Cap Counterparty), in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes; and

(B) that the Issuer has provided to the Common Representative:

(1) a legal opinion (in form and substance satisfactory to the Common Representative) from a firm of lawyers in the Issuer Jurisdiction (approved in writing by the Common Representative), opining on the relevant change in Tax law; and

(2) a certificate signed by two directors of the Issuer to the effect that the obligation to make a Tax Deduction cannot be avoided; and

(3) a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the relevant Payment Priorities,

provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class J Notes at their Principal Amount Outstanding, the Class J Notes shall be deemed to be redeemed in full and all the claims of the relevant Noteholder for any shortfall in the Principal Amount Outstanding of such Class J Notes shall be extinguished.

Redemption in whole of the Notes by the Issuer referred to in any of the items above may only occur provided that the relevant assignment of credits by the Issuer under Article 45 of the Securitisation Law fully complies with the Bid Process and is monitored by the Monitoring Agent and approved by the Servicing Committee.

9.3. ***Junior Noteholder Put Option***: Subject to the provisions of the Securitisation Law in force, the Issuer may redeem all (but not some only) of the Notes in each Class at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date, provided that the following conditions are met (the "**Put Option Conditions**"):

(a) the Issuer has received from the majority of the Class J Noteholders a written resolution confirming that the Class J Noteholders are exercising their option (the "**Junior Noteholder Put Option**") to decide to have all (but not some only) of the Notes redeemed at their Principal Amount Outstanding; and

(b) the Issuer has received confirmation from the Transaction Manager that it will have the necessary available funds in the Available Distribution Amount to discharge all its outstanding liabilities in respect of the Notes and all amounts required under the relevant Payment Priorities to be paid in priority or *pari passu* with the Notes; and

(c) such confirmation from the Transaction Manager as described in item (b) above is evidence acceptable to the Common Representative that the Available Distribution Amount is sufficient to redeem all (but not some only) of the Notes in accordance with the relevant Payment Priorities; and

(d) the Class J Noteholders exercising the Junior Noteholder Put Option have established to

the satisfaction of the Issuer that they hold the relevant Class J Notes on the date on which the Junior Noteholder Put Option is exercised and that they will be the holders of such Class J Notes on the Put Option Date; and

(e) the exercise of the Junior Noteholder Put Option by the Class J Noteholders is valid to discharge all of the Issuer's obligations under or in connection with the Notes towards the Noteholders and the Transaction Creditors and confirmation that funds are available to the Issuer to meet its payment obligations of a higher or equal priority; and

(f) the exercise of the Junior Noteholder Put Option satisfies all the applicable legal requirements, including the ones arising under the Securitisation Law, notably under Article 45 thereof, and

(g) the assignment of the Receivables Portfolio for the purposes of the exercise of the Junior Noteholder Put Option complies with the Bid Process and is monitored by the Monitoring Agent,

and, subject to the reception of a certificate (in form and substance satisfactory to it) signed on behalf of the Transaction Manager confirming that all Put Option Conditions have been or will be duly met up to the relevant Interest Payment Date, the Issuer shall give not more than 60 (sixty) nor less than 30 (thirty) days' notice to the Common Representative, the Transaction Manager, the Principal Paying Agent, the Noteholders, the Cap Counterparty and the Rating Agencies of the exercise of the Junior Noteholder Put Option.

It is expressly stated and agreed that the exercise of the Junior Noteholder Put Option by the Class J Noteholders shall be conditional upon there being sufficient funds to redeem the Notes, and the Issuer shall have no obligation whatsoever to actually redeem the Notes in the event that there are no such sufficient funds, and the Issuer shall not be obliged to use any efforts to procure that such sufficient funds are made available to it. In case the Notes will be not redeemed on the relevant Interest Payment Date, the exercise of the Put Option will become ineffective, which shall not affect the Class J Noteholders' right to exercise further Junior Noteholder Put Options in accordance with the terms of this Condition.

The Class A Noteholders and the Class B Noteholders acknowledge, agree and confirm that, subject to the satisfaction of the Put Option Conditions, the Issuer may redeem all (but not some only) of the Notes upon the exercise of the Junior Noteholder Put Option.

9.4. ***Redemption in Whole at the Option of the Issuer (10% clean-up call)***: The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding together with accrued interest on any Interest Payment Date when, on the Calculation Date immediately preceding such Interest Payment Date, the Adjusted Aggregate Principal Outstanding Balance of the Receivables is equal to or less than 10% (ten per cent.) of the Adjusted Aggregate Principal Outstanding Balance of all of the Receivables as at the Collateral Determination Date.

For the purposes above, "**Adjusted Aggregate Principal Outstanding Balance**" means the Aggregate Principal Outstanding Balance multiplied by the Discount Factor; "Discount Factor" means the result of the division of the Purchase Price by the Aggregate Principal Outstanding Balance of the Receivables as at the Collateral Determination Date.

The redemption of the Notes under this Condition is subject to the following:

(a) that the Issuer has given not more than sixty nor less than thirty days' notice to the Noteholders and the Common Representative (and copying the Cap Counterparty), in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes; and

(b) that the Issuer has provided to the Common Representative a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the relevant Payment Priorities,

provided that if on such Interest Payment Date the funds available to the Issuer are not sufficient to redeem the Class J Notes at their Principal Amount Outstanding, the Class J Notes shall be deemed to be redeemed in full and all the claims of the relevant Noteholder for any shortfall in the Principal Amount Outstanding of such Class J Notes shall be extinguished.

Redemption in whole of the Notes by the Issuer referred to in any of the items above may only occur provided that the relevant assignment of credits by the Issuer under Article 45 of the Securitisation Law fully complies with the Bid Process and is monitored by the Monitoring Agent and approved by the Servicing Committee.

9.5. ***Final Legal Maturity Date***: Unless previously redeemed and cancelled, the Notes will be redeemed at their Principal Amount Outstanding, together with accrued interest (if any), on the Interest Payment Date falling on November 2038 (the "**Final Legal Maturity Date**").

The actual final redemption date of the Notes may be earlier, and could be substantially earlier, than their Final Legal Maturity Date. If the Notes will be redeemed on the Final Legal Maturity Date pursuant to these Conditions, any payments in respect of the Principal Amount Outstanding as of the relevant Final Legal Maturity Date, and of interest in respect of the Notes shall be made in accordance with the Payment Priorities set out in Condition 8 (*Payment Priorities*) above.

9.6. ***No other redemption***: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition 9 (*Final Redemption, Mandatory Redemption in Part and Optional Redemption*).

9.7. ***Sale of Receivables Portfolio***: In the following circumstances:

(i) in the case of a redemption pursuant to Condition 9.2 (*Optional Redemption in Whole for Taxation*), or

(ii) in the case of a redemption pursuant to Condition 9.3 (*Junior Noteholder Put Option*); or

(iii) in the case of a redemption pursuant to Condition 9.4 (*Redemption in Whole at the Option of the Issuer (10% clean-up call)*); or

(iv) if, after an Enforcement Notice has been served on the Issuer (with a copy to the Rating Agencies and the Servicers) pursuant to Condition 12 (*Events of Default and Enforcement*), an Extraordinary Resolution of the holders of the Most Senior Class of Notes resolve to request the Issuer to sell all (or part only) of the Receivables Portfolio to one or more third parties,

the Issuer will be authorised to search for potential purchasers of all (or part only) of the Receivables Portfolio, in order to enable the relevant Notes to be redeemed. For the sake of clarity, the foregoing is without prejudice to any disposals of Receivables to the Asset Manager in accordance with the relevant Asset Management Agreement.

Without prejudice to the above, and following the Class A Notes having been redeemed in full, and in case any of the circumstances (i), to (iv) above apply, the Issuer, assisted by the Servicers and upon direction of the Monitoring Agent, will organise a competitive bid process in order to sell the Receivables Portfolio (the "**Bid Process**"). The Bid Process procedure shall be carried out in compliance with the best practices of the industry and in line with transparency standards, in order to maximize the purchase price of the Receivables Portfolio and the Issuer will be able to

sell the Receivables Portfolio to the selected party only if the proceedings deriving from the sale of the Receivables Portfolio shall be sufficient to allow the Issuer, on the following Interest Payment Date, to redeem:

(a) (i) the Class B Notes in whole (but not in part) at their Principal Amount Outstanding (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) and (ii) the Class J Notes in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs) provided that as a result of their partial redemption their Principal Amount Outstanding is not higher than Euro 5,000.00, or

(b) with the prior written consent of a majority of the Class J Noteholders, the Class B Notes in whole and the Class J Notes in part (together with any interest accrued and unpaid thereon until the date on which such redemption occurs); and

in any case to allow the Issuer to pay any amounts required under the Conditions to be paid in priority to or *pari passu* with such Class of Notes to be redeemed and any amounts required under the Conditions to be paid in priority to or *pari passu* thereto.

9.8. ***Cancellation***: The Notes so redeemed shall be cancelled and may not be reissued or resold.

9.9. ***No Purchase***: The Issuer may not at any time purchase any of the Notes.

10. Payments

10.1. ***Payments in euro***: Payments of principal and interest in respect of the Notes may only be made in euro or any other currency mutually agreed.

10.2. ***Payments of principal and interest***: Payments of principal and interest (both in the case of final redemption and in respect of any note principal or interest payment which becomes due on an Interest Payment Date) will, in accordance with the applicable rules and procedures of Interbolsa, be (a) credited by the Portuguese Paying Agent (acting on behalf of the Issuer) to the payment current-accounts held by the affiliate members of Interbolsa (whose control accounts with Interbolsa are credited with such Notes) and (b) thereafter credited by such affiliate members from the aforementioned payment current-accounts to the accounts of the owners of those Notes, commencing on the First Interest Payment Date.

10.3. ***Payments subject to fiscal laws***: All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 11 (*Taxation*), no commissions or expenses shall be charged to the holder of the Notes in respect of such payments.

10.4. ***Payments on Business Days***: If the due date for payment of any amount in respect of the Notes is not a business day in the place of presentation the holder shall not be entitled to payment of the amount due until the next succeeding business day in the place of presentation on which banks are open for business in such place of presentation and shall not be entitled to any further interest or other payment in respect of any such delay.

10.5. ***Notifications to be final***: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Transaction Manager shall (in the absence of any negligence, bad faith, wilful default, fraud or manifest error) be binding on the Issuer and the Noteholders and the other Transaction Creditors and (in the absence of any negligence, bad faith, wilful default, fraud) no liability towards the Noteholders shall attach to the Transaction Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 10 (*Payments*), when in accordance with the Transaction Documents.

11. Taxation

11.1. ***Payments free of Tax***: All payments of principal and interest in respect of the Notes 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 Portugal or any other jurisdiction 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 or the Principal Paying Agent (as the case may be) shall be entitled to withhold or deduct the required amount for or on account of Tax from such payment and shall account to the relevant tax authorities for the amount so withheld or deducted.

11.2. ***No payment of additional amounts***: Neither the Issuer, nor the Principal Paying Agent or any other Transaction Party will be obliged to pay any additional amounts to the Noteholder in respect of any Tax Deduction made under Condition 11.1 (*Payments free of Tax*) above.

11.3. ***Tax Jurisdiction***: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Portuguese Republic, references in these Conditions to the Portuguese Republic or to Portugal shall be construed as references to the Portuguese Republic or to Portugal and/or such other jurisdiction.

11.4. ***Tax Deduction not Event of Default***: Notwithstanding that the Issuer or the Principal Paying Agent is required to make a Tax Deduction in accordance with Condition 11.1 (*Payments free of Tax*) it shall not constitute an Event of Default.

12. Events of Default and Enforcement

12.1. ***Events of Default***: Each of the following events shall be treated as an event of default under the Notes ("**Event of Default**"):

(i) *Non-payment:* (1) the Issuer defaults in the payment of the Principal Amount Outstanding of the Notes on the Final Legal Maturity Date (provided that a 3 (three) Business Days' grace period shall apply); or (2) on any Interest Payment Date (provided that a 3 (three) Business Days' grace period shall apply), the amount paid by the Issuer as interest on the Class A Notes is lower than the relevant Interest Amount; or (3) on the relevant Final Legal Maturity Date (provided that a 3 (three) Business Days' grace period shall apply) the amount paid by the Issuer as interest on the Notes, is lower than the relevant Interest Amount on such Class of Notes;

(ii) *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 or any of the Transaction Documents to which it is a party and (except where, in the sole and absolute opinion of the Common Representative, such default is incapable of remedy, in which case no notice requiring remedy will be required) such default remains unremedied for thirty days (or such longer period as the Common Representative may agree) after the Common Representative has given written notice thereof to the Issuer, certifying that such default is, in the sole opinion of the Common Representative, materially detrimental to the interests of the Most Senior Class of Noteholders and requiring the same to be remedied; or

(iii) *Insolvency*: an Insolvency Event occurs with respect to the Issuer; or

(iv) *Authorisations and consents*: any action or condition (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Transaction Documents, (ii) to ensure that those

obligations are legal, valid, binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of Portugal is not taken, fulfilled or done; or

(v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents it is a party to.

12.2. ***Delivery of Enforcement Notice***: If an Event of Default occurs and is continuing, the Common Representative may at its absolute discretion and shall if so requested in writing by the holders of at least 25% (twenty-five per cent.) of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes or if so directed by a Resolution of the holders of the Most Senior Class of outstanding Notes deliver a notice (an "**Enforcement Notice**") to the Issuer (and copying the Cap Counterparty).

12.3. ***Conditions for delivery of Enforcement Notice***: Notwithstanding Condition 12.2 (*Delivery of Enforcement Notice*) above, the Common Representative shall not be obliged to deliver an Enforcement Notice unless:

(a) in case of Condition 12.1(ii) (*Breach of other obligations*), the Common Representative, shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders; and

(b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or to which it may incur by so doing.

12.4. ***Consequences of delivery of Enforcement Notice***: Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding together with any accrued interest and deferred interest, in accordance with Condition 8.2.2 (*Post-Enforcement Payment Priorities*).

12.5. ***Proceedings***: After the occurrence of an Event of Default, the Common Representative may, at its discretion and without further notice, institute such proceedings as it thinks fit to enforce its rights in respect of the Notes and under the other Transaction Documents, but it shall not be bound to do so unless:

(a) so requested in writing by the holders of at least 25% (twenty-five per cent.) of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or

(b) so directed by a Resolution of the Noteholders of the Most Senior Class of outstanding Notes,

and in any such case, only if it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities to which it may thereby become liable or which it may incur by so doing, in accordance with the terms of the Common Representative Appointment Agreement.

12.6. ***Directions to the Common Representative*****:** Without prejudice to Condition 12.5 (*Proceedings*), the Common Representative shall not be bound to take any action described in Condition 12.5 (*Proceedings*) and may take such action without having regard to the effect of such action on individual Noteholders or any other Transaction Creditor. The Common Representative shall have regard to the Noteholders of each Class as a Class and, for the purposes of exercising its rights, powers, duties or discretions, the Common Representative shall have regard only to the Most Senior Class of Notes then outstanding, provided that so long as any of the Most Senior Class of Notes are outstanding, the Common Representative shall not, and shall not be bound to, act at the request or direction of the Noteholders of any other Class of Notes unless:

(i) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of all the Classes of Notes ranking senior to such other Class; or

(ii) (if the Common Representative is not of that opinion) such action of each Class is sanctioned by a Resolution of the Noteholders of the Class or Classes of the Notes ranking senior to such other Class.

12.7. ***Restrictions on disposal of Receivables***: If the Notes have become immediately due and payable at their Principal Amount Outstanding together with any accrued interest, the Issuer or the Common Representative following an Enforcement Notice, acting on behalf of the Issuer, will only be entitled to dispose of the Receivables under the terms of the Securitisation Law.

13. Prescription

13.1. ***Principal***: Claims for principal in respect of the Notes shall become void unless the relevant payment is claimed within 20 (twenty) years after the appropriate Relevant Date.

13.2. ***Interest***: Claims for interest in respect of the Notes shall become void unless the relevant payment is claimed within 5 (five) years after the appropriate Relevant Date.

"**Relevant Date**" for the purposes of this Condition 13 (*Prescription*) means, in respect of any Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 (seven) days after the date on which notice is duly given to the Noteholders and the Common Representative in accordance with Condition 20 (*Notices*) that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

14. Agents

14.1. ***Principal Paying Agent, Portuguese Paying Agent and Transaction Manager solely agents of Issuer*:** In acting under the Paying Agency and Transaction Management Agreement and in connection with the Notes, the Principal Paying Agent, the Portuguese Paying Agent and the Transaction Manager act solely as agents of the Issuer and (to the extent provided therein, after the occurrence of an Event of Default and delivery of an Enforcement Notice) the Common Representative and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

14.2. ***Common Representative and Agents***: In the exercise of its powers and discretions under these Conditions and the Common Representative Appointment Agreement, the Common Representative will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of the Notes of any such Class of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction provided that:

(i) so long as any of the Class A Notes are outstanding, if there is a conflict of interest between the interests of the holders of the Class A Notes, the interests of the holders of the Class B Notes and/or the Class J Notes, the Common Representative shall only have regard to the interests of the holders of the Class A Notes;

(ii) after the Class A Notes have been redeemed in full, if there is a conflict of interest between the interests of the holders of the Class B Notes and the interests of the holders of the Class J Notes, the Common Representative shall only have regard to the interests of the holders of the Class B Notes;

provided further that, while any Notes of a Class ranking senior to any other Class of Notes are then outstanding, the Common Representative shall not and shall not be bound to, act at the request or direction of the Noteholders of any other Class of Notes unless:

(a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of all the Classes of Notes ranking senior to such other Class; or

(b) (if the Common Representative is not of that opinion) such action of each Class is sanctioned by a Resolution of the Noteholders of the Class or Classes of the Notes ranking senior to such other Class.

15. Servicing Committee

The Noteholders of each Class and the Common Representative hereby agree and acknowledge that they are fully aware of and accept without reservations the Servicing Committee Rules and that any actions, including any Resolutions, taken by the Noteholders of any Class, and any actions taken by the Common Representative, as representative of the Noteholders of any Class, including under any such Resolutions, must respect the terms of the Servicing Committee Rules and any decisions taken by the Servicing Committee thereunder and not infringe the attributions of the Servicing Committee specified under the Servicing Committee Rules. Any actions taken by the Noteholders or the Common Representative against the terms of the foregoing paragraph shall be deemed void and of no effect by any Transaction Parties.

16. Meetings of Noteholders

16.1. ***Meetings:*** Meetings shall take place whenever decisions need to be taken on matters relating to the Notes, including the modification of any provision of these Conditions and the circumstances in which modifications may be made if sanctioned by a Resolution, in accordance with the Common Representative Appointment Agreement.

16.2. ***Convening Meetings and universal Meetings:*** In accordance with Portuguese law, the meetings of the holders of the Notes should be convened no later than (i) one month prior to the date of the meeting or (ii) 21 (twenty-one) days prior to the date of the meeting if the convening notice is delivered by way of a registered letter or by e-mail, in this latter case subject to the relevant holder of the Notes having given their prior written consent. Alternatively and also pursuant to Portuguese law, a meeting of the holders of the Notes can also be validly initiated to adopt resolutions if (i) the holders of the Notes are present or duly represented, (ii) agree to initiate a meeting of the holders of the Notes to resolve on certain matters and (iii) waive the verification of any formalities required by applicable law.

16.3. ***Request of Noteholders***: A meeting of the holders of the Notes may be convened by the Common Representative (subject to its being indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the terms of the Common Representative Appointment Agreement) or, if the Common Representative refuses to convene the meeting, by the Chairman of the Shareholders' General Meeting of the Issuer at any time. A meeting must be convened upon the request in writing of the holders of the Notes holding not less than 5 (five) per cent. of the aggregate Principal Amount Outstanding of the Notes.

16.4. ***Separate and combined meetings*****:** The Common Representative Appointment Agreement provides that:

(i) a Resolution which in the opinion of the Common Representative affects the Notes of only one Class shall be transacted at a separate meeting of the Noteholders of that Class;

(ii) a Resolution which in the opinion of the Common Representative affects the Noteholders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of another Class of Notes may be transacted either at separate meetings of the Noteholders of each such Class or at a single meeting of the Noteholders of all such Classes of Notes as the Common Representative shall determine in its absolute discretion; and

(iii) a Resolution which in the opinion of the Common Representative affects the Noteholders of more than one Class and gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate meetings of the Noteholders of each such Class.

16.5. ***Quorum***: The quorum at any Meeting convened to vote on:

(i) a Resolution not regarding a Reserved Matter, relating to a meeting of a particular Class or Classes of the Notes, will be any person or persons holding or representing such Class or Classes of Notes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented at the Meeting; and

(ii) a Resolution regarding a Reserved Matter, relating to a meeting of a particular Class or Classes of the Notes, will be any person or persons holding or representing at least 50 (fifty per cent.) of the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes or, at any adjourned Meeting, any person holding or representing such Class or Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented at the Meeting.

16.6. ***Majorities***: The majorities required to pass a Resolution at any meeting convened in accordance with these rules shall be the majority of the votes cast at the relevant meeting if in respect of a Resolution not regarding a Reserved Matter or if in respect to a Resolution regarding a Reserved Matter (which must be proposed separately to each Class of Noteholders), at least 50 (fifty per cent.) of the Principal Amount Outstanding of the Notes then outstanding or, at any adjourned second meeting by at least 2/3 (two-thirds) of the votes cast at the relevant meeting.

16.7. ***Relationship between Classes***: In relation to each Class of Notes, and except as provided under Condition 16.8 (*Reserved Matters*) below:

(i) no Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by a Resolution of the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other Classes);

(ii) no Resolution to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by a Resolution of the holders of each of the other Classes of Notes then outstanding ranking senior to such Class to the extent that there are Notes outstanding ranking senior to such Class unless the Common Representative considers that none of the holders of each of the other Classes of Notes ranking senior to such Class, would be materially prejudiced by the absence of such sanction (for the purpose of this Condition 16.7(b), Class A Notes rank senior to Class B Notes, which rank senior to Class J Notes); and

(iii) any Resolution passed at a Meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with the Common Representative Appointment Agreement shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting, except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes.

16.8. ***Reserved Matters***: Reserved Matter means any of the following proposals:

(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 due 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;

(b) to instruct the Issuer to redeem the Notes in whole prior to the Final Legal Maturity Date in accordance with Condition 9.2 (*Optional Redemption in Whole for Taxation Reasons*) or Condition 9.4 (*Redemption in Whole at the Option of the Issuer (10% clean-up call)*);

(c) to the extent legally admissible, to effect the exchange, conversion or substitution of the Notes, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or corporate body formed or to be formed;

(d) to change the currency in which amounts due in respect of the Notes will be payable;

(e) to alter the priority of payment of interest or principal in respect of the Notes;

(f) to change the quorum required at any Meeting or the majority required to approve a Resolution;

(g) to remove the Common Representative and appoint a new common representative;

(h) to approve the replacement of the Issuer (or any previous substitute) as principal obligor under the Notes;

(i) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect or any act or omission which might constitute an Event of Default under the Notes, without prejudice to Condition 18.2. (*Waiver*);

(j) to authorise and direct the Common Representative to serve an Enforcement Notice upon the occurrence of an Event of Default, without prejudice to Condition 12.2 (*Delivery of Enforcement Notice*) and 12.3 (*Conditions for delivery of Enforcement Notice*);

(k) to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Conditions, the Notes or otherwise, without prejudice to Condition 18.1 (*Modification*);

(l) to assent to any modification of the Conditions or any Transaction Document proposed by the Issuer and/or the Common Representative or any other party, without prejudice to Condition 18.1 (*Modification*) and the Servicing Committee attributions under the Servicing Committee Rules;

(m) to authorise and sanction any actions to be taken by the Common Representative or the Issuer under or in relation to the Conditions, the Notes or any other Transaction Document and to discharge or exonerate any of them from any liability in respect of any act or omission for which the Common Representative or the Issuer may be responsible under or in relation to the Conditions, the Notes or any other Transaction Document;

(n) following the service of an Enforcement Notice, or in any other circumstance upon request of the Issuer, to resolve on the sale of one or more Receivables comprised in the Receivables Portfolio;

(o) to resolve on, or to approve any proposal by the Issuer for, the withdrawal of any rating assigned to the Class A Notes, which shall be resolved exclusively by the holders of the Class A Notes;

(p) to resolve on, or to approve any proposal by the Issuer for, the withdrawal of any rating assigned to the Class B Notes, which shall be resolved exclusively by the holders of the Class B Notes;

(q) to resolve on, or to approve any proposal by the Issuer for, the termination of the appointment of the Transaction Manager or any Agent, and the appointment of any substitute, or to approve any proposal from the Issuer to amend the fees payable to any of the above, which shall be resolved exclusively by the holders of the Class A Notes (and in case the Class A Notes are no longer outstanding, any such matters shall be decided by the Servicing Committee);

(r) to resolve on the opposition to any decision taken by the Servicing Committee regarding the termination of a Servicer, the Asset Manager or the Monitoring Agent, any replacing entities and any amendments to any Receivables Servicing Agreement, any Asset Management Agreement or the Monitoring Agent Appointment Agreement (other than the Servicing Committee Rules), provided that any such resolution shall be resolved exclusively by the holders of the Class A Notes and within three months from the Class A Noteholders having been notified by the Issuer (in accordance with Condition 20 (*Notices*)) of any such decision by the Servicing Committee;

(s) to approve any amendment to, or to resolve any disputes arising out of or in connection with, the Servicing Committee Rules, which shall be resolved exclusively by the holders of the Class B Notes and the holders of the Class J Notes, in separate meetings (and without the exception provided for in Condition 16.7(c) applying);

(t) to resolve on the exercise of the Junior Noteholder Put Option, which shall be resolved exclusively by the holders of the Class J Notes (and without the exception provided for in Condition 16.7(c) applying);

(u) to amend this definition of Reserved Matter.

For the avoidance of doubt, any Resolutions dealing with any matters related to the servicing of the Receivables shall not be deemed as corresponding to a Resolution on a Reserved Matter for the purposes of this definition, except as specified above.

16.9. ***Written Resolutions***: Pursuant to Portuguese law, a Written Resolution shall be validly adopted and shall take effect in the same terms as a Resolution passed on meeting of the holders of the Notes.

17. Consultation rights

17.1. ***Issuer to consult the Common Representative***: The Issuer shall be bound to consult the Common Representative in respect of all issues arising from or connected with the exercise of the Issuer's rights against the Seller, including, but not limited to, the decision to initiate a claim process or the appointment of legal and technical advisors.

17.2. ***Consultation notice and mechanism***: Immediately upon becoming aware of any action or omission caused by the Seller which entitles or is likely to entitle the Issuer to claim a breach of the Seller's obligations under the Transaction Documents to which it is a party to, the Issuer shall notify the Common Representative of any such breach prior to exercising any of its rights against the Seller arising by virtue thereof and the Common Representative may, not later than 5 (five) Business Days thereafter, opine on the course of action to be taken by Issuer in order to perfect its rights against the Seller.

If, following the delivery of the notice referred to in previous number, no opinion is notified to the Issuer within the period of 10 (ten) Business Days, then the Issuer shall exercise its rights against the Seller as it deems convenient, acting in the best interest of the Noteholders.

17.3. ***Issuer to account for the Common Representative' opinion*:** In exercising any of the rights to which it is entitled to against the Seller, the Transaction Parties and any third parties and to, the

extent legally permitted, the Issuer shall take into account the opinion of the Common Representative and shall act in the best interest of the Noteholders.

18. Modification and Waiver

18.1. ***Modification***: The Common Representative may, at any time and from time to time, without the consent or sanction of the Noteholders or any other Transaction Creditors concur with the Issuer and any other relevant parties in making:

(i) any modification to these Conditions, the Notes or any of the Transaction Documents (other than in respect of a Reserved Matter or any provisions of these Conditions, the Notes or the other Transaction Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding and (ii) any of the Transaction Creditors, unless in the case of (ii) such Transaction Creditors have given their prior written consent to any such modification; or

(ii) any modification (other than in respect of a Reserved Matter or any provisions of these Conditions, the Notes or the other Transaction Documents referred to in the definition of a Reserved Matter) if, in the opinion of the Common Representative, such modification is of a formal, minor, administrative or technical nature, results from mandatory provisions of Portuguese law or is made to correct a manifest error or an error which, to the satisfaction of the Common Representative, is proven,

provided that notice thereof has been delivered to the Noteholders and the Rating Agencies in accordance with the Notices Condition only to the extent the Common Representative requires such notice to be given. The Issuer shall cause any potential modification this Condition 18.1 (*Modification*) to be notified in advance to the Rating Agencies.

18.2. ***Waiver***: In addition, the Common Representative may, at any time and from time to time, without the consent of the Noteholders or any other Transaction Creditors, concur with the Issuer and any other Transaction Creditor in authorising or waiving any proposed breach or actual breach by the Issuer of any of the covenants or provisions contained in the Notes, the Common Representative Appointment Agreement or other Transaction Documents (other than in respect of a Reserved Matter or any provisions of these Conditions, the Notes or the other Transaction Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Common Representative will not be materially prejudicial to the interests of (i) the holders of the Most Senior Class of Notes then outstanding (which, in the case of the Rated Notes, will be the case if any such authorisation or waiver does not result in an adverse effect on the Ratings of the Class A Notes, if such Class A Notes are outstanding, the Class B Notes, if the Class A Notes have been redeemed in full) and (ii) any of the Transaction Creditors, unless such Transaction Creditor have given their prior written consent to any such authorisation or waiver (except that the Common Representative may not and only the Noteholders may by Resolution determine that any Event of Default shall not be treated as such for the purpose of the Common Representative Appointment Agreement, the Notes or any of the other Transaction Documents), provided that notice thereof has been delivered to the Noteholders in accordance with Condition 20 (*Notices*) only to the extent the Common Representative requires such notice to be given. The Issuer shall cause any potential authorisation or waiver under this Condition 18.2 (*Waiver*) to be notified in advance to the Rating Agencies.

18.3. ***Restriction on power to waive***: The Common Representative shall not exercise any powers conferred upon it by Condition 18.2 (*Waiver*) in contravention of any of the restrictions set out therein or any express direction by a Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 50

(fifty per cent.) in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding, but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of Notes then outstanding has, by Resolution, so authorised its exercise.

18.4. ***Notification***: Unless the Common Representative otherwise agrees, the Issuer shall cause any such authorisation, consent, waiver, modification or determination to be notified to the Noteholders, the other Transaction Creditors and, only with respect to Condition 18.1 (*Modification*) or Condition 18.2 (*Waiver*), the Rating Agencies in accordance with the Notices Condition and the relevant Transaction Documents, as soon as practicable after it has been made.

18.5. ***Binding Nature***: Any authorisation, waiver, determination or modification referred to in Condition **18.1** (*Modification*) or Condition 18.2 (*Waiver*) shall be binding on the Noteholders and the other Transaction Creditors.

19. No action by the Noteholders or any other Transaction Party

19.1. ***No action by Noteholders***: The Noteholders may be restricted from proceeding individually against the Issuer and the Receivables or otherwise seek to enforce the Issuer's obligations, where such action or actions, taken on an individual basis, contravene a Resolution of the Noteholders.

19.2. ***Common Representative action***: Furthermore, and to the extent permitted by Portuguese Law, only the Common Representative may pursue the remedies available under the general law or the Common Representative Appointment Agreement against the Issuer and the Receivables and, other than as permitted in this Condition 19.2 (*Common Representative action*), no Transaction Creditor (other than the Common Representative) shall be entitled to proceed directly against the Issuer and the Receivables or otherwise seek to enforce the Issuer's obligations. Each Transaction Creditor agrees with and acknowledges to each of the Issuer and the Common Representative, and the Common Representative agrees with and acknowledges to the Issuer that until the date falling 2 (two) years after the Final Discharge Date none of the Transaction Creditors nor any person on their behalf (including the Common Representative) shall initiate or join any person in initiating any Insolvency Event or the appointment of any Insolvency Official in relation to the Issuer and none of the Transaction Creditors shall be entitled to take or join in the taking of any steps or proceedings which would result in the Payment Priorities not being observed.

19.3. ***Limited recourse***: The Noteholders will be deemed to have agreed with the Issuer that, notwithstanding any other provisions of these Conditions or the Transaction Documents, all obligations of the Issuer to the Noteholders, including, without limitation, the Issuer Obligations, are limited in recourse as set out below:

(a) it will have a claim only in respect of the Transaction Assets and will not have any claim, by operation of law or otherwise, against, or recourse to, any of the Issuer's other assets or its contributed capital;

(b) sums payable to a Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Transaction Assets, net of any sums which are payable by the Issuer in accordance with the Payment Priorities in priority to or *pari passu* with sums payable to such Noteholder; and

(c) on the Final Legal Maturity Date or upon the Common Representative giving written notice to the Noteholders or any of the Transaction Creditors that it has determined, in its sole opinion, and the Servicers having certified to the Common Representative, that there is no reasonable likelihood of there being any further realisations in respect of the

Transaction Assets (other than the Transaction Accounts), then such Transaction Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

20. Notices

20.1. ***Valid notices***: Any notice to Noteholders shall be validly given if such notice is either:

(a) published on the CMVM's website; or

(b) published on a page of the Reuters service or of the Bloomberg service, or of any other medium for the electronic display of data as may be previously approved in writing by the Common Representative and as has been notified to the Noteholders in accordance with this Condition, or

(c) published via Euroclear and Clearstream, Luxembourg in accordance with their procedures for the publication of notices,

provided that for as long as any of the Notes are listed on any stock exchange and the rules of such stock exchange so require, such notice will be published in accordance with the requirements of such stock exchange.

20.2. ***Date of publication***: Any notices so published shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication was made.

20.3. ***Other Methods***: The Common Representative shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Common Representative shall require.

21. Governing Law and Jurisdiction

21.1. ***Governing Law***: The Notes and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, Portuguese law.

21.2. ***Jurisdiction***: The courts of Portugal, county of Lisbon ("***Tribunal da Comarca de Lisboa***") have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes, including any question regarding its existence, validity or termination.

"**Account Amount**" means, on a given Business Day, all amounts in cleared funds standing to the credit at close of business on the previous Business Day of: (i) in respect of the Accounts Bank, the General Collections Account and the Cash Reserve Account; (ii) in respect of the Payment Account Bank, the Payment Account; and (iii) in respect of the Cap Collateral Account Bank, the Cap Collateral Account;

"**Accounts Bank**" means Banco Santander Totta, S.A. or such other bank or banks as, in accordance with the Portuguese Accounts Agreement, may for the time being be nominated in addition thereto or substituted therefore with which the Portuguese Transaction Accounts are maintained;

"**Additional Shares**" means any fully paid up shares in the Asset Manager subscribed for or otherwise acquired by the Shareholder after the date of the Shares Pledge Agreement, other than the Shares and the Future Shares;

"**Adjusted Aggregate Principal Outstanding Balance**" means the Aggregate Principal Outstanding Balance multiplied by the Discount Factor, and "Discount Factor" means, in this definition, the result of the division of the Purchase Price by the Aggregate Principal Outstanding Balance of the Receivables as at the Collateral Determination Date;

"**Affected Receivables**" means the Receivables in relation to which a breach of the Seller's Representations and Warranties has occurred, including, with respect to such breach, all Receivables related to the same Property and all Receivables related to the same Borrower;

"**Affiliate**" means, with respect to any person, any other person directly or indirectly controlling, controlled by or under common control with, such person (for purposes of this definition, "control" means the power to direct the management or policies of a person, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise, provided that the direct or indirect ownership of 50,01% or more of the voting share capital of a person is deemed to constitute control of that person, and "controlling" and "controlled" have corresponding meanings);

"**Agency Services**" means the services to be provided by the Agents as listed in Schedule 1 (*Agency Services*) to the Paying Agency and Transaction Management Agreement;

"**Agents**" means the Principal Paying Agent and the Portuguese Paying Agent;

"**Agreement**" means any of the Commercial Asset Management Agreement, the Residential Asset Management Agreement, the Common Representative Appointment Agreement, the English Accounts Agreement, the Master Framework Agreement, the Monitoring Agent Appointment Agreement, the Paying Agency and Transaction Management Agreement, the Portuguese Accounts Agreement, the Receivables Sale Agreement, the Secured Commercial Receivables Servicing Agreement, the Secured Residential Receivables Servicing Agreement, the Shares Pledge Agreement, the Subscription Agreement or the Unsecured Receivables Servicing Agreement;

"**Ancillary Receivables Rights**" means, in respect to each Receivable:

(i) all monies and proceeds other than principal payable or to become payable under, in respect of or pursuant to such Receivable including, without limitation, any sum owed by way of interest charges, late payment charges, extension or collection fees and any security granted in relation to the Receivable including, without limitation pledges and other real or personal security of any description securing the payment of the relevant Receivable;

(ii) the benefit of all rights, title, interests, privileges and related rights concerning the Receivables, including, without limitation, any sum owed by way of principal, interest and overdue interest, ancillary rights and any security or collateral, and any obligations, covenants, undertakings, representations, warranties and indemnities in favour of the Seller contained in or relating to such Receivable including, without limitation, those contained in the relevant Receivables Agreement;

(iii) all causes and rights of action (present and future) against any person relating to such Receivable including, without limitation, such causes and rights of action arising under the Receivables Agreement and including the benefit of all powers and remedies for enforcing or protecting the Seller's right, title, interest and benefit in respect of such Receivable;

(iv) all Records in respect thereof;

(v) all Collections in respect thereof; and

(vi) all other proceeds of any of the foregoing,

but excluding, for the avoidance of doubt, any amounts resulting from court deposits (*depósitos de preço*) made by the Seller in relation to the Receivables in the context of the relevant pending Court Proceedings;

"**Anti-Corruption Laws**" means any conventions and implementing laws related to combating official corruption including: (i) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997; (ii) the United Nations Convention Against Corruption; (iii) the Inter-American Convention Against Corruption, adopted by the Organization of American States; (iv) the Criminal Law Convention Against Corruption of the Council of Europe; (v) the Office of Economic Cooperation and Development Convention on Combating Bribery of Foreign Officials in International Business Transactions; (vi) other regional anti-corruption conventions; (vii) the United Kingdom Anti-Terrorism and Security Act of 2001; (viii) the United Kingdom Bribery Act 2010; (ix) the United States Foreign Corrupt Practices Act, or (x) other comparable or applicable law, including any (a) statute, ordinance, rule or regulation; (b) order of any court, tribunal or any other judicial body; and (c) rule, regulation, guideline or order of any public body, or any other administrative requirement) which prohibits the conferring of any gift, payment or other benefit on any person or any officer, employee, agent or adviser of such person and was intended to enact the provisions of the OECD Convention or which has as its objective the prevention of corruption;

"**Anti-Terrorism and Money Laundering Laws**" means any laws, regulations, rules and interpretive guidance designed to combat the financing of terrorism or money laundering, including, but not limited to: (i) the Executive Order, the United States statutes authorising the establishment of trade and economic sanctions programmes enforced by the Office of Foreign Assets Control of the United States Department of the Treasury; (ii) the United States Bank Secrecy Act of 1970; (iii) the USA Patriot Act of 2001 (to the extent applicable); (iv) the European Community Money Laundering Directives (the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and any other directives that amended the abovementioned directives, as well as any international or Portuguese laws, regulations, instructions or rules that have implemented said directives); (v) the United Kingdom Money Laundering Regulations 2003; (vi) the United Kingdom Proceeds of Crime Act 2002; (vii) the United Kingdom Serious Organised Crime and Police Act 2005 (viii), the United Kingdom Anti-Terrorism, Crime and Security Act 2001; and (ix) Portuguese Law no. 83/2017 of 18 August (as amended), Portuguese Law no. 89/2017 of 21 August (as amended), the relevant provisions of the Portuguese Criminal Code on money laundering and terrorism;

"**Applicable Law**" means any law or regulation including, but not limited to: (a) any domestic or foreign statute or regulation; (b) any rule or practice of any Authority with which the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Transaction Manager or the Agents are bound or accustomed to comply; and (c) any agreement entered into by the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Transaction Manager or the Agents and any Authority or between any two or more Authorities;

"**Approved Bank**" means any depository institution organised under the laws of any state which is a member of the European Union or of the United States and having at least the Minimum Rating;

"Arranger" means J.P. Morgan Securities plc, a company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registered in England & Wales under registration number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP;

"**Asset Manager**" means GAM – Gncho Asset Management, S.A., with its head office at Edifício D. Sebastião, Rua Quinta do Quintã, with a share capital of €50,000.00 (fifty thousand euros) and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 514 671 211 or any entity appointed by the Issuer under Clause 3.1 (*Appointment of Asset Manager*) of the relevant Asset Management Agreement;

"**Asset Management Agreement**" means (i) the commercial asset management agreement entered into on or about the Issue Date between the Issuer, BST, the Asset Manager, the Shareholder and the Secured Commercial Servicer or (ii) the residential asset management agreement entered into on or about the Issue Date between the Issuer, BST, the Asset Manager, the Shareholder and the Secured Residential Servicer, as applicable;

"**Asset Management Transfer Conditions**" means the conditions set out in Clause 8 (*Assignment of Receivables by the Issuer to the Asset Manager*) of the relevant Asset Management Agreement pursuant to which the Issuer shall assign certain Receivables to the Asset Manager;

"**Asset Manager Covenants**" means the covenants of the Asset Manager contained in Schedule 3 (*Asset Manager's Covenants*) and Schedule 4 (*Asset Manager Specific Warranties and Covenants*) of the relevant Asset Management Agreement;

"**Asset Manager Fee**" has the meaning ascribed to it in Clause 20.1 (*Asset Manager Fee*) to the relevant Asset Management Agreement;

"**Asset Manager Records**" means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Services including all information maintained in electronic form (including computer tapes, files and discs) relating to the Services;

"**Asset Manager Warranties**" means the representations and warranties given by the Asset Manager contained in Schedule 2 (*Asset Manager's Representations and Warranties*) to the relevant Asset Management Agreement;

"**Assigned Rights**" means the Receivables Portfolio, including the Receivables, the Receivables Agreements and any other rights assigned to the Issuer by the Seller pursuant to the Receivables Sale Agreement;

"**Assignment Agreement**" means each assignment agreement to be executed substantially in the form provided as Schedule 5 (*Form of Receivables Assignment Agreement between the Issuer and the Asset Manager*) to the relevant Asset Management Agreement, pursuant to which the Receivables shall be assigned by the Issuer to the Asset Manager under the terms of Clause 8 (*Assignment of Receivables by the Issuer to the Asset Manager*) to the relevant Asset Management Agreement;

"**Assignment Date**" means the date of execution of each relevant Assignment Agreement, in which such Assignment Agreement is effective between the Issuer and the Asset Manager;

"**Authorised Representatives**" means the persons set out in Schedule 2 (*Authorised Representatives and Call Back Contacts*) of the Paying Agency and Transaction Management Agreement, or the persons set out in Schedule 2 (*Authorised Representatives and Call Back Contacts*) of the English Accounts Agreement or the persons set out in Schedule 2 (*Authorised Representatives and Call Back Contacts*) of the Portuguese Accounts Agreement, which shall be the persons authorised to sign on behalf of the Issuer;

"**Authority**" means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign;

"**Available Distribution Amount**" means, in respect of each Interest Payment Date, the amount calculated by the Transaction Manager as of the Calculation Date immediately preceding such Interest Payment Date, which is equal to:

(a) all amounts credited or transferred, in respect of the Receivables Portfolio and in respect of the Collection Period immediately preceding such Interest Payment Date into the Payment Account;

(b) all amounts due and payable to the Issuer in respect of such Interest Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than (1) any Collateral Amounts, any termination payment required to be made under the Cap Agreement, any collateral payable or transferable (as the case may be) under the Cap Agreement and any Replacement Cap Premium paid to the Issuer (which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Cap Collateral Account Priority of Payments) and (2) any Cap Tax Credit Amounts (which amounts shall be paid when due in accordance with the Cap Agreement, without regard to the Cap Collateral Account Priority of Payments or any Payment Priorities). For the sake of clarity, no funds standing to the credit of the Cap Collateral Account will be part of the Available Distribution Amount;

(c) all other amounts credited or transferred during the Collection Period immediately preceding such Interest Payment Date into the Payment Account;

(d) all interest accrued in each of the Transaction Accounts and credited to such Transaction Accounts (except for the Cap Collateral Account) during the Collection Period immediately preceding such Interest Payment Date;

(e) if any, all amounts received by the Issuer from the Seller pursuant to the Receivables Sale Agreement during the Collection Period immediately preceding such Interest Payment Date (including any amount received by the Issuer from the Seller as indemnity in case of breach by the Seller of any Seller's Representations and Warranties);

(f) all amounts standing to the credit of the Cash Reserve Account;

(g) the Transferred Receivables Available Proceeds;

(h) on the earlier of (1) the Final Legal Maturity Date and (2) such other prior date on which the Notes are all to be redeemed in full, all the amounts standing to the credit of the General Collections Account, the Secured Commercial Expenses Account, the Secured Residential Expenses Account and the Unsecured Expenses Account; and

(i) any amounts (other than the amounts already allocated under other items of the Available Distribution Amount) paid into the Payment Account during the Collection Period immediately preceding such Interest Payment Date other than the Available Distribution Amount utilised on the immediately preceding Interest Payment Date,

but excluding for the avoidance of doubt:

(a) the proceeds deriving from the transfer in whole or in part (if any) of the Receivables Portfolio pursuant to the Receivables Servicing Agreement, credited to the Payment Account, but which have not yet become Transferred Receivables Available Proceeds;

(b) any amount of negative interest debited to the Transaction Accounts by the Accounts Bank, the Payment Account Bank or the Cap Collateral Account Bank (if applicable);

(c) any court deposits released by the relevant court and due to be returned to the Seller under clause 8.3 (*Court Deposits*) of the Receivables Sale Agreement;

(d) without duplication of the above, any Cap Collateral Account Surplus paid into the Payment Account in accordance with the Collateral Account Priority of Payments.

"**Bid Process**" means a competitive bid process in order to sell the Receivables Portfolio, organised by the Issuer, assisted by the Servicers and upon direction of the Monitoring Agent;

"**Borrower**" means, in respect of any Receivable, the borrower or borrowers or other person or persons who is or are under any obligation to repay part or all of that Receivable, including any guarantor (if any) of any such borrower;

"**Breach Event**" has the meaning set forth in Clause 21.3 (*Breach Event*) of the relevant Asset Management Agreement;

"**Breach of Duty**" means in relation to any person, a wilful default, fraud, illegal dealing, negligence or breach of any agreement or trust by such person;

"**BST**" means Banco Santander Totta, S.A. with its head office at Rua Áurea, no. 88 1100-063 Lisbon, Portugal, with a registered and fully paid share capital of €1,256,723,284.00 and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 500 844 321;

"**Business Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("**TARGET 2**") is open for settlement of payments in Euro (a "**TARGET 2 Day**") or, if such TARGET 2 Day is not a day on which banks are open for business in London and Lisbon, the next succeeding TARGET 2 Day on which banks are open for business in London and Lisbon;

"**Business Plan**" means each of the business plans included as Schedule 8 (*Business Plan*) to the Receivables Servicing Agreements;

"**Calculation Date**" means the 6th (sixth) Business Day prior to an Interest Payment Date, referring to the Calculation Period immediately prior to the relevant Interest Payment Date;

"**Calculation Period**" means the period commencing on (and including) a Calculation Date and ending on (but excluding) the next succeeding Calculation Date, and in relation to the first Collection Period, commencing on (and including the Issue Date) and ending on (but excluding) the next Calculation Date;

"**Call Back Contacts**" means the persons set out in Schedule 2 (*Authorised Representatives and Call Back Contacts*) to the Paying Agency and Transaction Management Agreement or the persons set out in Schedule 2 (*Authorised Representatives and Call Back Contacts*) to the English Accounts Agreement or the persons set out in Schedule 2 (*Authorised Representatives and Call Back Contacts*) to the Portuguese Accounts Agreement;

"**Cap Agreement**" means collectively the ISDA Master Agreement, the Schedule, the Credit Support Annex and the Cap Confirmation to be entered into between the Issuer and the Cap Counterparty on or about the Issue Date;

"**Cap Collateral Account**" means the bank account number 10251909, IBAN GB40CITI18500810251909, SWIFT/BIC CITIGB2L opened in the name of the Issuer with the Cap Collateral Account Bank and out of which payments shall be made in accordance with the Cap Collateral Account Priority of Payments;

"**Cap Collateral Account Bank**" means Citibank, N.A., London Branch with BIC/SWIFT CITIGB2L or, with the prior consent of the Cap Counterparty, such other bank or banks, as may for the time being be nominated by the Cap Counterparty in addition thereto or substituted therefore with which the Cap Collateral Account is to be maintained;

"**Cap Collateral Account Payment Instruction**" means a drawdown instruction from the Cap Collateral Account given by the Issuer to the Cap Collateral Account Bank, in accordance with Clause 3.6.2 of the English Accounts Agreement;

"**Cap Collateral Account Priority of Payments**" has the meaning ascribed to such term it in Condition 8.2.3 (*Collateral Account Priority of Payments*);

"**Cap Collateral Account Surplus**" has the meaning ascribed to such term it in Condition 8.2.3 (*Cap Collateral Account Priority of Payments*);

"**Cap Confirmation**" means the cap confirmation evidencing the Cap Transaction;

"**Cap Counterparty**" means Banco Santander Totta, S.A., in its capacity as cap counterparty, or its permitted successors or assigns from time to time or any other person for the time being acting as Cap Counterparty pursuant to the Cap Agreement;

"**Cap Counterparty Rating Event**" means the failure of the Cap Counterparty or its guarantor, as applicable, to satisfy the rating requirements specified in Part 6 (six) of the Schedule to the Cap Agreement;

"**Cap Premium**" means the premium paid by the Issuer to the Cap Counterparty pursuant to the Cap Agreement on the Issue Date;

"**Cap Tax Credit Amount**" means any amount received by the Issuer and attributable to a Tax Credit (as defined in the Cap Agreement) payable by the Issuer to the Cap Counterparty pursuant to the Cap Agreement;

"**Cap Transaction**" means the cap transaction to be entered into by and between the Issuer and the Cap Counterparty on or about the Issue Date for purposes of hedging the Issuer's floating interest rate exposure in relation to the Rated Notes;

"**Cash Reserve Account**" means the bank account number 0003.48194179020 31, IBAN PT50.0018.0003.48194179020.31, and SWIFT/BIC TOTAPTPL opened in the name of the Issuer with the Accounts Bank;

"**Cash Reserve Drawdown Instruction**" means a drawdown instruction from the Cash Reserve Account given by the Issuer to the Accounts Bank, in accordance with Clause 3.5 (*Cash Reserve Drawdown Instruction*) of the Portuguese Accounts Agreement;

"**Cash Reserve Account Required Amount**" means, on the Issue Date, €3,100,000.00 (three million one hundred thousand euros) and, on each Interest Payment Date, and amount equal to 3% (three per cent.) of the Principal Amount Outstanding of the Class A Notes as of the Business Day following the immediately preceding Interest Payment Date (or, in respect of the First Interest Payment Date, on the Issue Date), provided that the Cash Reserve Account Required Amount will be equal to 0 (zero) on the earlier of:

(a) the Interest Payment Date on which the Class A Notes can be redeemed in full through the application of the Cash Reserve Amount or any other Available Distribution Amount, and

(b) the Final Legal Maturity Date or on the date on which all of the Notes are subject to any early redemption in whole, as applicable;

"**Citi Organisation**" shall mean Citigroup Inc., or any successor company or parent company of Citigroup Inc., and any company or other entity of which Citigroup Inc., or any successor company or parent company of Citigroup Inc., is directly or indirectly a shareholder or owner;

"**Class**" means the Class A Notes, the Class B Notes, the Class J Notes or the Class R Note, as the context may require and "**Classes**" shall be construed accordingly;

"**Class A Notes**" means the €84,000,000.00 Class A Asset-Backed Floating Rate Notes due 2038, with the ISIN PTHEFZOM0001 issued by the Issuer on the Issue Date;

"**Class B Notes**" means the €14,000,000.00 Class B Asset-Backed Floating Rate Notes due 2038, with the ISIN PTHEF1OM0004 issued by the Issuer on the Issue Date;

"Class J Notes" means the €25,000,000.00 Class J Asset-Backed Variable Return Notes due 2038, with the ISIN PTHEF2OM0003 issued by the Issuer on the Issue Date;

"**Class J Return Amount**" means the amount available (if any) to be distributed on an Interest Payment Date to the Class J Noteholders from the Available Distribution Amount, to the extent that all payments required to be made or provided for on such Interest Payment Date under the relevant Payment Priorities ahead of the payment foreseen in the last paragraph thereof have been so paid or provided for;

"**Class R Note**" means the €3,100,000.00 Class R Note due 2038 issued by the Issuer on the Issue Date, with the ISIN PTHEF3OM0002, for the sole purposes of funding the Cash Reserve Account up to the Cash Reserve Account Required Amount;

"**Class R Note Conditions**" means the terms and conditions of the issue of the Class R Note and any reference to a particular numbered Class R Note Condition shall be construed in relation to the Class R Note accordingly;

"**Class R Note Interest Amount**" has the meaning ascribed to it in Condition 6 (*Class R Note Interest Amount)* of the Class R Note Conditions;

"**Class R Note Relevant Date**" means, in respect of any Class R Note, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 (seven) days after the date on which notice is duly given to the holders in accordance with Condition 12 (*Notices*) of the Class R Note Conditions that, upon further presentation of the Class R Note being made in accordance with the Class R Note Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

"**Class R Note Subscriber**" means BST as a subscriber of the Class R Note in the Subscription Agreement;

"**Class R Noteholder**" means the person in whose name the Class R Note is so registered in the securities account with the relevant affiliate member of Interbolsa;

"**CMVM**" means the Portuguese Market Securities Commission, the *Comissão do Mercado de Valores Mobiliários*;

"**CNPD**" means *Comissão Nacional de Proteção de Dados*, the Portuguese Data Protection Authority;

"**Collateral Amount**" means any amounts standing to the credit of the Cap Collateral Account, being amounts paid into such account by the Cap Counterparty in accordance with the Credit Support Annex, together with interest and other amounts accrued thereon.

"**Collateral Determination Date**" means 31 July 2018;

"**Calculation Date**" means the 6th (sixth) Business Day prior to an Interest Payment Date, referring to the Calculation Period immediately prior to the relevant Interest Payment Date;

"**Collection Period**" means the period commencing on (and including) a Collection Start Date and ending on (and excluding) the next Collection Start Date, and in relation to the first Collection Period, commencing on (and including) the Collateral Determination Date and ending on (and excluding) the Collection Start Date falling on May 2019;

"**Collection Start Date**" means the first calendar day of November and May each year;

"**Collections**" means in relation to a Receivable (including any Ancillary Receivables Rights), all payments received in respect thereof whether in the form of cash, cheques, Swift payments, banking transfers, direct debits, or other means of performing legal payments which, for the avoidance of doubt, belong to the Issuer as of the Collateral Determination Date and to the Originator prior to such date, including the Interim Collections and any Realisation Value related to the Properties but excluding, for the avoidance of doubt, court deposits (*depósitos de preço*) made by the Seller;

"**Collections Accounts**" means the Secured Commercial Collections Account, the Secured Residential Collections Account and the Unsecured Collections Account;

"**Commercial Asset Management Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, BST, the Asset Manager, the Shareholder and the Secured Commercial Servicer;

"**Commercial Asset Management Collections Account**" means the bank account number 0003.48355671020.31, IBAN PT50 0018 0003 48355671020 37, BIC TOTAPTPL, opened in the name of the Asset Manager with the Accounts Bank, to which all Property Recoveries shall be credited, as provided under the Commercial Asset Management Agreement;

"**Common Representative**" means Citicorp Trustee Company Limited, in its capacity as common representative of the Noteholders pursuant to article 65 of the Securitisation Law in accordance with the Conditions and the terms of the Common Representative Appointment Agreement;

"**Common Representative Appointment Agreement**" means the so named agreement entered into on or about the Issue Date between the Issuer and the Common Representative;

"**Conditions**" means the terms and conditions of the issue of the Notes in or substantially in the form set out in Schedule 1 (*Terms and Conditions of the Notes*) of the Common Representative Appointment Agreement and any reference to a particular numbered Condition shall be construed in relation to the Notes accordingly;

"**Co-ordination Agreement**" means the so named agreement entered into on or about the Issue Date between the Issuer, the Originator, the Servicers, the Asset Manager, the Monitoring Agent, the Transaction Manager, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Agents and the Common Representative;

"**Court Proceedings**" means all suits, judicial proceedings and other enforcement proceedings taken by the creditor to enforce a Receivable;

"**Credit Support Annex**" means the 1995 ISDA Credit Support Annex supplementing and forming part of the Cap Agreement;

"**Current Principal Outstanding Balance**" (*valor de capital em dívida*) means, in respect of a Receivable, the amount corresponding to all the individual principal amounts outstanding that are owed by the corresponding Borrower(s) to the Issuer; for the avoidance of doubt, the Current Principal Outstanding Balance does not include any interest, default interest, penalties, fees or expenses in arrears owed by the Borrower;

"**CVM**" means the securities settlement system (*Central de Valores Mobiliários*) operated by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.;

"**Data Protection Law**" means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC - the General Data Protection Regulation ("**GDPR**"), as supplemented by national or European legislation, interpretations and guidelines issued by European and national authorities, standard contractual clauses adopted by the European Commission or the supervisory authorities, and by any relevant case law;

"**Day Count Fraction**" means in respect of an Interest Period, the actual number of days in such period divided by 360 (three hundred and sixty);

"**Damages**" has the meaning specified in clause 10.2.2 of the Receivables Sale Agreement;

"Debt Relationship" means the aggregate of all Receivables pertaining to the same Borrower;

"**Default**" means a Breach Event under the relevant Asset Management Agreement;

"**Designated Personnel**" means, in relation to each Servicer or Retiring Servicer, the personnel designated by such Servicer or such Retiring Servicer to carry out the Services under the Receivables Servicing Agreements;

"**Dispute**" means any suit, action, proceeding and/or dispute or difference arising out of or in connection with any Transaction Document (including a dispute regarding the existence, validity or termination of any Transaction Document or the consequences of its nullity or any dispute arising out of any non-contractual obligations of any nature (including those to which Regulation (EC) No. 864/2007 applies) arising out of the Disputes, which shall be construed accordingly);

"**Draft Information Memorandum**" means the draft information memorandum for the offering of the Class B Notes and the Class J Notes;

"**Early Termination Date**" means the Early Termination Date (as defined in the Cap Agreement);

"**EMIR Reporting Agent**" means Banco Santander, S.A., in the capacity of EMIR reporting agent;

"**EMIR Reporting Agreement**" means the so named agreement entered into between the Issuer and the EMIR Reporting Agent;

"**Encumbrance**" means any Guarantee, Mortgage, charge, pledge, lien, or other encumbrance securing any obligation of any person or granting any security to a third party or any preferential arrangement (including any title transfer and retention arrangement) having a similar effect or any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person;

"**Enforcement Notice**" means a notice delivered by the Common Representative to the Issuer in accordance with Condition 12 (*Events of Default and Enforcement*) which declares the Notes to be immediately due and payable;

"**Enforcement Procedures**" means the exercise of rights and remedies (including enforcement of security) against a Borrower in respect of the Borrower's obligations arising from any defaulted Receivable in accordance with the procedures described in the Receivables Servicing Agreements;

"**English Accounts Agreement**" means the so named agreement entered into on or about the Issue Date between inter alia the Issuer, the Payment Account Bank and the Cap Collateral Account Bank;

"**English Transaction Accounts**" means the Payment Account and the Cap Collateral Account;

"**EU Insolvency Regulation**" means the European Union Regulation (EC) No. 2015/848 of May 20, 2015 on insolvency proceedings (recast);

"**Event of Default**" means any one of the events specified in Condition 12 (*Events of Default and Enforcement*);

"**Exhausted Debt Relationship**" means a Debt Relationship which the relevant Servicer considers to be exhausted (either following being collected in full or sold or written off, or if the relevant Servicer reasonably understands no further monies or assets will be recovered, or upon having received an instruction from the Servicing Committee to classify it as exhausted), in accordance with the conditions foreseen in the relevant Receivables Servicing Agreement;

"**External Lawyer**" means any external lawyer appointed by a Servicer to provide legal advice on the Receivables and assist on the enforcement and collection actions in respect of a Receivable;

"**External Lawyers Agreements**" means the agreements entered into between each Servicer and any of External Lawyers;

"**External Lawyers' Invoices**" means any invoice issued by an External Lawyer who has entered into an External Lawyers Agreement with the relevant Servicer;

"**Facilities**" means, in relation to each Servicer or Retiring Servicer, the computer facilities and other office equipment located in the Premises and the Designated Personnel;

"**Final Discharge Date**" means the date on which the Common Representative and the Class R Noteholder, as applicable, is satisfied that all Issuer Obligations and/or all other monies and other Liabilities due or owing by the Issuer in connection with the Notes or the Class R Note have been paid or discharged in full;

"**FCA**" means the Financial Conduct Authority or any successor thereof;

"**Final Discharge Date Event**" has the meaning set forth in Clause 13.1 (*Final Discharge Date Event*) of the Receivables Servicing Agreements or the meaning set forth in Clause 21.1 (*Final Discharge Date Event*) of the relevant Asset Management Agreement;

"**Final Legal Maturity Date**" means the Interest Payment Date falling on November 2038;

"**Final Redemption Date**" means the earlier of (i) the Final Legal Maturity Date or (ii) such earlier date on which all the Notes and the Class R Note are fully redeemed or discharged, in accordance with the Conditions and the Class R Note Conditions, respectively;

"**First Interest Payment Date**" means 31 May 2019;

"**Force Majeure Event**" means an event beyond the reasonable control of the person affected including, without limitation: general strike, lock-out, labour dispute, war, riot, civil commotion, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, fire, flood and/or storm and other circumstances affecting the supply of goods or services, Portugal's exit or exiting of the Eurozone, Portugal's default or defaulting under its bonds and other form of indebtedness incurred or guaranteed by the Portuguese government or other Portuguese governmental authorities, the withdrawal of one or more countries from (or dissolution of) the euro, the euro ceasing to be lawful currency in Portugal or the currency of payment by a Borrower or any Transaction Party to another Transaction Party;

"**Future Shares**" means any shares issued by the Asset Manager as a result of the conversion of reserves, retained earnings or other equity-like instruments into registered share capital of the Asset Manager and subscribed for or otherwise acquired by the Shareholder;

"**General Collections Account**" means the bank account with the number 0003.48194054020 31, IBAN PT50.0018.0003.48194054020.29 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank, to which the relevant Collections shall be transferred from the Secured Commercial Collections Account, the Secured Residential Collections Account and the Unsecured Collections Account by each relevant Servicer, as provided under the Transaction Documents;

"**Gross Recovery Value**" means the recovery amounts for each of the Receivables forecasted by each of the Secured Servicer, as identified in Schedule 12 (Gross Recovery Value) to the Asset Management Agreements;

"**Guarantee**" means, in respect of any Receivable, the charge by way of a contractual obligation together with all other Encumbrances the benefit of which was vested in the Seller for the repayment of the relevant Receivable;

"**Hipoges"** or **"HG**" means HG PT Unipessoal, Lda., with its head office at Avenida Duque de Loulé, 106, 2nd floor, in Lisbon, Portugal, with a share capital of € 5,000.00, and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 510 891 691, which under the Secured Commercial Receivables Servicing Agreement shall act as Secured Commercial Servicer of the Secured Commercial Receivables;

"**Incorrect Payment**" means any payment incorrectly paid or transferred to the Secured Commercial Collections Account, the Secured Residential Collections Account or the Unsecured Collections Account, as applicable, identified as such by the relevant Servicer and notified by the relevant Servicer to the Issuer via an Incorrect Payment Notification no later than 5 (five) Business Days subsequent to the relevant receipt;

"**Incorrect Payment Ledger**" means the ledger created in the books of the Accounts Bank in which any Incorrect Payment as notified by the relevant Servicer to the Issuer and as transferred from the General

Collections Account or the relevant Expenses Account (or as made otherwise available in the relevant Collections Account) shall be recorded in accordance with Clause 9.4 (*Incorrect Payments*) of the Receivables Servicing Agreements;

"**Incorrect Payment Notification**" means the notification to be delivered by the relevant Servicer to the Issuer, the Accounts Bank and the Monitoring Agent under Clause 9.4 (*Incorrect Payments*) of the Receivables Servicing Agreements;

"**Initial Principal Amount**" means, in relation to the Notes, the aggregate of €123,000,000.00 on the Issue Date;

"**Initial Principal Outstanding Balance**" means €123,000,000.00 (one hundred twenty three million euros) corresponding to the Principal Outstanding Balance of the Receivables as at the Issue Date;

"**Insolvency Event**" means, in respect of a natural person or entity:

(a) the initiation of, or consent to, any Insolvency Proceedings by such person or entity;

(b) the initiation of Insolvency Proceedings against such a person or entity and such proceeding is not contested in good faith on appropriate legal advice;

(c) the application (and such application is not contested in good faith on appropriate legal advice) to any court for, or the making by any court of, a bankruptcy, an insolvency or an administration order against such person or entity;

(d) the enforcement of, or any attempt to enforce (and such attempt is not contested in good faith on appropriate legal advice) any security over the whole or a material part of the assets and revenues of such a person or entity;

(e) any distress, execution, attachment or similar process (and such process, if contestable, is not contested in good faith on appropriate legal advice) being levied or enforced or imposed upon or against any material part of the assets or revenues of such a person or entity;

(f) the appointment by any court of a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager, common representative, trustee or other similar official in respect of all (or substantially all) of the assets of such a person or entity generally; or

(g) the making of an arrangement, composition or reorganisation with the creditors of such a person or entity;

"**Insolvency Official**" means, in relation to a person, a liquidator, (except, in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Noteholders (or the Common Representative, whenever appointed) or by a Resolution, provisional liquidator, administrator, administrative receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, trustee in bankruptcy, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction;

"**Insolvency Proceedings**" means:

(a) the presentation of any petition for the bankruptcy or insolvency of a natural person (whether such petition is presented by such person or another party); or

(b) the winding-up (which includes "*em liquidação*"), dissolution (which includes "*em dissolução*") or administration of an entity,

and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person or entity is ordinarily resident or incorporated (as the case may be) or of any jurisdiction in which such person or entity may be liable to such proceedings;

"**Insurance Policies**" means any insurance and assurance policies, including the contingency polices and the lender in possession policy deposited, charged, obtained, or held in connection with the Receivables, Mortgages and relevant documentation;

"**Interbolsa**" means Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., as operator of the Portuguese central securities depositary and the management of the Portuguese settlement system (*Central de Valores Mobiliários*), having its registered office at Avenida da Boavista, 3433, 4100-138 Porto, Portugal;

"**Interest Amount**" has the meaning ascribed to it in Condition 7.1 (*Accrual of Interest*);

"**Interest Determination Date**" means, with respect to the First Interest Period, the date falling on the second Business Day immediately preceding the Issue Date, and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Interest Payment Date at the beginning of such Interest Period;

"**Interest Payment Date**" means the last calendar day of May and the last calendar day November each year, or, if such date is not a Business Day, the following Business Day, unless such day would fall in the next calendar month, in which case it will be brought forward to the immediately preceding Business Day;

"**Interest Period**" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next (or the First) Interest Payment Date;

"**Interim Collections**" means all the Collections received by the Seller during the period elapsed between the Collateral Determination Date and the Issue Date;

"**Investor Report**" means the semi-annually investor report prepared by the Transaction Manager and delivered to, *inter alia*, the Issuer, the Common Representative, the Agents, the Cap Counterparty, the Rating Agencies and the Sole Arranger and Placement Agent no later than the 6th (sixth) Business Day prior to an Interest Payment Date. The form of the Investor Report, so agreed as of the Issue Date, is attached as Schedule 3 (*Form of Investor Report*) to the Paying Agency and Transaction Management Agreement;

"**IP Rights**" means to the extent that any of the following are recognised in any jurisdiction, any intellectual property and/or proprietary rights whether registered or unregistered, legal or beneficial, including:

(a) copyrights, patents rights (including applications for patent protection), publicity rights, trade secret rights, registered or otherwise protected trademarks, service marks, registered designs, applications for any of those rights, trade and business names (including internet domain names and e-mail address names), unregistered trademarks and service marks, copyrights, database rights, know-how, rights in designs and inventions; and

(b) rights of the same or similar effect or nature as or to those in paragraph (a),

in each case in any jurisdiction;

"**Issue**" means the issue of the Notes and the Class R Note on the Issue Date;

"**Issue Date**" means 16 November 2018;

"**Issuer**" means Hefesto, STC, S.A., with head office at Edifício D. Sebastião, Rua Quinta do Quintã, no. 6, Quinta da Fonte, Paço de Arcos, Portugal, with a share capital of €250,000.00, and registered with the Commercial Registry of Lisbon with the sole commercial registration and taxpayer number 507 450 531;

"**Issuer Covenants**" has the meaning given to such term in Condition 4.4 (*Issuer Covenants*);

"**Issuer Expenses**" means any fees, liabilities and expenses, in relation to this transaction, the Notes, the Class R Note, the preparation of the Transaction Documents, the integration of the Notes and the Class R Note with Interbolsa, payable by the Issuer to the Servicers (or any successor and including the Servicer Fees due to each Servicer and the Receivables Recovery Expenses), the Asset Manager, the Transaction Manager (or any successor), the Agents, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account

Bank, the CVM, the Common Representative (whenever appointed), the Monitoring Agent, the Cap Counterparty, the EMIR Reporting Agent, the Shareholder, and the Rating Agencies in relation to this transaction, if any, in respect of any director's fees or emoluments, professional advisers and any Third Party Expenses that would be paid or provided for by the Issuer on the next Interest Payment Date, and including as well the Issuer's Ongoing Management Fee, and any amount to be credited on the relevant Interest Payment Date to any Expenses Account in the amount necessary to replenish the balance thereof to the respective Expenses Account Required Amount in accordance with paragraph 8.2.5 of Part 6 of Schedule 1 of the relevant Receivables Servicing Agreement;

"**Issuer Jurisdiction**" means the Portuguese Republic;

"**Issuer's Management Fees**" means the fees payable to the Issuer as follows:

(a) an upfront fee of €75,000.00 (seventy five thousand euros);

(b) on each Interest Payment Dates, an on-going management fee equal to 0.05% p.a. of the Principal Amount Outstanding of the Rated Notes as of each Interest Payment Date, subject to a minimum total yearly amount (on each anniversary of the Issue Date) of €50,000.00 (fifty thousand euros) (the "**Issuer's Ongoing Management Fee**"), payable to the Issuer as an Issuer Expense;

"**Issuer Obligations**" means the aggregate of all moneys and Liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholder or the other Transaction Creditors under the Transaction Documents;

"**Issuer's Representations and Warranties**" means the representations and warranties given by the Issuer to the Seller in accordance with Clause 11 (*Representations and Warranties of the Issuer*) of the Receivables Sale Agreement;

"**Junior Noteholder Put Option**" means the junior noteholder put option foreseen in Condition 9.3 (*Junior Noteholder Put Option*);

"**Liabilities**" means, in respect of any person or company, any losses, damages, costs, awards, fees, expenses (including properly incurred legal fees) and penalties incurred by that person or company together with any VAT thereon;

"**Loan Agreement**" means the so named agreement entered into on or about the Issue Date between BST and the Shareholder pursuant to which BST agrees to grant to the Shareholder the funds to be used for the purchase, by the Shareholder, of the share capital of the Asset Manager;

"**Master Framework Agreement**" means the Master Framework Agreement entered into on or about the Issue Date between the Issuer, the Seller, the Servicers, the Agents, the Common Representative (or another by it), the Transaction Manager, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Asset Manager, the Monitoring Agent, the EMIR Reporting Agent, the Cap Counterparty and the Shareholder;

"**Material Adverse Effect**" means a material adverse effect on the validity or enforceability of any of the Transaction Documents, or in respect of any of the parties hereto, a material adverse effect on:

(a) the business, operations, property, condition (financial or otherwise) or prospects of such party to the extent that such effect would, with the course of time or the giving of notice, be likely to impair such party's performance of its obligations under any of the Transaction Documents;

(b) the ability of such party to perform its obligations under any of the Transaction Documents;

(c) the rights or remedies of such party under any of the Transaction Documents including the accuracy of the representations and warranties given by such party thereunder;

(d) in the context of the Assigned Rights, a material adverse effect on the interests of the Issuer, the Common Representative (whenever appointed) or the Noteholder in the Receivables, including any

change, event or condition in the financial and banking markets that is so adverse as to materially impair the value of the Receivables;

"**Maximum Amount**" means the maximum amount set forth in the Business Plan of legal costs and expenses in respect of the Receivables arising under a same Receivables Agreement;

"**Meeting**" means a meeting of holders of the Notes (whether originally convened or resumed following an adjournment);

"**Minimum Rating**" means:

(a) with respect to the Accounts Bank:

(i) with respect to Scope: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "BB" if such entity having a credit rating assigned by Scope;

(ii) with respect to Moody's: such entity's long-term deposit rating being rated "Baa3" and such entity's short-term deposit rating being rated "P3" by Moody's, or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes; and

(iii) with respect to DBRS: the higher of a rating one notch below the entity's long-term Critical Obligations Rating (COR) as determined by DBRS and a DBRS Long-Term Rating of BBB(low) or an entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated R-2 (middle) by DBRS, or, in the absence, a DBRS Equivalent Rating of BBB (low) and R-2 (middle);

(b) with respect to the Payment Account Bank:

(i) with respect to Scope: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "BB" if such entity having a credit rating assigned by Scope;

(ii) with respect to Moody's: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "Baa3" and such entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "P3" by Moody's, or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes; and

(iii) with respect to DBRS: the higher of a rating one notch below the entity's long-term Critical Obligations Rating (COR) as determined by DBRS and a DBRS Long-Term Rating of BBB (low) or an entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated R-2 (middle) by DBRS, or, in the absence, a DBRS Equivalent Rating of BBB (low) and R-2 (middle);

(c) with respect to the Cap Collateral Account Bank:

(i) with respect to Scope: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "BB" if such entity having a credit rating assigned by Scope;

(ii) with respect to Moody's: such entity's long-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "Baa3" and such entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated "P3" by Moody's, or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes; and

(iii) with respect to DBRS: the higher of a rating one notch below the entity's long-term Critical Obligations Rating (COR) as determined by DBRS and a DBRS Long-Term Rating of BBB (low) or an entity's short-term, unsecured, unsubordinated and unguaranteed debt obligations being rated R-2 (middle) by DBRS, or, in the absence, a DBRS Equivalent Rating of BBB (low) and R-2 (middle);

or such other rating or ratings as may be agreed by the Rating Agencies from time to time as would maintain the then current ratings of the Rated Notes and the expression "Minimum Rating" shall (where appropriate) be construed accordingly;

"**Monitoring Agent**" means KPMG & Associados - SROC, S.A., in accordance with the Conditions and the terms of the Monitoring Agent Appointment Agreement;

"**Monitoring Agent Appointment Agreement**" means the so named agreement entered into on or about the Issue Date between the Issuer, the Asset Manager, the Servicers and the Monitoring Agent;

"**Mortgage**" means, in respect of a given Receivable, the charge by way of a contractual mortgage duly registered over the Property upon which the repayment of such Receivable is secured, together with all other Encumbrances the benefit of which was vested in the Seller as security for the repayment of the relevant Receivable;

"**Mortgage Registration Costs**" means the registration costs of the transfer of the Assigned Rights in the relevant Portuguese real estate registry offices (including, for the avoidance of doubt, the notarial public deed (or equivalent document) and the relevant notary (or lawyer, if applicable) costs due in respect of the preparation of the supplementary document (*documento complementar*), registration of assignment of the Receivables and registration of the relevant Mortgages);

"**Net Purchase Price**" has the meaning ascribed to it under Clause 4.4.2. to the Receivables Sale Agreement;

"**Noteholders**" means the holders of Notes of any of the specified Class of Notes;

"**Notes**" means the Class A Notes, the Class B Notes and the Class J Notes;

"**Notes Interest Amount**" has the meaning ascribed to it in Condition 7 (*Notes Interest Amount*);

"**Notes Subscriber**" means BST as a subscriber of the Notes in the Subscription Agreement;

"**Notice**" means any notice delivered under or in connection with any Transaction Document;

"**Notices Condition**" means Condition 20 (*Notices*);

"**Originator**" means BST;

"**Outstanding**" means, in relation to the Notes or the Class R Note, the amounts other than:

(a) those which have been fully paid and redeemed in accordance with the Conditions;

(b) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to the Agents or, if applicable, to the Common Representative (whenever appointed), in the manner provided for in the Paying Agency and Transaction Management Agreement (and, where appropriate, notice to that effect has been given to the Noteholder or the Class R Noteholder in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions; and

(c) those which have become void under the Conditions,

provided that for each of the following purposes, namely:

(i) the right to attend and vote at any Meeting;

(ii) the determination of which amounts are for the time being outstanding; and

(iii) any discretion, power or authority which the Noteholder (and/or the Common Representative, whenever appointed) or the Class R Noteholder are required to exercise, the latter in or by reference to the interests of the Noteholder or the Class R Noteholder, as applicable,

those amounts in relation to the Notes or the Class R Note (if any) which are for the time being held by or for the benefit of the Issuer, the Seller or the Servicers shall (unless and ceasing to be so held) be deemed not to remain outstanding, except if all the Notes and the Class R Note are held by or to the benefit of the Seller;

"**Paying Agency and Transaction Management Agreement**" means the so named agreement entered into on or about the Issue Date between the Issuer, the Agents, the Transaction Manager, the Servicers and the Common Representative;

"**Payment Account**" means the bank account number 10251771, IBAN GB80CITI18500810251771 and SWIFT/BIC CITIGB2L, opened in the name of the Issuer with the Payment Account Bank;

"**Payment Account Bank**" means Citibank N.A., London Branch or such other bank or banks as, in accordance with the English Accounts Agreement, may for the time being be nominated in addition thereto or substituted therefore with which the Payment Account is maintained;

"**Payment Priorities**" means the Pre-Enforcement Payment Priorities and the Post-Enforcement Payment Priorities, as specified in Condition 8 (*Payment Priorities*);

"**Performance Breach Event**" has the meaning set forth in Clause 13.4 (*Performance Breach Test*) of the Receivables Servicing Agreements;

"**Performance Tests**" has the meaning set forth in Clause 13.4 (*Performance Breach Test*) of the Receivables Servicing Agreements;

"**Personal Data**" means any information relating to an identified or identifiable natural person ('**data subject**'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;

"**Portuguese Accounts Agreement**" means the so named agreement entered into on or about the Issue Date between inter alia the Issuer and the Accounts Bank;

"**Portuguese Consumer Protection Law**" means Law no. 24/96 of 31 July 1996 (as amended by, *inter alia*, Decree-Law no. 63/2003 of 8 April 2003), which enacted the general framework for consumer protection in Portugal, Decree-Law no. 359/91 of 21 September 1991 (as amended by Decree-Law no. 101/2000 of 2 June 2000) which implemented EU Directives no. 87/102/EC of 22 December 1987 and 90/88/EC of 22 February 1990, which sets forth certain rules in relation to consumer credit agreements, and Decree-Law no. 446/85 of 25 October 1985 (as amended by, *inter alia*, Decree-Law no. 220/95 of 31 July 1995 and by Decree-Law no. 249/99 of 7 July 1999), which governs general contractual terms and conditions, as well as any other applicable official Portuguese law or regulation whose primary function is consumer protection, adopted before or after the date hereof;

"Portuguese Paying Agent" means Citibank Europe plc, named in the Paying Agency and Transaction Management Agreement together with any successor or additional paying agents appointed from time to time under such agreement;

"**Portuguese Transaction Accounts**" means the General Collections Account and the Cash Reserve Account;

"**Securitisation Law**" means Decree-law no. 453/99, of 5 November 1999, as amended from time to time;

"**Post-Enforcement Payment Priorities**" has the meaning ascribed to it in Condition 8.2.2 (*Post-Enforcement Payment Priorities*);

"**Pre-Enforcement Payment Priorities**" has the meaning ascribed to it in Condition 8.2.1 (*Pre-Enforcement Payment Priorities*);

"**Premises**" means, as applicable, the business premises of a Servicer or a Retiring Servicer at which the Services are performed;

"**Principal Amount Outstanding**" means, at any moment in time in relation to a Note or the Class R Note, the principal amount outstanding of such Note or Class R Note; in relation to the Notes or the Class R Note, the aggregate principal amounts outstanding of the Notes or the Class R Note;

"**Principal Outstanding Balance**" means in relation to any Receivables and on any date, the aggregate of:

(a) the original principal amount advanced to the Borrower; plus

(b) any other disbursement, legal expense, fee, charge or premium capitalised; plus

(c) any further advance of principal to the Borrower; less

(d) any repayments of such amounts,

but, in respect of each Written-off Receivable, the Principal Outstanding Balance of such Receivable will be zero;

"**Principal Paying Agent**" means Citibank, N.A., London Branch, named in the Paying Agency and Transaction Management Agreement together with any successor or additional paying agents appointed from time to time;

"**Property**" means, in relation to a given Receivable, the property upon which the repayment of such Receivable is secured by the corresponding Mortgage;

"**Property Recoveries**" means all amounts recovered in relation to the Properties by the Asset Manager, the Secured Commercial Servicer or the Secured Residential Servicer under the relevant Asset Management Agreement, including cash received by or for the account of a Property, including all cash payments and other cash distributions and all insurance proceeds (including proceeds of any insurance maintained pursuant to an insurance policy, if any), or of non-cash distributions, in each case whether or not obtained through the exercise of any right of set-off, by recoupment, in connection with the exercise of any other right or remedy or by or through redemption, consummation of a plan of reorganisation, restructuring, liquidation or otherwise;

"**Property Recovery Expenses**" means, with respect to a Property, all out-of-pocket costs, fees, expenses, disbursements and other amounts paid or otherwise incurred by or on behalf of the Asset Manager or the Secured Servicers (including through set-off, deductions or other reductions in liabilities) or for which the Issuer is otherwise ultimately responsible, including the following, to the extent paid by the Asset Manager or the Secured Servicers, as the case may be: (i) the allocable portion of the fees incurred or paid with respect to that Property (other than, if "Property Recovery Expenses" is being determined solely for use in the calculation of a particular fee for a particular payment period, such fee, in the allocable portion with respect to such Property, for such payment period) (ii) taxes and other taxes, duties, fees and other amounts payable to any governmental agencies with respect to such Property or in connection with the related Services, (iii) costs of, and losses under, any agreements entered into directly or indirectly with respect to such Property (iv) if applicable, insurance premiums with respect to such Property;

"**Proposed Receivables for Assignment**" has the meaning ascribed to it in Clause 8 (*Assignment of Receivables by the Issuer to the Asset Manager*) of the relevant Asset Management Agreement;

"**Prudent Lender**" means the manner of a reasonably prudent lender lending to borrowers and servicing the corresponding receivables, whenever applicable, in Portugal;

"**Purchase Price**" means the total consideration paid by the Issuer to the Seller for the Receivables Portfolio on the Issue Date in the terms set out in the Receivables Sale Agreement;

"**Purchaser**" means Hefesto, STC, S.A., as purchaser of the Receivables Portfolio under the Receivables Sale Agreement;

"**Purchaser's Covenants**" means the covenants given by the Purchaser in Clause 8 (*Covenants by the Purchaser*) of the Receivables Sale Agreement;

"**Put Option Conditions**" has the meaning provided in Condition 9.3 (*Junior Noteholder Put Option*);

"**Rated Notes**" means the Class A Notes and the Class B Notes;

"**Rating Agencies**" means DBRS, Moody's and Scope; each a "**Rating Agency**";

"**Realisation Value**" means the amount (i) for which each Property has been sold by the Asset Manager to a third party, or (ii) any cash in court or any other amount related to a given Property attributed to the Asset Manager in accordance with Paragraph 1.4 (*Specific services to be provided by the Secured Commercial Servicer)*of Schedule 1 (*Services to be provided by the Secured Commercial Servicer*) to the Secured Commercial Receivables Servicing Agreement or any cash in court or any other amount related to a given Property attributed to the Asset Manager in accordance with Paragraph 1.4 (*Specific services to be provided by the Secured Residential Servicer)* of Schedule 1 (*Services to be provided by the Secured Residential Servicer*) to the Secured Residential Receivables Servicing Agreement, as applicable, and Schedule 1 (*Services to be provided by the Asset Manager*) to the relevant Asset Management Agreement;

"**Receivable**" means performing and defaulted and non-performing term loans, including consumer loans, consumer revolving credit facilities (open loans) or credit card facilities, residential secured loans, overdrafts, corporate secured loans and unsecured loans, granted by the Originator to a Borrower, together with such rights, interests and claims of the Originator under the corresponding Receivable Agreement and any indebtedness and other payment obligations of any Borrower arising out of a Receivables Agreement, including the corresponding Ancillary Receivables Rights and the Records which are to be assigned by the Seller to the Issuer (including the receivables under an unsecured loan granted by the Originator to Guincho Asset Management Holdings DAC, as borrower, to fund the purchase of the shares of the Asset Manager) and listed under Schedule 4 (*Receivables Portfolio*) of the Receivables Sale Agreement;

"**Receivable Assignment Notice**" means the notification to the Borrowers to be delivered under the terms of Clause 7.6 (*Notification to Borrowers*) of the Receivables Sale Agreement;

"**Receivable Plan**" means, with respect to the Receivables Portfolio, a receivable plan prepared by each Servicer and approved by the Issuer, and which shall include the target resolution strategy, the Target Recovery, the Target Receivables Recovery Expenses and the target resolution month for the relevant Receivables;

"**Receivables Agreements**" means, in respect of a Receivable, a loan contract or agreement, including any other agreements or documents related to such contract or agreement, entered into by and between the Seller and a Borrower by which the Seller has granted a term loan to the Borrower, as amended or supplemented from time to time;

"**Receivables Allocation Criteria**" means the criteria agreed between the Seller, the Issuer and the Servicers based on which the Receivables were allocated to each of the Secured Commercial Servicer, the Secured Residential Servicer and to the Unsecured Servicer, and which, for the sake of clarity, relies on the assumption that there should be no shared positions between the Servicers to ensure borrowers' integrity at all times, and hence the following conflict rules apply:

(a) corporate secured positions overrule individual secured positions and unsecured positions; and

(b) individual secured positions overrule individual unsecured positions.

"**Receivables Portfolio**" means the aggregate of all the Receivables, corresponding to the asset code 201811HFTBSTNXXS0106 awarded by the CMVM on 16 November 2018, which comprises each of the credits duly identified in electronic support encrypted and recorded in a CD-ROM corresponding to Schedule

4 (*Receivables Portfolio*) to the Receivables Sale Agreement, and including the Receivables and the related Ancillary Receivables Rights granted to the Borrowers and that are assigned by the Seller to the Issuer under the terms of the Receivables Sale Agreement;

"**Receivables Recovery Expenses**" means all amounts charged by Third Parties to the Servicers that the Issuer is required to pay or cause to be paid under Clause 12 (*Costs and Expenses*) of the Receivables Servicing Agreements and all costs and expenses reasonably incurred by Third Parties and charged to the Servicers in the ordinary course of business, consistent with the standard of performance set forth in Clause 5 (*Standard of Care and Performance*) of the Receivables Servicing Agreements, to preserve, protect, maintain or secure the Receivables or otherwise reasonably incurred by Third Parties and charged to the Servicers in the course of the Servicers' performance of the Services under the Receivables Servicing Agreements, or similar costs incurred directly by the Issuer in connection with the Receivables (excluding any operational costs of the Servicers) and including the following:

(a) costs and expenses related to the management, collection and disposition of specific Receivables, including commissions, fees and expenses of construction, brokerage, property management, inspection, appraisal, legal, accounting, investment banking and other professional firms, the costs of defending third-party claims or counterclaims against the Issuer or its personnel, costs of environmental assessments, filing and recording fees, custodian fees, costs of credit reports and investigations, repair and maintenance expenses, insurance premiums and deductibles, and taxes, assessments and other fees and expenses incurred by a property owner;

(b) costs and expenses in marketing, selling and otherwise disposing of the Receivables, including the preparation of marketing brochures, and auction services, legal fees, surveys, title insurance premiums and other title company costs;

(c) legal fees and other costs and expenses of foreclosures, bankruptcies, lawsuits and other actions and proceedings to exercise or enforce rights and remedies relating to the Receivables or to enforce obligations relating thereto;

(d) storage costs (if any) regarding the Receivables documentation;

(e) any refunds or payments to customers in respect of the Receivables; and

(f) all capitalised costs corresponding to costs which may be charged back to the relevant Borrower, including, without limitation, (A) advances on loans, letters of credit and other unfunded commitments relating to the Receivables, including advances for payments in respect of senior liens or otherwise to protect, preserve or enhance collateral for the Receivables, (B) costs of capital expenditures relating to the Receivables, such as tenant improvements, capital repairs and improvements and environmental remediation, (C) the return of tenant security deposits, tax and insurance escrow funds and other similar third party deposits and escrows, and (D) funding deposits with utility companies, operating accounts with property management companies, escrows with title companies, cash bonds with courts and other similar funding in connection with operating, collecting and disposing of the Receivables;

For the sake of clarity, any costs incurred by any Sub-contractor of the Servicer and which would not have been incurred if the Servicer had not so subcontracted the relevant Services (including any fees owed to such Sub-contractor) shall be a cost to be borne by the Servicer and not the Issuer and accordingly shall not be part of the Receivables Recovery Expenses;

"**Receivables Sale Agreement**" means the so named agreement entered into on or about the Issue Date between the Seller and the Issuer;

"**Receivables Servicing Agreements**" means the Secured Residential Receivables Servicing Agreement, the Secured Commercial Receivables Servicing Agreement and the Unsecured Receivables Servicing Agreement;

"**Records**" means, in respect of each Receivable and Ancillary Receivables Rights, the information elements on each Receivable provided by the Seller to the Buyer as listed in Schedule 4 (*Receivables Portfolio*) to the Receivables Sale Agreement, as well as all correspondence sent or received by the Seller and/or its advisers under or in respect of any of the Receivables, if any, and any applicable court documentation, receivables agreements or any other security documentation or other;

"**Related Rights**" means, in relation to the Security Shares, (i) all dividends, profits and interest paid or payable in relation to the Security Shares, (ii) any voting rights attaching to the Security Shares and (iii) all other rights (including any pre-emption rights), money or property (excluding dividends, profits and interest) attaching, accruing or offered in relation to the Security Shares at any time by way of redemption, substitution, exchange, distribution, bonus or preference, pursuant to option rights or otherwise;

"**Relevant Date**" means, in respect of the Notes, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 (seven) days after the date on which notice is duly given to the Noteholders in accordance with the Notices Condition that, upon further presentation of the Notes being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

"**Replacement Cap Premium**" means the amount payable by the Issuer to the replacement cap counterparty or by the replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement;

"**Report Recipients**" means (i) the Issuer, (ii) the Transaction Manager, (iii) the Noteholders, (iv) the Common Representative, whenever appointed, (v) the Monitoring Agent, (vi) the Arranger and (vii) the Rating Agencies, if applicable.

"**Reserved Matter**" means any matter specified in Condition 16.8 (*Reserved Matters*);

"**Residential Asset Management Agreement**" means the agreement entered into on or about the Issue Date between the Issuer, BST, the Asset Manager, the Shareholder and the Secured Residential Servicer;

"**Residential Asset Management Collections Account**" means the bank account number 0003.48359145020 31, IBAN PT50 0018 0003 48359145020 08 and SWIFT/BIC TOTAPTPL, opened in the name of the Asset Manager with the Accounts Bank, to which all Property Recoveries shall be credited, as provided under the Residential Asset Management Agreement;

"**Resolution**" means a resolution passed at a Meeting duly convened and held in accordance with the Conditions and the Common Representative Appointment Agreement;

"**Retained Interest**" means in relation to the Notes and the Class R Note, the retention, on an ongoing basis, of a net economic interest in the securitisation of not less than 5% (five per cent.) as referred to in option (1)(c) of article 405 of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "**CRR**" or the "**Capital Requirement Regulation**"), in option (1)(c) of article 51 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "**AIFM Regulation**" or "**AIFMR**"), in option 2(c) of article 254 of Commission Delegated Regulation (EU) No. 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the "**Solvency II Implementing Rules**") and Bank of Portugal Notice (*Aviso*) 9/2010 (the "**Notice 9/2010**");

"**Retention Obligation**" means in relation to the Notes and the Class R Note, the obligation of the Originator to retain the Retained Interest, in accordance with Schedule 11 (*Retained Interest*) to the Receivables Sale Agreement;

"**Retiring Asset Manager**" means the Asset Manager or any other person whose appointment as Asset Manager under the relevant Asset Management Agreement is terminated other than by termination at the Final Discharge Date;

"**Retiring Secured Commercial Servicer**" means the Secured Commercial Servicer or any other person whose appointment as Secured Commercial Servicer under the Secured Commercial Receivables Servicing Agreement is terminated other than by termination at the Final Discharge Date;

"**Retiring Secured Residential Servicer**" means the Secured Residential Servicer or any other person whose appointment as Secured Residential Servicer under the Secured Residential Receivables Servicing Agreement is terminated other than by termination at the Final Discharge Date;

"**Retiring Servicer**" means any Retiring Secured Commercial Servicer, Retiring Secured Residential Servicer or Retiring Unsecured Servicer;

"**Retiring Unsecured Servicer**" means the Unsecured Servicer or any other person whose appointment as Unsecured Servicer under the Unsecured Receivables Servicing Agreement is terminated other than by termination at the Final Discharge Date;

"**Schedule**" means the Schedule supplementing and forming part of the Cap Agreement;

"**Secured Accounts**" means the Secured Commercial Collections Account, the Secured Residential Collections Account, the Secured Commercial Expenses Account and the Secured Residential Expenses Account;

"**Secured Collections Accounts**" means the Secured Commercial Collections Account and the Secured Residential Collections Account;

"**Secured Commercial Collections**" means all Collections arising from Secured Commercial Receivables;

"**Secured Commercial Collections Account**" means the bank account number 0003.48105373020 31, IBAN PT50.0018.0003.48105373020.62 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank and managed by the Secured Commercial Servicer, to which all Secured Commercial Collections shall be credited, as provided under the Secured Commercial Receivables Servicing Agreement;

"**Secured Commercial Expenses Account**" means the bank account number 0003.48105209020 31, IBAN PT50.0018.0003.48105209020.78 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank and managed by the Secured Commercial Servicer under the Secured Commercial Receivables Servicing Agreement;

"**Secured Commercial Expenses Account Required Amount**" means, as of the Issue Date, (€500,000.00 (five hundred thousand euros) and from and excluding the Interest Payment Date falling in November 2020 €300,000.00 (three hundred thousand euros);

"**Secured Commercial Receivables**" means the Receivables included in the Receivables Portfolio in accordance with the Receivables Allocation Criteria, as identified in Schedule 4A (*Secured Commercial Receivables*) of the Receivables Sale Agreement;

"**Secured Commercial Receivables Servicing Agreement**" means the so named agreement entered into on or about the Issue Date between the Secured Commercial Servicer, the Asset Manager and the Issuer;

"**Secured Commercial Servicer**" means HG PT, Unipessoal Lda. (or "**Hipoges**" or "**HG PT**"), as servicer under the Secured Commercial Receivables Servicing Agreement;

"**Secured Commercial Servicer Covenants**" means the covenants of the Secured Commercial Servicer contained in Schedule 3 (*Secured Commercial Servicer's Covenants*) and in Schedule 4 (*Secured Commercial Servicer Specific Warranties and Covenants*) of the Secured Commercial Receivables Servicing Agreement;

"**Secured Commercial Servicer Junior Performance Fee**" means the secured commercial servicer fee identified as such in Clause 11 (*Secured Commercial Servicer Fee*) of the Secured Commercial Receivables Servicing Agreement plus any part of the Secured Commercial Servicer Junior Performance Fee due and not paid in the previous Interest Payment Date(s) to the Secured Commercial Servicer (and which part, for the avoidance of doubt, shall not accrue any interest);

"**Secured Commercial Servicer Mezzanine Performance Fee**" means the secured commercial servicer fee identified as such in Clause 11 (*Secured Commercial Servicer Fee*) of the Secured Commercial Receivables Servicing Agreement plus any part of the Secured Commercial Servicer Mezzanine Performance Fee due and not paid in the previous Interest Payment Date(s) to the Secured Commercial Servicer (and which part, for the avoidance of doubt, shall not accrue any interest);

"**Secured Commercial Servicer Senior Performance Fee**" means the secured commercial servicer fee identified as such in Clause 11 (*Secured Commercial Servicer Fee*) of the Secured Commercial Receivables Servicing Agreement plus any part of the Secured Commercial Servicer Senior Performance Fee due and not paid in the previous Interest Payment Date(s) to the Secured Commercial Servicer;

"**Secured Commercial Servicer Report**" means a report prepared by the Secured Commercial Servicer summarising the servicing and the performance of the Secured Commercial Receivables and the related Receivables Recovery Expenses including the data file in a format to be agreed between the Parties;

"**Secured Commercial Servicer Termination Event**" has the meaning set forth in Clause 13.3 (*Secured Commercial Servicer Termination Event*) of the Secured Commercial Receivables Servicing Agreement;

"**Secured Commercial Servicer Warranties**" means the representations and warranties given by the Secured Commercial Servicer in Schedule 2 (*Secured Commercial Servicer's Representations and Warranties*) of the Secured Commercial Receivables Servicing Agreement;

"**Secured Expenses Accounts**" means the Secured Commercial Expenses Account and the Secured Residential Expenses Account;

"**Secured Obligations**" means all present and future Liabilities of the Shareholder and / or the Asset Manager to the Secured Party under the relevant Asset Management Agreement, or under any other Transaction Document;

"**Secured Party**" means the Issuer under the Shares Pledge Agreement;

"**Secured Receivables**" means the Receivables included in the Receivables Portfolio in accordance with the Receivables Allocation Criteria, as identified in Schedule 4A (*Secured Commercial Receivables*) and in Schedule 4B (*Secured Residential Receivables*) to the Receivables Sale Agreement;

"**Secured Receivable Assignment Notice**" means the notification to the Borrowers to be delivered under the terms of Clause 8.3 (*Notification to Borrowers*) of the relevant Asset Management Agreement;

"**Secured Receivables Servicing Agreements**" means the Secured Commercial Receivables Servicing Agreement and the Secured Residential Receivables Servicing Agreement;

"**Secured Residential Collections**" means all Collections arising from Secured Residential Receivables;

"**Secured Residential Collections Account**" means the bank account number 0003.48105290020 31, IBAN PT50.0018.0003.48105290020.63 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank and managed by the Secured Residential Servicer, to which all Secured Residential Collections shall be credited, as provided under the Secured Residential Receivables Servicing Agreement;

"**Secured Residential Expenses Account**" means the bank account number 0003.48104707020 31, IBAN PT50.0018.0003.48104707020.56 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank and managed by the Secured Residential Servicer under the Secured Residential Receivables Servicing Agreement;

"**Secured Residential Expenses Account Required Amount**" means, as of the Issue Date, €500,000.00 (five hundred thousand euros) and from and excluding the Interest Payment Date falling in November 2020 €300,000.00 (three hundred thousand euros);

"**Secured Residential Receivables**" means the Receivables included in the Receivables Portfolio in accordance with the Receivables Allocation Criteria, as identified in Schedule 4B (*Secured Residential Receivables*) of the Receivables Sale Agreement;

"**Secured Residential Receivables Servicing Agreement**" means the so named agreement entered into on or about the Issue Date between the Secured Residential Servicer, the Asset Manager and the Issuer;

"**Secured Residential Servicer**" means Whitestar Asset Solutions, S.A. (or "**WS**"), as servicer under the Secured Residential Receivables Servicing Agreement;

"**Secured Residential Servicer Covenants**" means the covenants of the Secured Residential Servicer contained in Schedule 3 (*Secured Residential Servicer's Covenants*) and in Schedule 4 (*Secured Residential Servicer Specific Warranties and Covenants*) of the Secured Residential Receivables Servicing Agreement;

"**Secured Residential Servicer Junior Performance Fee**" means the secured residential servicer fee identified as such in Clause 11 (*Secured Residential Servicer Fee*) of the Secured Residential Receivables Servicing Agreement plus any part of the Secured Residential Servicer Junior Performance Fee due and not paid in the previous Interest Payment Date(s) to the Secured Residential Servicer (and which part, for the avoidance of doubt, shall not accrue any interest);

"**Secured Residential Servicer Mezzanine Performance Fee**" means the secured residential servicer fee identified as such in Clause 11 (*Secured Residential Servicer Fee*) of the Secured Residential Receivables Servicing Agreement plus any part of the Secured Residential Servicer Mezzanine Performance Fee due and not paid in the previous Interest Payment Date(s) to the Secured Residential Servicer (and which part, for the avoidance of doubt, shall not accrue any interest);

"**Secured Residential Servicer Senior Performance Fee**" means the secured residential servicer fee identified as such in Clause 11 (*Secured Residential Servicer Fee*) of the Secured Residential Receivables Servicing Agreement plus any part of the Secured Residential Servicer Senior Performance Fee due and not paid in the previous Interest Payment Date(s) to the Secured Residential Servicer;

"**Secured Residential Servicer Report**" means a report prepared by the Secured Residential Servicer summarising the servicing and the performance of the Secured Residential Receivables and the related Receivables Recovery Expenses including the data file in a format to be agreed between the Parties;

"**Secured Residential Servicer Termination Event**" has the meaning set forth in Clause 13.3 (*Secured Residential Servicer Termination Event*) of the Secured Residential Receivables Servicing Agreement;

"**Secured Residential Servicer Warranties**" means the representations and warranties given by the Secured Residential Servicer in Schedule 2 (*Secured Residential Servicer's Representations and Warranties*) of the Secured Residential Receivables Servicing Agreement;

"**Secured Servicer Notice**" means the notice to be delivered by each Secured Servicer to the Issuer pursuant to Clause 8 (*Assignment of Receivables by the Issuer to the Asset Manager*) and substantially in the form set out in Schedule 9 (*Form of Secured Servicer Notice*) to the relevant Asset Management Agreement;

"**Secured Servicers**" means the Secured Commercial Servicer and the Secured Residential Servicer;

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**Security Period**" means the period beginning on the date hereof and ending on the date on which the Secured Party is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

"**Security Shares**" means the Shares, the Future Shares and any Additional Shares (including for each its respective Related Rights) from time to time pledged to the Secured Party under the Shares Pledge Agreement as security for the timely and full performance of the Secured Obligations;

"**Seller**" means the Originator;

"**Seller Allocated Properties**" means any Property collateralising the Receivables assigned to the Issuer by the Seller and paid by the Issuer to the Seller under the Receivables Sale Agreement and in relation to which: (i) the Issuer substitution as mortgage creditor in the Court Proceedings was not yet concluded at the time the Property was awarded to the Seller, or (ii) a lieu of payment by the relevant Borrower (*dação em cumprimento*) has taken place for the benefit of the Seller;

"**Seller's Covenants**" means the covenants given by the Seller to the Issuer in Clause 7 (*Covenants by the Seller*) of the Receivables Sale Agreement;

"**Seller's Representations and Warranties**" means the representations and warranties given by the Seller to the Issuer in Clause 9 (*Representations and Warranties of the Seller*) of the Receivables Sale Agreement;

"Servicer Covenants" means the Secured Commercial Servicer Covenants, the Secured Residential Servicer Covenants and the Unsecured Servicer Covenants, as applicable;

"**Servicer Fees**" means the Secured Commercial Servicer Senior Performance Fee, the Secured Residential Servicer Senior Performance Fee and the Unsecured Servicer Senior Performance Fee;

"**Servicer Records**" means the original and/or any copies of all documents and records, in whatever form or medium, relating to the Services including all information maintained in electronic form (including computer tapes, files and discs) relating to the Services;

"**Servicer Report**" means the semi-annually servicer report, in the form established in Schedule 6 (*Draft of the Servicer Report*) of the relevant Receivables Servicing Agreement, to be delivered to the Report Recipients no later than 10 (ten) Business Days after the end of a Collection Period, and which shall include the amount standing to the credit of the Cash Reserve Account;

"Servicer Termination Event" means the Secured Commercial Servicer Termination Event, the Secured Residential Servicer Termination Event and the Unsecured Servicer Termination Event, as applicable;

"Servicer Warranties" means the Secured Commercial Servicer Warranties, the Secured Residential Servicer Warranties and the Unsecured Servicer Warranties, as applicable;

"**Servicers**" means the Secured Commercial Servicer, the Secured Residential Servicer and the Unsecured Servicer;

"**Services**" mean, if applicable, the servicing services to be provided by each Servicer with respect to the Receivables pursuant to the Receivables Servicing Agreements, as specified in Schedule 1 (*Services to be provided by the Servicer*) to the Receivables Servicing Agreements or the services to be provided by the Asset Manager as set out in Schedule 1 (*Services to be provided by the Asset Manager*) to the relevant Asset Management Agreement, as applicable;

"**Servicing Committee**" means the committee of members appointed by Class B Noteholders and Class J Noteholders, in accordance with the Servicing Committee Rules;

"**Servicing Committee Rules**" means the rules governing the Servicing Committee, attached as Schedule 3 (*Servicing Committee Rules*) to the Monitoring Agent Appointment Agreement forming an integral part thereof for all legal and contractual purposes;

"**Set of Procedures**" means the set of rules, servicing procedures and prohibited actions that are to be agreed from time to time between the Issuer and each Servicer;

"**Shares**" means the 50,000 (fifty thousand) nominative shares with the nominal of EUR50,000 (fifty thousand euros) each held by the Shareholder and representing 100% (one hundred per cent.) of the share capital of the Asset Manager;

"**Shares Pledge Agreement**" means the agreement entered into on or about the Issue Date pursuant to which the Shareholder grants a first ranking financial pledge over the entire share capital of the Asset Manager in favour of the Issuer and to the ultimate benefit of the Noteholders;

"**Share Sale and Purchase Agreement**" means the so named agreement entered into on or about the Issue Date between AGHL Portugal Investments Holdings, S.A. and the Shareholder pursuant to which AGHL Portugal Investments Holdings, S.A. agrees to sell and the Shareholder agrees to purchase the Shares;

"**Shareholder's Irrevocable Power of Attorney**" means the irrevocable power of attorney executed by the Shareholder substantially in accordance with the form attached as Schedule 1 (*Form of Shareholders' irrevocable power of attorney*) of the Shares Pledge Agreement;

"**Sole Arranger and Placement Agent**" means J.P. Morgan Securities plc, a company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registered in England & Wales under registration number 02711006, whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP;

"**Solicitor**" means a person who is qualified to act as a solicitor ("*advogado*") under Portuguese law;

"**Subordination Event**" means any of the following, in respect of a given Interest Payment Date:

(i) the Cumulative Collection Ratio as indicated in the Investor Report delivered immediately prior to such Interest Payment Date is lower than 90% (ninety per cent.); or

(ii) the NPV Cumulative Profitability Ratio as indicated in the Investor Report immediately preceding such Interest Payment Date is lower than 90% (ninety per cent.); or

(iii) the amount paid by the Issuer as interest on the Class A Notes is lower than the relevant Interest Amount due on the Class A Notes,

upon which the Monitoring Agent shall send a notice of occurrence of a Subordination Event to the Issuer, the Servicers, the Sole Arranger and Placement Agent, the Common Representative, the Cap Counterparty, the Transaction Manager and the Servicing Committee. For the sake of clarity, the occurrence of a Subordination Event shall be assessed in respect of each Interest Payment Date separately.

For the above purposes:

"Cumulative Collection Ratio" means, in respect of an Interest Payment Date, the percentage aggregate ratio, as indicated in the Investor Report delivered immediately prior to such Interest Payment Date between: (i) the aggregate Net Collections received on or after the Issue Date and (ii) the aggregate of Net Expected Collections expected to be received on or after the Issue Date.

"**Net Collections**" means, for a given Collection Period, the difference between (i) the gross Collections in each relevant Collection Period, and (ii) the Receivables Recovery Expenses. For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the Issuer (and not Realisation Values still to be collected, such as cash in court);

"**Net Expected Collections**" means, for a given Collection Period, the difference between (i) the expected gross Collections and (ii) the expected Receivables Recovery Expenses for such Receivables, both up to the end of the immediately preceding Collection Period in accordance with the relevant Business Plan (which is attached as Schedule 8 (*Business Plan*) to each Receivables Servicing Agreement). For the purpose of this definition, "Collections" includes only those Realisation Values which have been effectively collected and delivered by the Asset Manager to the

Issuer (and not Realisation Values still to be collected, such as cash in court). The amount of the Net Expected Collections is attached as Schedule 6 (*Net Expected Collections*) to the Master Framework Agreement;

"**NPV Cumulative Profitability Ratio**" means, in respect of each Interest Payment Date, the aggregate ratio indicated in the immediately preceding Investor Report between (i) the sum of the NPV of the Net Collections received on or after the Issue Date of all Debt Relationships which are Exhausted Debt Relationships, and (ii) the sum of the Target Price of all Debt Relationships which are Exhausted Debt Relationships;

"**NPV**" means the amount calculated according to the following formula:

NPV(X) = X/((1+i)^(t/360))

where:

"X"= means the corresponding cash flow amount in Euros.

"i"=Discount Factor

"t"=means the number of days passed between the date on which the X amount is collected or paid and the Issue Date, assuming that all the Collections are received on the last day of the Collection Period in which they occur or are anticipated to occur.

"**Discount Factor**" means 3.5% (three point five per cent.).

"**Target Price**" means the NPV of Net Collections to be received on or after the Issue Date in respect of a Debt Relationship as calculated at a rate equal to a Discount Factor and on the basis of the Business Plan, as determined prior to the Issue Date and set out in Schedule 8 (*Business Plan*) of the relevant Receivables Servicing Agreement, for the Receivables to be serviced by the relevant Servicer.[12]

"**Debt Relationship**" means the aggregate of all Receivables pertaining to the same Borrower.

"**Exhausted Debt Relationship**" means a Debt Relationship which the relevant Servicer considers to be exhausted (either following being collected in full or sold or written off or for any other reason, including for having received an instruction from the Servicing Committee to classify it as exhausted), in accordance with the conditions foreseen in the relevant Receivables Servicing Agreement;

"**Subscription Agreement**" means an agreement so named dated on or about the Issue Date between the Issuer and the Noteholder;

"**Subscriber**" means the Notes Subscriber and the Class R Note Subscriber, as applicable;

"**Sub-contractor**" means any sub-contractor, sub-agent, delegate or representative;

"**Successor Asset Manager**" means an entity identified in accordance with Clause 26 (*Identification of Successor Asset Manager*) of the relevant Asset Management Agreement and appointed in accordance with Clause 27 (*Appointment of Successor Asset Manager*) of the relevant Asset Management Agreement to perform the Services thereunder;

"**Successor Secured Commercial Servicer**" means an entity identified in accordance with Clause 18 (*Identification of Successor Secured Commercial Servicer*) of the Secured Commercial Receivables Servicing Agreement and appointed in accordance with Clause 19 (*Appointment of Successor Secured Commercial Servicer*) of the Secured Commercial Receivables Servicing Agreement to perform the Services in connection with the Secured Commercial Receivables;

[12] For the avoidance of doubt, the Target Price in respect of a Debt Relationship is set out in Schedule 8 (*Business Plan*) of the relevant Receivables Servicing Agreement, which has been determined as the NPV of the net collections as of each Interest Payment Date on the basis of the relevant Business Plan on the Issue Date.

"**Successor Secured Residential Servicer**" means an entity identified in accordance with Clause 18 (*Identification of Successor Secured Residential Servicer*) of the Secured Residential Receivables Servicing Agreement and appointed in accordance with Clause 19 (*Appointment of Successor Secured Residential Servicer*) of the Secured Residential Receivables Servicing Agreement to perform the Services in connection with the Secured Residential Receivables;

"**Successor Servicer**" means the Successor Secured Commercial Servicer, the Successor Secured Residential Servicer and the Successor Unsecured Servicer, as applicable;

"**Successor Unsecured Servicer**" means an entity identified in accordance with Clause 18 (*Identification of Successor Unsecured Servicer*) of the Unsecured Receivables Servicing Agreement and appointed in accordance with Clause 19 (*Appointment of Successor Unsecured Servicer*) of the Unsecured Receivables Servicing Agreement to perform the Services in connection with the Unsecured Receivables;

"**Systems**" means any computer hardware or software or related IP Rights;

"**Target Receivables Recovery Expenses**" shall mean the estimated recovery expenses of a Receivable, as formulated in the Receivable Plan and to be agreed between each Servicer and the Issuer;

"**Target Recovery**" shall mean the estimated recovery value of a Receivable, as formulated in the Receivable Plan and to be agreed between each Servicer and the Issuer;

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

"**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;

"**Tax**" shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) or liabilities related therewith, imposed or levied by or on behalf of Portugal or any sub-division of it or by any authority in it having power to tax, and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly;

"**Tax Deduction**" means any deduction or withholding on account of Tax;

"**Termination Date**" means the date in relation to which each Servicer's appointment is terminated pursuant to the Receivables Servicing Agreements in accordance to Clause 14 (*Termination Date*) of the Receivables Servicing Agreements or any date in relation to which the appointment of the Asset Manager is terminated pursuant to the relevant Asset Management Agreement in accordance to Clause 22 (*Termination Date*) of the relevant Asset Management Agreement;

"**Termination Event**" means a Voluntary Termination Event, a Servicer Termination Event or a Breach Event;

"**Termination Notice**" has the meaning set forth in Clause 14 (*Termination Date*) of the Receivables Servicing Agreements or the meaning set forth in Clause 22 (*Termination Date*) of the relevant Asset Management Agreement;

"**Third Parties**" mean, with respect to a party, all persons and entities other than (a) such party, (b) its Affiliates, successors and assignees, and (c) all of the respective officers, directors, partners, shareholders, employees, agents and controlling persons of such party and its Affiliates, successors and assignees;

"**Third Party Expenses**" means any amounts due and payable by the Issuer to third parties (not being Transaction Creditors) including any liabilities payable in connection with:

(a) any filing or registration of any Transaction Documents;

(b) any provision for and payment of the Issuer's liability to tax (if any) in relation to the transaction contemplated by the Transaction Documents;

(c) any law or any regulatory direction with whose directions the Issuer is accustomed to comply with;

(d) any legal or audit or other professional advisory fees;

(e) any advertising, publication, communication and printing expenses including postage, telephone and telex charges;

(f) any other amounts then due and payable to third parties and incurred without breach by the Issuer of the provisions of the Transaction Documents;

"**Transaction Accounts**" means the English Transaction Accounts and the Portuguese Transaction Accounts;

"**Transaction Assets**" means the specific pool of assets of the Issuer which collateralises the Issuer Obligations including, the Receivables Portfolio, the Collections, the Transaction Accounts (except for the Cap Collateral Account), the Issuer's rights in respect of the Transaction Documents and any other right and/or benefit either contractual or statutory relating thereto purchased or received by the Issuer in connection with the Notes and the Class R Note;

"**Transaction Creditors**" means the Noteholders, the Common Representative (whenever appointed), the Agents, the Transaction Manager, the Servicers, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Asset Manager, the Class R Noteholder, the Monitoring Agent, the Shareholder, the Cap Counterparty and the EMIR Reporting Agent;

"**Transaction Documents**" means the Conditions of the Notes, the Class R Note Conditions, the Master Framework Agreement, the Receivables Sale Agreement, the Receivables Servicing Agreements, the Subscription Agreement, the Paying Agency and Transaction Management Agreement, the English Accounts Agreement, the Portuguese Accounts Agreement, the Commercial Asset Management Agreement, the Residential Asset Management Agreement, the Cap Agreement, the EMIR Reporting Agreement, the Monitoring Agent Appointment Agreement, the Common Representative Appointment Agreement, the Co-ordination Agreement, the Shares Pledge Agreement, the Share Sale and Purchase Agreement and any other agreement or document entered into from time to time by the Issuer pursuant thereto;

"**Transaction Manager**" means Citibank N.A., London Branch, named in the Paying Agency and Transaction Management Agreement together with any successor or additional Transaction Managers appointed from time to time;

"**Transaction Parties**" means the Issuer, the Noteholders, the Class R Noteholder, the Servicers, the Asset Manager, the Accounts Bank, the Payment Account Bank, the Cap Collateral Account Bank, the Agents, the Transaction Manager, the Common Representative (whenever appointed), the Monitoring Agent, the Cap Counterparty, the EMIR Reporting Agent, the Shareholder and any other entity which, from time to time, may come to be a party to the Transaction Documents, including any subsequent successors and transferees in accordance with their respective interests;

"**Transfer Date**" means the date of execution of each Transfer Deed, in which such Transfer Deed is effective between the Seller and the Asset Manager;

"**Transfer Deed**" means each notarial public deed for the sale and purchase of the Seller Allocated Properties to be executed substantially in the form provided as Schedule 6 (*Form of Deed of Transfer of Seller Allocated Properties by the Seller to the Asset Manager*) of the Asset Management Agreements, pursuant to which the Seller Allocated Properties shall be transferred from the Seller to the Asset Manager as per the instructions of the Issuer (or the Servicer acting on its behalf);

"**Transfer Perfection Period**" means, in respect of a Receivable, the period conservatively estimated by the Secured Servicers for completion of:

(a) the registry of the Secured Receivables corresponding Mortgage title in favour of the Asset Manager in the relevant Real Estate Office; and

(b) the substitution of the Seller or the Issuer, as the case may be, and the accession of the Asset Manager in the relevant Court Proceeding by way of the relevant empowerment application (*incidente de habilitação*) and creditor substitution arrangements;

"**Transfer Period**" means a period of 6 (six) months from the termination of the appointment of each Servicer;

"**Transferred Receivables Available Proceeds**" means the proceeds deriving from the transfer in whole or in part (if any) of any Receivable (net of any indemnity amounts paid to the relevant third-party purchasers of such Receivables) pursuant to the Receivables Servicing Agreement and credited into the Payment Account. To avoid any double-counting, any such Transferred Receivables Available Proceeds shall only fall under paragraph (i) of the definition of Available Distribution Amount and not any other paragraph thereunder;

"**Treaty**" means the treaty establishing the European Communities, as amended by the Treaty on European Union;

"**Unsecured Accounts**" means the Unsecured Collections Account and the Unsecured Expenses Account;

"**Unsecured Collections Account**" means the bank account number 0003.48105431020 31, IBAN PT50.0018.0003.48105431020.80 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank and managed by the Unsecured Servicer, to which all Collections shall be credited, as provided under the Unsecured Receivables Servicing Agreement;

"**Unsecured Expenses Account**" means the bank account number 0003.48105555020 31, IBAN PT50.0018.0003.48105555020.75 and SWIFT/BIC TOTAPTPL, opened in the name of the Issuer with the Accounts Bank and managed by Unsecured Servicer under the Unsecured Receivables Servicing Agreement;

"**Unsecured Expenses Account Required Amount**" means, as of the Issue Date, €250,000.00 (two hundred and fifty thousand euros);

"**Unsecured Receivables**" means the Receivables included in the Receivables Portfolio in accordance with the Receivables Allocation Criteria, as identified in Schedule 4C (*Unsecured Receivables*) of the Receivables Sale Agreement;

"**Unsecured Receivables Servicing Agreement**" means the so named agreement entered into on or about the Issue Date between the Unsecured Servicer, the Asset Manager and the Issuer;

"**Unsecured Servicer**" (or "**Altamira**" or "**Proteus**") means Proteus Asset Management, Unipessoal, Lda., as servicer under the Unsecured Receivables Servicing Agreement;

"**Unsecured Servicer Covenants**" means the covenants of the Unsecured Servicer contained in Schedule 3 (*Unsecured Servicer's Covenants*) and in Schedule 4 (*Unsecured Servicer Specific Warranties and Covenants*) to the Unsecured Receivables Servicing Agreement;

"**Unsecured Servicer Fee**" means 14% (fourteen per cent.) (provided that, if the NPV Cumulative Collection Ratio is below 100% (one hundred per cent.), this will be 11.20% (eleven point two per cent.) of the gross Collections of the Receivables received by the Issuer, or to be transferred to, the Issuer and the Asset Manager after the Issue Date, inclusive, in respect of the relevant Collection Period, to be paid to the Unsecured Servicer on each Interest Payment Date by the Issuer;

"**Unsecured Servicer Junior Performance Fee**" means the unsecured servicer fee identified as such in Clause 11 (*Unsecured Servicer Fee*) of the Unsecured Receivables Servicing Agreement plus any part of the Unsecured Servicer Junior Performance Fee due and not paid in the previous Interest Payment Date(s) to the Unsecured Servicer (and which part, for the avoidance of doubt, shall not accrue any interest);

"**Unsecured Servicer Mezzanine Performance Fee**" means the unsecured servicer fee identified as such in Clause 11 (*Unsecured Servicer Fee*) of the Unsecured Receivables Servicing Agreement plus any part of the

Unsecured Servicer Mezzanine Performance Fee due and not paid in the previous Interest Payment Date(s) to the Unsecured Servicer (and which part, for the avoidance of doubt, shall not accrue any interest);

"**Unsecured Servicer Senior Performance Fee**" means the unsecured servicer fee identified as such in Clause 11 (*Unsecured Servicer Fee*) of the Secured Receivables Servicing Agreement plus any part of the Unsecured Servicer Junior Performance Fee due and not paid in the previous Interest Payment Date(s) to the Unsecured Servicer;

"**Unsecured Servicer Report**" means a report prepared by the Unsecured Servicer summarising the servicing and the performance of the Unsecured Receivables and the related Receivables Recovery Expenses including the data file in a format to be agreed between the Parties;

"**Unsecured Servicer Termination Event**" has the meaning set forth in Clause 13.3 (*Unsecured Servicer Termination Event*) of the Unsecured Receivables Servicing Agreement;

"**Unsecured Servicer Warranties**" means the representations and warranties given by the Unsecured Servicer contained in Schedule 2 (*Unsecured Servicer's Representations and Warranties*) of the Unsecured Receivables Servicing Agreement;

"**Updated Business Plans**" means the updated business plans for the Receivables prepared by the Secured Commercial Servicer, the Secured Residential Servicer and by the Unsecured Residential Servicer from time to time, in the form of the Business Plan (included under Schedule 8 (Business Plan) of the Receivables Servicing Agreements), and to be delivered from time in accordance with the Receivables Servicing Agreements together with the Receivable Plans;

"**VAT**" means value added tax provided for in the VAT Legislation and any other tax of a similar fiscal nature whether imposed in Portugal (instead of or in addition to value added tax) or elsewhere;

"**Voluntary Termination Event**" has the meaning set forth in Clause 13.2 (*Voluntary Termination by the Issuer*) of the Receivables Servicing Agreement or the meaning set forth in Clause 21.2 (*Voluntary Termination by the Issuer*) of the relevant Asset Management Agreement;

"**VAT Legislation**" means the Portuguese Value Added Tax Code;

"**Written Resolution**" means a resolution in writing signed by or on behalf of the relevant Noteholders who for the time being are entitled to receive notice of a Meeting in accordance with the provisions for Meetings, whether contained in one document or several documents in the same form, each signed by or on behalf of the Noteholder;

"**Written-off Receivable**" means, on any day, any Receivable in respect of which:

(a) the net proceeds of realisation of such Receivable have been realised, including those arising from the sale or other disposition of other property of the related Borrower or any other party directly or indirectly liable for payment of the Receivable;

(b) Insolvency Proceedings have been commenced by or against the relevant Borrower; or

(c) a classification as a written-off Receivable has been made by the Issuer.

"**WS**" means Whitestar Asset Solutions, S.A., with its head office at Edifício D. Sebastião, Rua Quinta do Quintã, 6, Quinta da Fonte, Paço de Arcos, Portugal, with a share capital of € 50,000.00, and registered with the Commercial Registry of Lisbon with sole commercial registration and taxpayer number 508 099 161, which under the Secured Residential Receivables Servicing Agreement shall act as Secured Residential Servicer of the Secured Residential Receivables.

TERMS AND CONDITIONS OF THE CLASS R NOTE

The following is the text of the Class R Note Conditions which will be incorporated by reference into the Class R Note cleared by Central de Valores Mobiliários, the central securities clearing system managed by Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários S.A.

€3,100,000.00 Class R Note due 2038

(the "Class R Note")

Issued by Hefesto STC, S.A. (the "Issuer")

1. General

1.1. The Issuer has agreed to issue the Class R Note in connection with the securitisation transaction «**Guincho Finance**» (as identified by the corresponding asset code awarded by the CMVM) (the "**Transaction**") and the issuance of the Class R Note has the sole purpose of funding the Cash Reserve Account up to the Cash Reserve Account Required Amount on the Issue Date.

1.2. The Class R Note is subject to these Conditions, the Subscription Agreement, the Paying Agency and Transaction Manager Appointment Agreement and the remainder Transaction Documents.

1.3. Any holder of the Class R Note is bound by the terms, and are deemed to have notice of all the provisions, of all the above documents.

2. Definitions

Unless expressly defined in these Class R Note Conditions or if the context requires otherwise, capitalised words and expressions used in these Class R Note Conditions shall have the meanings and constructions ascribed to them in the Master Framework Agreement dated on or about the date hereof and entered into by, *inter alia*, the Issuer in connection with the Transaction (as the same may be amended and supplemented from time to time).

3. Form, Denomination and Title

3.1. ***Form and denomination of the Class R Note***: The Class R Note is in dematerialised book-entry (*escritural*) form and nominative (*nominativa*) in the specified denomination of €3,100,000.00 (three million one hundred thousand euros).

3.2. ***Title***: The registered holder of the Class R Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of any payment) whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such holder. Title to the Class R Note will pass by registration in the relevant individual securities accounts held with an affiliate member of Interbolsa. References herein to the "holder" of the Class R Note is to the person in whose name such Class R Note is so registered in the securities account with the relevant affiliate member of Interbolsa (the "**Class R Noteholder**").

4. Status and Ranking

4.1. ***Status***: The Class R Note constitutes direct, secured and limited recourse obligations of the Issuer and the Class R Note and the other Issuer Obligations will benefit from the statutory segregation provided by the Securitisation Law.

4.2. ***One Single Security***: For the avoidance of doubt, the Class R Note constitutes one single security and any payments made thereunder will be made in respect of one single security. Accordingly, there can only be more than one person holding the Class R Note if the relevant securities account opened with the relevant affiliate member of Interbolsa is co-owned (*contitularidade*) by two or more persons, in which case they shall appoint a common representative if they wish to exercise any rights against the Issuer.

4.3. ***Sole Obligations***: The Class R Note constitutes obligations solely of the Issuer limited to the segregated Receivables Portfolio corresponding to this transaction (as identified by the corresponding asset code awarded by the CMVM pursuant to Article 62 of the Securitisation Law) and other Transaction Assets and without recourse to any other assets of the Issuer pertaining to other issuances of securitisation notes by the Issuer or to the Issuer's own funds or to the Issuer's directors, managers or shareholders and are not obligations of, or guaranteed by, any of the other Transaction Parties.

4.4. ***Use of Proceeds***: On or about the Issue Date, the Issuer shall apply the gross proceeds of the Class R Note to fund the Cash Reserve Account up to the Cash Reserve Account Required Amount.

5. Statutory Segregation

5.1. ***Segregation under the Securitisation Law***: The Class R Note and any Issuer Obligations have the benefit of the statutory segregation under the Securitisation Law.

6. Class R Note Interest Amount

6.1. ***Accrual of Interest:*** The Class R Note bears interest on its principal amount outstanding from the Issue Date and will be paid semi-annually in arrears on each Interest Payment Date. Interest will accrue from, and including, the immediately preceding Interest Payment Date (or, in the case of the First Interest Payment Date, the Issue Date) to, but excluding, the relevant Interest Payment Date. If any Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next succeeding Business Day unless it would thereby fall in the next calendar month, in which case it will be brought forward to the preceding Business Day. For the avoidance of doubt, if not paid on the relevant Interest Payment Date, the Class R Note Interest Amount shall accrue on a daily basis irrespective of whether such day is a Business Day. "**Class R Note Interest Amount**" shall mean the amount of the interest payable in respect of the Class R Note for such Interest Period (including any overdue interest if payable on the relevant Interest Payment Date), to be calculated by the Transaction Manager in accordance with Condition 6.3 (*Calculation of Class R Note Interest Amount*) below.

6.2. ***Rate of interest****:* The Class R Note will represent entitlements to payment of interest in respect of each successive interest period from the Issue Date at an annual rate equal to EURIBOR for 6 (six) months deposits in Euro (the "**Six Month EURIBOR**") (or in the case of the first Interest Period, the linear interpolation between EURIBOR for 6 (six) months and EURIBOR for 12 (twelve) months deposits), plus a spread of 2% (two per cent.).

For the purposes of these Class R Note Conditions:

"**Six Month EURIBOR**" means, on any Interest Determination Date, the rate determined by the Transaction Manager by reference to the Euro Screen Rate on such date, or if, on such date, is unavailable:

(a) the Rounded Arithmetic Mean of the offered quotations, as at or about 11.00 a.m. (Brussels time) on that date, of the reference banks to leading banks for Euro-zone interbank market for euro deposits for six month in the Representative Amount determined by the

Transaction Manager after request of the principal Euro-zone office of each of the reference banks; or

(b) if, on such date, two or three only of the reference banks provide such quotations, the rate determined in accordance with paragraph (a) above on the basis of the quotations of those reference banks providing such quotations; or

(c) if, on such date, one only or none of the reference banks provide such a quotation, the Rounded Arithmetic Mean of the rates quoted, as at or about 11.00 a.m. (Brussels time) on such Interest Determination Date, by leading banks in the Euro-zone for loans in euro for 6 six month in the Representative Amount to leading European banks, determined by the Transaction Manager after request of the principal office in the principal financial center of the relevant Participating Member State of each such leading European bank;

"**Euro Screen Rate**" means, in relation to an Interest Determination Date, the offered quotations for euro deposits for 6 (six) months by reference to the Screen as at or about 11.00 a.m. (Brussels time) on that date;

"**Interest Determination Date**" means, with respect to the First Interest Period, the date falling on the second Business Day immediately preceding the Issue Date and with respect to each subsequent Interest Period, the date falling on the second Business Day immediately preceding the Interest Payment Date at the beginning of such Interest Period;

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"**Rounded Arithmetic Mean**" means the arithmetic mean (rounded, if necessary, to the nearest 0.0001, 0.00005 being rounded upwards);

"**Screen**" means, the display designated as EURIBOR01 Page as quoted on the Reuters Screen; or

(i) such other page as may replace EURIBOR01 Page as quoted on the Reuters Screen on that service for the purpose of displaying such information; or

(ii) if that service ceases to display such information, such page as displays such information on such service (or, if more than one, that one previously approved in writing by the Common Representative in respect of the other securitisation notes issued by the Issuer in connection with the Transaction) as may replace such services.

Whenever it is necessary to compute an amount of interest in respect of the Class R Note for a period of less than a full year, such interest shall be calculated on the basis of the actual number of days in such period divided by 360.

6.3. ***Calculation of Class R Note Interest Amount:*** The Transaction Manager will, as soon as practicable after the Calculation Date in relation to each Interest Period, calculate the amount of the Class R Note Interest Amount payable in respect of the Class R Note for such Interest Period.

6.4. ***Default interest****:* Interest on overdue principal and interest on the Class R Note, if any, will accrue from the due date up to the date of actual payment at the rate equal to the interest rate defined in paragraph 6.2 (*Rate of Interest*) above.

6.5. ***Notifications etc.***: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Class R Note Conditions by the Transaction Manager will (in the absence of manifest error) be binding on the Issuer, the Transaction Manager, the Paying Agent, the holder and (subject as aforesaid) no liability to any such person will attach to the Transaction Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes in accordance with the

terms of the Transaction Documents, other than by reason of its own negligence, bad faith, wilful default or fraud.

6.6. ***Interpretation***: In these Class R Note Conditions, "**Business Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("**TARGET 2**") is open for settlement of payments in Euro (a "**TARGET 2 Day**") or, if such TARGET 2 Day is not a day on which banks are open for business in London, Lisbon and Frankfurt, the next succeeding TARGET 2 Day on which banks are open for business in London, Lisbon and Frankfurt.

6.7. ***Failure of Transaction Manager*:** If the Transaction Manager fails at any time to determine the Class R Note Interest Amount, the Issuer may, or will use commercially reasonable endeavours to appoint a person (at the expense of the Issuer which for the avoidance of any doubt shall be considered as an Issuer Expense) who will, calculate such Interest Amount. Such calculation will be deemed to have been made by the Transaction Manager and shall be binding on the Issuer, the Transaction Manager, the Principal Paying Agent, the Portuguese Paying Agent and the holder. The Transaction Manager shall be liable for any loss, liability, claim, action, damages or expenses arising out of or in connection with its failure in determining the Class R Note Interest Amount, save where such failure is caused by a technical or administrative problem beyond the control or responsibility of the Transaction Manager.

6.8. ***Interest Period***: Each period beginning on (and including) the Issue Date or any Interest Payment Date (as applicable) and ending on (but excluding) the next Interest Payment Date is an "**Interest Period**". Interest accrues on the Class R Note on a daily basis irrespective of whether such day is a Business Day.

7. Payments

7.1. **Payments subject to Payment Priorities**: The Issuer shall pay interest and repay principal under the Class R Note on the applicable Interest Payment Dates in accordance with the Payment Priorities and solely to the extent that funds are available thereunder. The obligation of the Issuer to repay the Class R Note and interest thereon shall be limited to the amount of funds which are available for such purpose out of the Available Distribution Amount, in accordance with the relevant Payment Priorities. If such funds are insufficient to repay the Class R Note in full or any interest thereon on the Final Legal Maturity Date, the shortfall shall cease to be a debt due of the Issuer and any liability of the Issuer in respect of such amount shall be extinguished.

7.2. ***Payments in euro***: Payments of principal and interest in respect of the Class R Note may only be made in euro.

7.3. ***Payments of principal and interest***: Payments of principal and interest (both in the case of final redemption and in respect of any note principal or interest payment which becomes due on an Interest Payment Date) will, in accordance with the applicable rules and procedures of Interbolsa, be (a) credited by the Portuguese Paying Agent (acting on behalf of the Issuer) to the payment current-account held by the affiliate member of Interbolsa (whose control account with Interbolsa is credited with such Class R Note) and (b) thereafter credited by such affiliate members from the aforementioned payment current-account to the account of the owner(s) of the Class R Note, commencing on the First Interest Payment Date.

7.4. ***Payments subject to fiscal laws***: All payments in respect of the Class R Note are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 8 (*Taxation*), no commissions or expenses shall be charged to the holder of the Class R Note in respect of such payments.

7.5. ***Payments on Business Days***: If the due date for payment of any amount in respect of the Class R Note is not a business day in the place of presentation the holder shall not be entitled to payment of the amount due until the next succeeding business day in the place of presentation on which banks are open for business in such place of presentation and shall not be entitled to any further interest or other payment in respect of any such delay.

8. Taxation

8.1. ***Payments free of Tax***: All payments of principal and interest in respect of the Class R Note 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 Portugal or any other jurisdiction 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 or the Paying Agent (as the case may be) shall be entitled to withhold or deduct the required amount for or on account of Tax from such payment and shall account to the relevant tax authorities for the amount so withheld or deducted.

8.2. ***No payment of additional amounts***: Neither the Issuer, nor the Paying Agent or any other Transaction Party will be obliged to pay any additional amounts to the Noteholder in respect of any Tax Deduction made under Condition 8.1 (*Payments free of Tax*) above.

8.3. ***Tax Jurisdiction***: If the Issuer becomes subject at any time to any taxing jurisdiction other than the Portuguese Republic, references in these Conditions to the Portuguese Republic or to Portugal shall be construed as references to the Portuguese Republic or to Portugal and/or such other jurisdiction.

8.4. ***Tax Deduction not Event of Default***: Notwithstanding that the Issuer or the Paying Agent is required to make a Tax Deduction in accordance with Condition 8.1 (*Payments free of Tax*) it shall not constitute an event of default.

9. Enforcement Event

If an Enforcement Notice is delivered to the Issuer under the Conditions (which apply to the other securitisation notes issued by the Issuer in connection with this Transaction), the Issuer shall forthwith provide notice to the holder of the Class R Note in accordance with Condition 12 (*Notices*) below, and the Class R Note together with all interest thereon shall become immediately due and repayable in accordance with the Post-Enforcement Payment Priorities.

10. Prescription

10.1. ***Principal***: Claims for principal in respect of the Class R Note shall become void unless the relevant payment is claimed within 20 (twenty) years after the appropriate Class R Note Relevant Date.

10.2. ***Interest***: Claims for interest in respect of the Class R Note shall become void unless the relevant payment is claimed within 5 (five) years after the appropriate Class R Note Relevant Date.

"**Class R Note Relevant Date**" for the purposes of this Condition 10 (*Prescription*) means, in respect of any Class R Note, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date 7 (seven) days after the date on which notice is duly given to the holders in accordance with Condition 12 (*Notices*) that, upon further presentation of the Class R Note being made in accordance with the Class R Note Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

11. Agents

11.1. ***Principal Paying Agent, Portuguese Paying Agent and Transaction Manager solely agents of Issuer*:** In acting under the Paying Agency and Transaction Management Agreement and in connection with the Class R Note, the Principal Paying Agent, the Portuguese Paying Agent and the Transaction Manager act solely as agents of the Issuer.

12. Notices

12.1. ***Valid notices***: Any notice to holder of the Class R Note shall be validly given if such notice is either:

(a) published on the CMVM's website; or

(b) published on a page of the Reuters service or of the Bloomberg service, or of any other medium for the electronic display of data (as may be previously approved in writing by the Common Representative, in respect of the other securitisation notes issued by the Issuer in connection with the Transaction, and as has been notified to the holder of the Class R Notes in accordance with this Condition 12 (*Notices*)), or

(c) published via Euroclear and Clearstream, Luxembourg in accordance with their procedures for the publication of notices.

12.2. ***Date of publication***: Any notices so published shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication was made.

13. Governing Law and Jurisdiction

13.1. ***Governing Law***: The Class R Note and all non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, Portuguese law.

13.2. ***Jurisdiction:*** The courts of Portugal, county of Lisbon ("*Tribunal da Comarca de Lisboa*") have exclusive jurisdiction to settle any dispute arising out of or in connection with the Class R Note, including any question regarding its existence, validity or termination.

TAXATION

The following is a summary of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments of principal and interest in respect of, and transfers of, the Notes. The statements do not deal with other Portuguese tax aspects regarding the Notes and relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. Noteholders who may be liable to taxation in jurisdictions other than Portugal in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions). In particular, Noteholders should be aware that they may be liable to taxation under the laws of Portugal and of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of Portugal.

The reference to "**interest**" and "**capital gains**" in the paragraphs below mean "**interest**" and "**capital gains**" as understood in Portuguese tax law. The statements below do not take any account of any different definitions of "**interest**" or "**capital gains**" which may prevail under any other law or which may be created by the Conditions or any related documentation.

The present transaction qualifies as a securitisation transaction (*operação de titularização de créditos*) for the purposes of the Securitisation Law. Portuguese tax-related issues for transactions which qualify as securitisation transactions under the Securitisation Law are generally governed by the Securitisation Tax Law. Under article 4(1) of Securitisation Tax Law and further to the confirmation by the Portuguese Tax Authorities pursuant to Circular no. 4/2014, the tax regime applicable on debt securities in general, foreseen in Decree-Law 193/2005 also applies on income generated by the holding or the transfer of Notes issued under the Securitisation transactions.

Noteholders' income tax

Income generated by the holding (distributions) or transfer (capital gains) of the Notes is generally subject to the Portuguese tax regime established for debt securities (*obrigações*).

Any payments of interest made in respect of the Notes to Noteholders who are not Portuguese residents for tax purposes and do not have a permanent establishment in Portugal to which the income is attributable will be, as a rule, exempt from Portuguese income tax under Decree-Law 193/2005. Pursuant to Decree-Law 193/2005, interest paid on, as well as capital gains derived from a sale or other disposition of the Notes, to non-Portuguese resident Noteholders will be exempt from Portuguese income tax provided the debt securities are integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal, or (ii) an international clearing system operated by a managing entity established in a member state of the EU other than Portugal (e.g. Euroclear or Clearstream, Luxembourg) or in a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iii) integrated in other centralised systems not covered above provided that, in this last case, the Portuguese Government authorises the application of the Decree-Law 193/2005, and the beneficiaries are:

(a) central banks or governmental agencies; or

(b) international bodies recognised by the Portuguese State; or

(c) entities resident in countries or jurisdictions with whom Portugal has a double tax treaty in force or a tax information exchange agreement in force; or

(d) other entities without headquarters, effective management or a permanent establishment in the Portuguese territory to which the relevant income is attributable and which are not domiciled in a blacklisted jurisdiction as set out in the Ministerial Order (*Portaria*) no.

150/2004, of 13 February, as amended by Ministerial Order (*Portaria*) no. 292/2011, 8 November 2011, by Ministerial Order (*Portaria*) no. 345-A/2016, 30 December 2016 and by Law no. 114/2017, 29 December 2017 (the "**Ministerial Order 150/2004**").

For purposes of application at source of this tax exemption regime, Decree-Law 193/2005 requires completion of certain procedures aimed at verifying the non-resident status of the Noteholder and the provision of information to that effect. Accordingly, to benefit from this tax exemption regime, a Noteholder is required to hold the Notes through an account with one of the following entities:

a) direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened;

b) an indirect registered entity, which, although not assuming the role of the "direct registered entities", is a client of the latter; or

c) an international clearing system, which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems.

Domestic cleared notes – held through a direct registered entity

Direct registered entities are required to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account. Registration in the exempt account is crucial for the tax exemption to apply upfront and requires evidence of the non-resident status of the beneficiary, to be provided by the Noteholder to the direct registered entity prior to the relevant date for payment of interest and to the transfer of Notes, as follows:

a) if the beneficiary is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

b) if the beneficiary is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

c) if the beneficiary is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which the Portuguese Republic has entered into a double tax treaty in force or a tax information exchange agreement in force, it must provide (a) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below; The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

d) other investors will be required to prove their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; (b) a document issued by

the relevant Portuguese Consulate certifying residence abroad; or (c) a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The beneficiary must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following three months. The Beneficiary must inform the direct registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

Internationally cleared notes – held through an entity managing an international clearing system

Pursuant to the requirements set forth in the tax regime, if the Notes are registered in an account held by an international clearing system operated by a managing entity, the latter shall transmit, on each interest payment date and each relevant redemption date, to the direct register entity or to its representative, and with respect to all accounts under its management, the identification and quantity of securities, as well as the amount of income, and, when applicable, the amount of tax withheld, segregated by the following categories of beneficiaries:

a) entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable and which are non-exempt and subject to withholding;

b) entities which have residence in country, territory or region with a more favourable tax regime, included in the Portuguese "blacklist" (countries and territories listed in Ministerial Order no. 150/2004) and which are non-exempt and subject to withholding;

c) entities with residence, headquarters, effective management or permanent establishment to which the income would be imputable, and which are exempt or not subject to withholding;

d) other entities which do not have residence, headquarters, effective management or permanent establishment to which the income generated by the securities would be imputable.

On each interest payment date and each relevant redemption date, the following information with respect to the beneficiaries that fall within the categories mentioned in paragraphs (a), (b) and (c) above, should also be transmitted:

a) name and address;

b) tax identification number (if applicable);

c) identification and quantity of the securities held; and

d) amount of income generated by the securities.

If the conditions for the exemption to apply are met, but, due to inaccurate or insufficient information, tax was withheld, a special refund procedure is available under the special regime approved by Decree-Law 193/2005. The refund claim is to be submitted to the direct register entity of the Notes within 6 months from the date the withholding took place. Following the amendments to Decree-Law 193/2005, introduced by Law no. 83/2013, of 9 December, a new special tax form for these purposes was approved by Order (*Despacho*) no. 2937/2014, published in the Portuguese official gazette, second series, no. 37, of 21 February 2014 issued by the Secretary of State of Tax Affairs (*Secretário de Estado dos Assuntos Fiscais*).

If the above exemption does not apply, interest payments on the Notes are subject to a final withholding tax at the current rate of 25% (twenty-five per cent.) whenever made to non-resident legal persons or to a final withholding tax at the current rate of 28% (twenty-eight per cent.) whenever made to non-resident individuals.

A final withholding tax rate of 35% (thirty-five per cent.) applies in case of interest payments to individuals or legal persons domiciled in countries and territories included in the Portuguese "tax haven" list approved by Ministerial Order no. 150/2004. Interest paid or made available to accounts

opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35% (thirty-five per cent.), unless the relevant beneficial owner(s) of the income is/are identified, in which case, the withholding tax rates applicable to such beneficial owner(s) will apply.

Under the double taxation conventions entered into by Portugal which are in full force and effect on the date of this Prospectus, the withholding tax rate may be reduced to 15 (fifteen), 12 (twelve), 10 (ten) or 5 (five) per cent., depending on the applicable convention and provided that the relevant formalities and procedures are met. In order to benefit from such reduction, Noteholders shall comply with certain requirements established by the Portuguese Tax Authorities, aimed at verifying the non-resident status and entitlement to the respective tax treaty benefits. The reduction may apply at source or through the refund of the excess tax withheld (currently by way of submission of tax form 21 RFI or tax form 22 RFI, respectively).

Interest derived from the Notes and capital gains obtained with the transfer of the Notes by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the interest or capital gains are attributable are included in their taxable income and are subject to a corporate tax at a rate of (i) 21% (twenty-one per cent.) (16.8% sixteen point eight per cent. in the Autonomous Region of Azores) or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17% (seventeen per cent.) (13.6% (thirteen point six per cent.) in the Autonomous Region of Azores) for taxable profits up to €15,000.00 (fifteen thousand euros) and 21% (twenty one per cent.) (16.8% (sixteen point eight per cent.) in the Autonomous Region of Azores) on profits in excess thereof, to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5% (one point five per cent.) of its taxable income before the deduction of tax losses. Corporate taxpayers with a taxable income of more than €1,500,000.00 (one million five hundred thousand euros) are also subject to State or Regional surcharge (*derrama estadual ou regional*) of (i) 3% (three per cent.) on the part of its taxable profits exceeding €1,500,000.00 (one million five hundred thousand euros) up to €7,500,000.00 (seven million five hundred thousand euros), (ii) 5% (five per cent.) on the part of the taxable profits that exceeds €7,500,000.00 (seven million five hundred thousand euros) up to €35,000,000.00 (thirty five million euros), and (iii) 9% (nine per cent.) on the part of the taxable profits that exceeds €35,000,000.00 (thirty five million euros).

Withholding tax at a rate of 25% (twenty-five per cent.) applies to legal persons on interest derived from the Notes, which is deemed to be a payment on account of the final tax due. Financial institutions resident in Portugal for tax purposes or branches of foreign financial institutions located herein, pension funds, retirement and/or education savings funds, share savings funds, venture capital funds and collective investment undertakings incorporated under the laws of Portugal and certain exempt entities are not subject to Portuguese withholding tax. Nevertheless, interest paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 thirty-five) per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rate applicable to such beneficial owner(s) will apply.

Interest payments on the Notes to Portuguese tax resident individuals are subject to final withholding tax for personal income tax purposes at the current rate of 28% (twenty-eight per cent), unless the individual elects for aggregation to his taxable income, subject to tax at progressive rates of up to 48% (forty eight per cent.). In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000.00 (eighty thousand euros) as follows: (i) 2.5% (two point five per cent.) on the part of the taxable income exceeding €80,000.00 (eighty thousand euros) up to €250,000.00 (two hundred and fifty thousand euros) and (ii) 5% (five per cent.) on the remaining part (if any) of the taxable income exceeding €250,000.00 (two hundred and fifty thousand euros).

Interest paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35% (thirty-

five per cent.), unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rate applicable to such beneficial owner(s) will apply.

Capital gains arising from the transfer of the Notes obtained by Portuguese tax resident individuals will be taxed at a special rate of 28% (twenty-eight per cent.) levied on the positive difference between such gains and gains on other securities and losses on securities, unless the individual elects for aggregation to his taxable income, subject to tax at the current progressive rates of up to 48% (forty-eight per cent.). In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000.00 (eighty thousand euros) as follows: (i) 2.5% (two point five per cent.) on the part of the taxable income exceeding €80,000.00 (eighty thousand euros) up to €250,000.00 (two hundred and fifty thousand euros) and (ii) 5% (five per cent.) on the remaining part (if any) of the taxable income exceeding €250,000.00 (two hundred and fifty thousand euros).

Payments of principal on Notes are not subject to Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any remuneration component.

Stamp tax

An exemption from stamp tax will apply to the assignment for securitisation purposes of the Receivables by the Originator to the Issuer or on the commissions paid by the Issuer to the Servicer pursuant to the Securitisation Tax Law.

Value added tax

An exemption from VAT will apply to the servicing activities referred to in the Securitisation Tax Law.

FATCA

Portugal has implemented, through Law no. 82-B/2014, of 31 December 2014 and Decree-Law 64/2016, of 11 of October, amended by Law no. 98/2017, of 24 August 2017, the legal framework agreed with the United States of America regarding the reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. The United States has entered into a Model 1 intergovernmental agreement with Portugal ("**IGA**"), signed on 6 August 2015 and ratified by Portugal on 5 August 2016. In view of the abovementioned regime, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end were provided by the Ministry of Finance through Order No. 302-A/2016, of 2 December 2016. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and report such information to the Portuguese Tax Authorities, which, in turn, will report such information to the United States Internal Revenue Service.

Common Reporting Standard

On 9 December 2014, Council Directive 2014/107/EU, amending Council Directive 2011/16/EU, introduced the CRS among the EU Member States. This Directive was transposed to Portuguese national law on October 2016, via Decree-Law no. 64/2016, of 11 October 2016, amended by Law no. 98/2017, of 24 August 2017 (the "**Portuguese CRS Law**"), which amended Decree-Law no. 61/2013, of 10 May 2013, which transposed Directive 2011/16/EU. In view of the abovementioned regime, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations and the forms to use for that end were provided by the Ministry of Finance through Order No. 302-B/2016, of 2 December 2016, Order No. 302-C/2016, of 2 December 2016, Order No. 302D/2016, of 2 December 2016, amended by Order No. 255/2017, of 14 August 2017, and by Order No. 58/2018, of 27 February 2018 and Order No. 302-E/2016, of 2 December 2016, and may be available for viewing and downloading at www.portaldasfinancas.gov.pt

The Proposed Financial Transaction Tax

The European Commission has published a proposal for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

DISTRIBUTION AND SALE

On the Issue Date, BST subscribed for the Notes and the Class R Note. On 19 November 2018, BST sold the Class B Notes and the Class J Notes to institutional investors.

The Sole Arranger and Lead Manager has, pursuant to a placement agreement dated on or about the date of this Prospectus between BST, the Issuer and the Sole Arranger and Lead Manager (the "**Placement Agreement**"), agreed with BST (subject to certain conditions) to use its reasonable efforts to procure investors to acquire from BST the Class A Notes.

Except with the express written consent of BST in the form of a U.S. Risk Retention Consent and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons.

For the avoidance of doubt, under the Placement Agreement mentioned above, the distribution and sale restrictions below have been agreed by BST only in respect of the Class A Notes.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

UNITED STATES

The Notes have not been and will not be registered under the Securities Act or the state securities laws or "blue sky" laws of any state or any other relevant jurisdiction of the United States and therefore 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) except pursuant to an exemption from, or a transaction not subject to, registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S.

BST has agreed that it will not offer, sell or deliver the Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each affiliate or other dealer (if any) to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

In addition to the foregoing, each purchaser of the Notes during the initial syndication has certified or is hereby deemed to have represented and agreed as follows: it (1) is not a Risk Retention US Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the US Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section_20 of the U.S. Risk Retention Rules described herein).

UNITED KINGDOM

BST has represented to and agreed with the Issuer that:

a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the

meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

PORTUGAL

The Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (*Código dos Valores Mobiliários*) enacted by Decree-Law no. 486/99 of 13 November 1999, as amended and restated from time to time. Accordingly, no actions, offers, advertising, marketing, invitations to subscribe, gathering of investment intentions, sales, re-sales, re-offers or deliveries may be made in respect of the Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes may not be and will not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of MiFID II; or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Directive; and

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

PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), BST has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or BST to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure

implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

GENERAL

BST has acknowledged that no further action has been or will be taken in any jurisdiction by BST that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material in relation to such Notes, in any country or jurisdiction where such further action for that purpose is required. Accordingly, BST has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

1. The creation and issue of the Notes and the Class R Note has been authorised by a resolution of the Board of Directors of the Issuer dated 31 October 2018.

2. Application has been made to Euronext for the Class A Notes to be admitted to trading on Euronext Lisbon, a regulated market managed by Euronext. The Issuer estimates that the total expenses related to the admission to trading will amount to €11,600.00. No application will be made to list the Class A Notes on any other stock exchange. The Class B Notes, the Class J Notes and the Class R Note will not be listed.

3. There are no governmental, litigation or arbitration proceedings, including any which are pending or threatened of which the Issuer is aware, which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position of the Issuer.

4. There are no significant conflicting interests of the Parties, without prejudice to each Party having a potential and relative interest in this issuance corresponding to its respective role in relation to the Notes.

5. Since the date of the most recent publicly available financial statements of the Issuer (31 December 2017), the Issuer has no other outstanding or created but unissued loan capital, term loans, borrowings, indebtedness in the nature of borrowing or contingent liabilities, nor has the Issuer created any mortgages, charges or given any guarantees.

   For the sake of clarity, the statement above is without prejudice to securitisation notes issued by the Issuer since such date (including the Notes and the Class R Note) and any related contracts or security interests.

   In any case, there has been no material adverse change, or any development reasonably likely to involve a material adverse change, in the financial or trading position, prospects or general affairs of the Issuer since the date of its audited financial statements for the year ended 31 December 2017.

6. The *Comissão do Mercado de Valores Mobiliários*, pursuant to article 62 of the Securitisation Law, has assigned asset identification code 201811HFTBSTNXXS0106 to the Notes and the Class R Note.

7. The Notes and the Class R Note have been accepted for settlement through Interbolsa. The CVM code, ISIN and CFI code for the Notes and the Class R Note are:

	CVM CODE	ISIN	CFI CODE
Class A Notes	HEFZOM	PTHEFZOM0001	DAVSGR
Class B Notes	HEF1OM	PTHEF1OM0004	DAVSGR
Class J Notes	HEF2OM	PTHEF2OM0003	DAVSGR
Class R Note	HEF3OM	PTHEF3OM0002	DAVSGR

8. Effective Interest Rate

   The estimated effective interest rates of the Class A Notes for the Interest Payment Date falling in May 2019 are presented below:

	Effective Interest	Effective Interest	Effective Interest

	Rate (gross)	Rate (net of 25% withholding tax)	Rate (net of 28% withholding tax)
Class A Notes	1.741 per cent.	1.31 per cent.	1.25 per cent.

These estimated effective interest rates are based on the following assumptions:

(a) 6m EURIBOR used in the calculation of the interest on the Class A Notes constant at -0.259% (rate as of 31 October 2018);

(b) Interest on the Notes calculated based on an ACT/360 day-count fraction;

(c) Taking into account the general individual and corporate income tax rates of 28% and 25% respectively.

9. Copies of the following documents will be available for inspection, on reasonable notice, in physical and/or electronic form at the Specified Office of the Principal Paying Agent and at the registered office of the Issuer and the Common Representative. The documents may be consulted during usual business hours on any week day (Saturdays, Sundays and public holidays excepted) after the date of this document and for the life of the Notes:

(a) the *Estatutos* or *Contrato de Sociedade* (constitutional documents) of the Issuer (including an English translation);

(b) the following documents:

- Conditions of the Notes;
- Class R Note Conditions;
- Master Framework Agreement;
- Receivables Sale Agreement;
- Secured Commercial Receivables Servicing Agreements;
- Secured Residential Receivables Servicing Agreements
- Unsecured Receivables Servicing Agreements;
- Subscription Agreement;
- Paying Agency and Transaction Management Agreement;
- Portuguese Accounts Agreement;
- English Accounts Agreement;
- Commercial Asset Management Agreement;
- Residential Asset Management Agreement;
- Cap Agreement;
- EMIR Reporting Agreement;
- Monitoring Agent Appointment Agreement;
- Common Representative Appointment Agreement;
- Co-ordination Agreement;

- Shares Pledge Agreement; and
- Share Sale and Purchase Agreement.

10. The most recent publicly available financial statements for each of the last two accounting financial periods of the Issuer (which at the date hereof are only expected to be the audited annual financial statements) will be available for inspection at the following website: www.cmvm.pt.

11. The Class A Notes are freely transferable.

12. Any website (or the contents thereof) referred to in this Prospectus does not form part of this Prospectus.

13. The Securitisation Law combined with the holding structure of the Issuer and the role of the Common Representative are together intended to prevent any abuse of control of the Issuer.

Post-issuance information

The Transaction Manager shall produce an Investor Report no later than 6 (six) Business Days prior to each Interest Payment Date. Each Investor Report shall be available at the specified offices of the Common Representative and the Principal Paying Agent, the registered office of the Issuer and on the Transaction Manager's website currently located at sf.citidirect.com. The Transaction Manager's internet website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access the website will be required to certify that they are Noteholders. The Investor Report and the Servicers Reports will also be made available on Bloomberg.

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