

FT Santander Consumer Spain Synthetic Auto 2018-1
represented by Santander de Titulización, Sociedad Gestora de Fondos de Titulización,
S.A.

Dear Sirs,

Credit Default Swap

The purpose of this letter (this "**Confirmation**") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between Santander Consumer, E.F.C., S.A. (the "**Buyer**") and FT Santander Consumer Spain Synthetic Auto 2018-1 (the "**Seller**") (each a "**Party**" and together the "**Parties**") on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "**Confirmation**" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions (without incorporating either the 2009 ISDA Credit Derivatives Definitions Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published on 12 March 2009 or the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the ISDA Credit Derivatives Definitions, published on 14 July 2009) (the "**2003 Definitions**"), as published by the International Swaps and Derivatives Association Inc., ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the 2003 Definitions and this Confirmation, this Confirmation will govern. For the avoidance of doubt, Section 1.10 (*Requirements Regarding Notices*) of the 2003 Definitions will apply in respect of any notice delivered in connection with this Confirmation.

This Confirmation supplements, forms a part of, and is subject to, the ISDA 2002 Master Agreement dated as of 17 December 2018, as amended and supplemented from time to time (the "**Agreement**"), between the Buyer and the Seller. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. Words and expressions used but not otherwise defined in the Agreement shall have the meanings ascribed to them in (1) the summary of the terms and conditions of the EUR 60,600,000 credit linked notes due 2030 (the "**Notes**") and issued by FT Santander Consumer Spain Synthetic Auto 2018-1 (the "**Issuer**") set out in the information memorandum for the Notes (the "**IM Conditions**") and (2) the Transaction Documents (as defined in the IM Conditions). In the event of any inconsistency between words and meanings defined in the other Transaction Documents and words and meanings defined in this Confirmation, this Confirmation will govern.

The terms of the Transaction to which this Confirmation relates are as follows:

1. General Terms

Trade Date:	17 December 2018
Effective Date:	19 December 2018
Scheduled Termination Date:	20 September 2028
Initial Termination Date:	The earliest to occur of:

- (a) the Scheduled Termination Date;
- (b) an Optional Termination Date;
- (c) an Early Termination Date; and
- (d) a Failure Date
- (e) the Seller Liquidation Date.

Termination Date:

The earliest to occur of:

- (a) the Protected Tranche Final Exhaustion Date; and
- (b) the Initial Termination Date, *provided that*, if on the Initial Termination Date there are one or more Non-Worked Out Reference Obligations, the Termination Date shall occur on the earliest to occur of:
 - (i) the Protected Tranche Final Exhaustion Date;
 - (ii) the Final Termination Date; and
 - (iii) the Cash Settlement Date which occurs on or following the first date on which all such Reference Obligations have become either (i) Verified Reference Obligations or (ii) Reference Obligations in respect of which it is no longer possible for the Conditions to Settlement to be satisfied.

Section 1.7 of the 2003 Definitions shall not apply.

Final Termination Date:

The date falling 24 months after the Initial Termination Date, *except that* if the Initial Termination Date is the Seller Liquidation Date, the Final Termination Date shall be the Initial Termination Date.

Failure Date

Any date which is:

- (i) the day falling 45 calendar days after the date on which the Deposit Bank ceased to satisfy the Required Rating without it having been replaced by a new Deposit Bank which has the Required Rating (but only to the

extent that the affected Deposit Bank is Santander Consumer, Finance, S.A. or any other bank which is part of the consolidated group of Banco Santander S.A.; or

- (ii) the day falling fifteen calendar days after any Cash Settlement Date on which the Issuer has failed to pay in full any amounts payable to the holders of the Notes on such Cash Settlement Date without such failure to pay having been fully remedied on or before such day.

Seller Liquidation Date: The date on which the Seller is liquidated and the Notes are redeemed prior to their scheduled maturity, upon the occurrence of the Management Company's insolvency where it has not been duly replaced within a period of 4 months; each as more particularly described in clause 5.1(v) of the Deed of Incorporation.

Protected Tranche Final Exhaustion Date: The Cash Settlement Date which falls on or immediately following the date on which the Protected Tranche Amount is reduced to zero and it is impossible that the Protected Tranche Amount will again become greater than zero.

Floating Rate Payer: The Seller

Calculation Agent: The Buyer

Calculation Agent City: Madrid

Business Day: Any TARGET2 Settlement Day on which commercial banks and foreign exchange markets settle payments and are open for general business in Madrid (including dealings in foreign exchange and foreign currency deposits), where:

"TARGET2 Settlement Day" means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system is open.

Business Day Convention: Following (which, subject to Sections 1.4 and 1.6 of the 2003 Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).

Reference Entity: Each individual borrower under each Reference Obligation as identified as such by a reference number (Borrower Identifier) in the Reference Register in respect of such Reference Obligation.

Section 2.2 of the 2003 Definitions shall not apply. Instead, "**Successor**" means in relation to a Reference Obligation, any individual that, as determined by the Buyer acting in good faith and in a commercially reasonable manner, assumes, whether by operation of law or pursuant to any agreement, any obligations under such Reference Obligation (but only to the extent of such assumption). For the avoidance of doubt, if at any given time more than one Successor assumes any obligations under a Reference Obligation, then such Reference Obligation shall be split into such number of Reference Obligations as corresponds to the number of Successors and the Buyer shall allocate the Reference Obligation Notional Amount of such Reference Obligation amongst each such Successor in the same proportion that the obligations assumed by each such Successor bears to the principal amount of such Reference Obligation prior to such assumption, *provided that* where more than one Successor assumes joint and several liability for any resulting obligation, such resulting obligation shall constitute a single Reference Obligation in respect of which all such Successors shall be Reference Entities.

Reference Obligations: Each obligation designated as such and identified in the Reference Register (each a "**Reference Obligation**") which are auto loans to individuals, as adjusted from time to time in accordance with the Reduction/Removal provisions and the Replenishment provisions, and as may be amended pursuant to the "Amendment and Refinancing of Reference Obligations" provisions set out below from time to time.

Reference Portfolio: The Buyer has designated on 14 December 2018 (the "**Cut-Off Date**") a portfolio (the "**Reference Portfolio**") of Reference Obligations and, in relation to each such Reference Obligation, Reference Entities which are listed on the Reference Register. The Reference Register as of the Cut-Off Date is set out in Annex 4 hereto.

On the Cut-Off Date, the Reference Obligations which are listed on the Reference Register are

required to comply individually with the Eligibility Criteria and the Reference Portfolio is required to comply with the Portfolio Guidelines except with the criteria set forth in paragraphs (xv) and (xvi) of the Portfolio Guidelines (as if references in the Portfolio Guidelines to a Replenishment or Replenishment Date were references to all Reference Obligations and the Cut-Off Date, respectively).

The Eligibility Criteria are set out in full in Annex 1 to this Confirmation.

The Buyer is not required to have an interest in, or exposure to, any Reference Obligation as at the Cut-Off Date and, if it holds, or has any exposure to, any Reference Obligation as at the Cut-Off Date, it is not obliged to retain or continue to hold, or to have an exposure to, any Reference Obligation after the Cut-Off Date.

Reference Register:

The Buyer shall maintain a register (the "**Reference Register**") specifying the information set out in Section 10 below. The Buyer will update the Reference Register on a monthly basis in order to reflect any Reduction/Removal resulting in changes to the Reference Obligation Notional Amount of any Reference Obligation, the addition of new Reference Obligations or other change to the Reference Register details since the Cut-Off Date, or the date of the most recent monthly update, as the case may be.

Servicing:

The Reference Obligations and the Reference Collateral will be administered and enforced by the Servicer in accordance with its credit and collection policy and servicing principles as in force from time to time and to the standard of a reasonably prudent lender or equivalent credit and collection policy and servicing principles.

Servicer:

"**Servicer**" means the Relevant Lender.

Initial Reference Portfolio Amount:

EUR 1,010,000,000.05, being the sum of the Reference Obligation Notional Amount of each Reference Obligation comprising the Reference Portfolio on the Cut-Off Date.

Reference Portfolio Notional Amount:

On any date, an amount equal to the sum of the Reference Obligation Notional Amount of each Reference Obligation comprising the Reference

Portfolio on such date.

For the avoidance of doubt, the Reference Obligation Notional Amount of each Non-Worked Out Reference Obligation is included in the Reference Portfolio Notional Amount.

Maximum Reference Portfolio Notional Amount: An amount equal to the Initial Reference Portfolio Amount *less* (i) the aggregate of all Worked Out Credit Protection Amounts, (ii) the aggregate of the Reference Obligation Notional Amounts of all Non-Worked Out Reference Obligations; and (iii) the aggregate of the Cumulative Threshold Amortisation Amount, the Cumulative Protected Tranche Amortisation Amount and the Cumulative Senior Tranche Amortisation Amount.

Reference Obligation Notional Amount: In respect of a Reference Obligation, the amount (denominated in Euro) designated by the Buyer in the Reference Register in respect of such Reference Obligation under the heading "RONA".

The Reference Obligation Notional Amount in respect of a Reference Obligation shall in all cases be no greater than the Relevant Lender's exposure to such Reference Obligation, such exposure as determined on the Relevant Date.

Following a Reduction/Removal of the Reference Obligation Notional Amount in respect of a Reference Obligation, the Reference Obligation Notional Amount in respect of such Reference Obligation shall be reduced by an amount which is in the same proportion to the Reference Obligation Notional Amount as the amount such Reduction/Removal bears to the Reference Obligation Notional Amount.

Reductions: The Reference Obligation Notional Amount of any Reference Obligation shall, as set out below, be reduced from time to time as follows (each such reduction, a "**Reduction/Removal**"):

- (a) in whole or in part (as applicable) to reflect any repayment, prepayment or amortisation in relation to the relevant Reference Obligation by an amount which is in the same proportion to the Reference Obligation Notional Amount of the Reference Obligation immediately prior to such repayment, prepayment or amortisation as

the amount that such repayment, prepayment or amortisation bears to the outstanding principal amount of such Reference Obligation immediately prior to such repayment, prepayment or amortisation;

- (b) in whole or in part (as applicable) to reflect any disposal by the Relevant Lender of all or part of its interest in the Reference Obligation to a third party which is not either (i) the Buyer, or (ii) a Securitisation Issuer (as defined below) by an amount which is in the same proportion to the Reference Obligation Notional Amount of the Reference Obligation immediately prior to such disposal as the amount that such disposal bears to the outstanding principal amount of such Reference Obligation immediately prior to such disposal;
- (c) in whole if the relevant Reference Obligation ceases to be held on Santander Consumer, E.F.C., S.A. regulatory balance sheet as a result of the Relevant Lender ceasing to be a Securitisation Issuer.
- (d) in whole if the relevant Reference Obligation is determined by the Buyer or the Independent Accountants to have been a False Addition on the Relevant Date;
- (e) in whole if the relevant Reference Obligation which becomes a Worked Out Reference Obligation other than where either (i) the applicable Credit Event was a Restructuring and the Credit Loss Event Amount for such Reference Obligation was determined using the Credit Loss Event Method or (ii) the relevant Reference Obligation is a Cured Reference Obligation, *provided that* for the purpose of determining the Portfolio Amortisation Amount on any date after the Last Replenishment Date, the amount of such Reduction/Removal shall be deemed to be an amount equal to the Reference Obligation Notional Amount for such Reference Obligation *minus* the Worked Out Credit Protection Amount for such Reference Obligation;
- (f) in part following the calculation of the

Worked Out Credit Protection Amount in relation to any Restructuring Credit Event in respect of which the Credit Loss Event Method applies, by an amount equal to such Worked Out Credit Protection Amount, *provided that* for the purpose of determining the Portfolio Amortisation Amount on any date after the Last Replenishment Date, the amount of such Reduction/Removal shall be deemed to be zero;

- (g) at the option of the Buyer, in whole if, following the occurrence of an Event Determination Date in respect of such Reference Obligation, Buyer determines in a commercially reasonable manner and in good faith that any of paragraphs (c), (d) or (e) (as applicable) of the Additional Condition to Settlement could not be satisfied in respect of that Reference Obligation;
- (h) in whole in respect of any Reference Obligation if a Credit Event occurs in respect of the relevant Reference Obligation prior to the Effective Date; and
- (i) in whole in respect of any Reference Obligation if a Credit Event occurs in respect of the relevant Reference Obligation after the Relevant Date but before the Replenishment Date.

If the Buyer becomes aware that the Reference Portfolio did not comply with the Portfolio Guidelines (save for the criteria set forth in paragraphs (xv) and (xvi) of the Portfolio Guidelines) on the Cut-Off Date, the Buyer may select one or more Reference Obligations to be removed from the Reference Portfolio so as to cause the Reference Portfolio following such removal to be in compliance with the Portfolio Guidelines (and any such removal shall be a Reduction/Removal).

Replenishments:

On any Cash Settlement Date on or prior to the Last Replenishment Date, the Buyer will have the right (but not the obligation) at its sole discretion (and acting in its own interests) to add, with effect from and including such date, one or more new Reference Obligations (including Reference Obligations with respect to new Reference Entities) to the Reference

Register (each a "**Replenishment**") *provided that* the Conditions to Replenishment are satisfied on the Relevant Date in respect of such Replenishment. Each day on which any Replenishment is effected by the Buyer shall constitute a "**Replenishment Date**".

For the avoidance of doubt: (a) the Buyer shall update the Reference Register to reflect any Reduction/Removal on a Replenishment Date prior to performing any Replenishments on such Replenishment Date; and (b) the Buyer may effect a Reduction/Removal and Replenishment of the same Reference Obligation such that if such Reference Obligation was previously added pursuant to a False Addition it will not continue to be so regarded as a False Addition, provided that the Conditions to Replenishment are satisfied in respect of the subsequent Replenishment.

"**Last Replenishment Date**" means the earliest of:

- (a) the date immediately preceding the date on which a Replenishment Stop Event occurs;
- (b) the first Cash Settlement Date immediately following the date falling twelve months after the Effective Date; and
- (c) the date immediately preceding the Initial Termination Date.

"**Replenishment Stop Event**" means, on a Relevant Date, that:

- (a) the weighted average PD of the Reference Obligations in the Reference Portfolio on the Relevant Date is greater than 2.70%; or
- (b) the aggregate of all Initial Credit Protection Amounts and all positive and negative Credit Protection Adjustment Amounts from, and including, the Effective Date to, but excluding, the first day of the calendar month in which such Relevant Date falls is greater than or equal to 0.80% of the Initial Reference Portfolio Amount.

Conditions to Replenishment: The "**Conditions to Replenishment**" shall be satisfied on a Relevant Date in respect of a

Reference Obligation and a Replenishment if:

- (a) the Reference Obligation satisfied each of the Eligibility Criteria;
- (b) the Buyer has annual accounts for the last two accounting periods duly audited and with no qualifications, as required by article 17(a) of Law 5/2015; and
- (c) the Portfolio Guidelines set out in Annex 2 were satisfied on the Relevant Date in respect of all Replenishments on the Relevant Date in respect of such Replenishment.

False Additions:

If the Buyer becomes aware or the Seller determines that any Reference Obligation which formed part of the Reference Portfolio on the Effective Date did not comply with the Eligibility Criteria and the Portfolio Guidelines (save for the criteria set forth in paragraphs (xv) and (xvi) of the Portfolio Guidelines) on the Cut-Off Date, that any Replenishment was effected without satisfying the Conditions to Replenishment (a "**False Addition**", and each such Reference Obligation, an "**Ineligible Obligation**"), then the Buyer or the Seller, as applicable, will, as soon as reasonably practicable, notify the other party of such False Addition. The parties acknowledge and agree that the Buyer may become aware of a False Addition for these purposes pursuant to dealings with the Independent Accountants under the Letter Agreement in place at the relevant time subject to any dispute resolution and the other mechanisms therein.

If a Reference Obligation has been added pursuant to a False Addition, then:

- (a) promptly following the date on which the Buyer became aware of such False Addition, the Buyer will remove the relevant Reference Obligation from the Reference Portfolio (and for the avoidance of doubt, such removal will constitute a Reduction/Removal); and
- (b) no Credit Event Notice may be delivered with respect to the corresponding Reference Obligation.

Notwithstanding anything herein or in the Agreement to the contrary, any failure to satisfy the Conditions to Replenishment will not comprise a breach of the Agreement or otherwise comprise a Potential Event of Default or an Event of Default (including, without limitation, under Section 5(a)(ii) of the Agreement) with respect to the Buyer and in the absence of fraud, will not entitle the Seller to claim any compensation, damages or any other equitable relief.

Save in respect of any Buyer Confirmation Notice, the Buyer makes no representation whatsoever, express or implied, as to whether or not any Reference Obligation complies with the Conditions to Replenishment on any date.

Amendment and Refinancing
of Reference Obligations:

Reference Obligations may, from time to time, be amended or refinanced by the Relevant Lender in accordance with its normal servicing practices for loans of that type, including, without limitation, increases of the principal amount and changes to the interest rate of the loan. Such amendment or refinancing may include extending the final repayment date for such Reference Obligation *provided that* the final repayment date may not be extended beyond the Scheduled Termination Date and may take the form of the cancellation or repayment of the existing Reference Obligation and its replacement with a new obligation of the same borrower and *further provided* that any amendment or refinancing of any Reference Obligation in respect of which the Relevant Lender is a Securitisation Issuer shall be also subject to those restrictions and limitations (if any) applicable under the transactions documents of the relevant Securitisation.

An amended or refinanced Reference Obligation which occurs in circumstances which do not constitute or give rise to a Restructuring Credit Event will remain in the Reference Portfolio without being required to satisfy the Eligibility Criteria or Portfolio Guidelines at that time.

Where, pursuant to a refinancing, two or more Reference Obligations are consolidated into one new obligation, such new obligation shall be a new Reference Obligation and shall remain in the Reference Portfolio and the Reference Obligation Notional Amount of such new Reference Obligation

shall be equal to the aggregate Reference Obligation Notional Amounts of the Reference Obligations being consolidated immediately prior to the refinancing.

Where, pursuant to a refinancing, the principal amount of the Reference Obligation to which the Relevant Lender is exposed is increased, such Reference Obligation shall remain in the Reference Portfolio and the Reference Obligation Notional Amount of such new Reference Obligation shall be equal to those immediately prior to the refinancing.

For the avoidance of doubt, an amendment or refinancing which does constitute or give rise to a Restructuring Credit Event will be settled in accordance with the Settlement Method.

2. **Tranches and Amortisation**

Order of calculations:	For the avoidance of doubt, the calculation of the Threshold Amortisation Amount, the Protected Tranche Amortisation Amount and the Senior Tranche Amortisation Amount in respect of each Amortisation Date shall occur after the calculation of the Threshold Loss Allocation, the Aggregate Seller Payment and the Senior Tranche Loss Allocation, as applicable, in respect of each Calculation Period ending immediately prior to such Amortisation Date.
Initial Threshold Amount:	EUR 10,100,000, being 1% of the Initial Reference Portfolio Amount.
Initial Protected Tranche Amount:	EUR 60,600,000, being 6% of the Initial Reference Portfolio Amount.
Initial Senior Tranche Amount:	EUR 939,300,000, being 93% of the Initial Reference Portfolio Amount.
Threshold Amount:	On any date, the greater of zero and an amount equal to: (a) the Initial Threshold Amount; <i>minus</i> (b) the sum of the Cumulative Threshold Loss Amount and the Cumulative Threshold Amortisation Amount on such date.
Cumulative Threshold Loss Amount:	On any date, an amount equal to the sum of each positive and negative Threshold Loss Allocation determined in respect of each Calculation Date

	occurring prior to or on such date.
Cumulative Threshold Amortisation Amount:	On any date, an amount equal to the sum of all Threshold Amortisation Amounts determined in respect of each Calculation Date occurring prior to or on such date.
Protected Tranche Amount:	On any date, the greater of zero and an amount equal to: <ul style="list-style-type: none"> (a) the Initial Protected Tranche Amount; <i>minus</i> (b) the sum of the Cumulative Protected Tranche Loss Amount and the Cumulative Protected Tranche Amortisation Amount on such date.
Cumulative Protected Tranche Loss Amount:	On any date, an amount equal to the sum of each positive and negative Aggregate Seller Payment determined in respect of each Calculation Date occurring prior to or on such date.
Cumulative Protected Tranche Amortisation Amount:	On any date, an amount equal to the sum of all Protected Tranche Amortisation Amounts determined in respect of each Calculation Date occurring prior to or on such date.
Senior Tranche Amount:	On any date, the greater of zero and an amount equal to: <ul style="list-style-type: none"> (a) the Initial Senior Tranche Amount; <i>minus</i> (b) the sum of the Cumulative Senior Tranche Loss Amount and the Cumulative Senior Tranche Amortisation Amount on such date.
Cumulative Senior Tranche Loss Amount:	On any date, an amount equal to the sum of each positive and negative Senior Tranche Loss Allocation determined in respect of each Calculation Date occurring prior to or on such date.
Cumulative Senior Tranche Amortisation Amount:	On any date, an amount equal to the sum of all Senior Tranche Amortisation Amounts determined in respect of each Calculation Date occurring prior to or on such date.
Amortisation Date:	Each Cash Settlement Date.
Portfolio Amortisation Amount:	In respect of each Amortisation Date falling on or prior to the Last Replenishment Date, an amount specified by the Buyer in its discretion, <i>provided that</i> such amount shall not exceed the amount by which the Maximum Reference Portfolio Notional

Amount exceeds the Reference Portfolio Notional Amount, excluding the Reference Obligation Notional Amounts of all Non-Worked Out Reference Obligations.

In respect of each Amortisation Date falling after the Last Replenishment Date, an amount equal to the sum of all Reductions/Removals which occurred during the Calculation Period falling immediately prior to such Amortisation Date.

Subordination Event:

A Subordination Event will occur if:

- (a) the Cumulative Credit Losses are greater than 1% of the Initial Reference Portfolio Amount (notwithstanding that the Cumulative Credit Losses may subsequently become equal or less than 1% of the Initial Reference Portfolio Amount);
- (b) the Buyer at its sole discretion notifies the Seller in writing that the Cumulative Unmatured Losses are equal to or greater than the sum of the Protected Tranche Amount and the Threshold Amount (notwithstanding that the Cumulative Unmatured Losses may subsequently become less than the sum of the Protected Tranche Amount and the Threshold Amount); or
- (c) the weighted average PD of all the Reference Obligations in the Reference Portfolio is equal or greater than 3.40%.

For the avoidance of doubt, if a Subordination Event has occurred, the Threshold Amortisation Amount, Protected Tranche Amortisation Amount and Senior Tranche Amortisation Amount will from that time on be calculated on the basis that a Subordination Event has occurred regardless of whether the circumstances which caused that Subordination Event to occur are still subsisting.

Cumulative Unmatured Losses:

On any date, an amount equal to:

- (a) the sum of all Defaulted Notional Amounts in respect of each Defaulted Reference Obligation which has not become a Worked Out Reference Obligation; *minus*

(b) the sum of all Initial Credit Protection Amounts in respect of each Defaulted Reference Obligation which has not become a Worked Out Reference Obligation,

(c) as at that date.

Cumulative Credit Losses: On any date, an amount equal to the sum of:

(a) all Initial Credit Protection Amounts; and

(b) all positive and negative Credit Protection Adjustment Amounts,

as at that date.

Threshold Amortisation Amount: In respect of each Amortisation Date, the greater of zero and an amount equal to:

(a) the Portfolio Amortisation Amount in respect of that Amortisation Date; *minus*

(b) the sum of the Senior Tranche Amount and the Protected Tranche Amount immediately prior to that Amortisation Date.

Protected Tranche Amortisation Amount: In respect of each Amortisation Date:

(a) if a Subordination Event has not occurred prior to or on that Amortisation Date, an amount equal to the product of:

(i) the Portfolio Amortisation Amount in respect of that Amortisation Date; and

(ii) an amount equal to the greater of zero and:

(A) the Protected Tranche Amount immediately prior to such Amortisation Date; *divided by*

(B) the sum of the Protected Tranche Amount and the Senior Tranche Amount, in each case immediately prior to such Amortisation Date; and

- (b) if a Subordination Event has occurred prior to or on that Amortisation Date, the greater of zero and an amount equal to:
 - (i) the Portfolio Amortisation Amount in respect of that Amortisation Date; *minus*
 - (ii) the Senior Tranche Amount immediately prior to that Amortisation Date.

Senior Tranche Amortisation Amount:

In respect of each Amortisation Date:

- (a) if a Subordination Event has not occurred prior to or on that Amortisation Date, an amount equal to the product of:
 - (i) the Portfolio Amortisation Amount in respect of that Amortisation Date; and
 - (ii) an amount equal to the greater of zero and:
 - (A) the Senior Tranche Amount immediately prior to such Amortisation Date; *divided by*
 - (B) the sum of the Protected Tranche Amount and the Senior Tranche Amount, in each case immediately prior to such Amortisation Date; and
- (b) if a Subordination Event has occurred prior to or on that Amortisation Date, the lesser of:
 - (i) the Portfolio Amortisation Amount in respect of that Amortisation Date; and
 - (ii) the Senior Tranche Amount immediately prior to that Amortisation Date.

3. **Optional Termination**

Designation of Optional Termination Date:

If a Regulatory Event or a Clean-up Event occurs, or at any time following the First Optional Termination Date, *provided that* an Initial Termination Date or

the Protected Tranche Final Exhaustion Date has not already occurred, the Buyer may, by not less than 90 calendar days written notice to the Seller (the "**Optional Termination Notice**") designate a Fixed Rate Payer Payment Date as the Optional Termination Date in respect of the Transaction.

First Optional Termination Date: The 10th Cash Settlement Date following the Last Replenishment Date.

Clean-up Event: Any date of determination on which the Reference Portfolio Notional Amount is equal to or less than 10% of the Initial Reference Portfolio Amount.

Regulatory Event: Any of the following occurs:

- (a) a notification or other communication by any applicable regulatory or supervisory authority is received by the Buyer and/or Banco Santander, S.A. which states that the amount of regulatory capital which the Buyer and/or, as the case may be, Banco Santander, S.A is required to hold in respect of the Reference Portfolio is materially greater than the amount of regulatory capital which the Buyer and/or, as applicable, Banco Santander, S.A anticipated being required to hold in respect of the Reference Portfolio as a consequence of entering into this Transaction (determined by reference to the regulatory requirements in force on the Effective Date); or
- (b) the Buyer, acting reasonably, determines that there is a material adverse change in the ability of the Buyer and/or of Banco Santander, S.A to reflect the full benefit of the Transaction as anticipated by any of them on the Effective Date as a result of the enactment or effective date of or supplement or amendment to, or a change in, law, policy or official interpretation of any relevant regulations or as a result of any official communication, interpretation or determination made by any relevant regulatory authority, in each case occurring after the Effective Date and which cannot be avoided by the Buyer and/or, as applicable, Banco Santander, S.A using commercially reasonable efforts.

For the avoidance of doubt, the amount of regulatory capital which the Buyer and Banco Santander, S.A. anticipate being required to hold in respect of its exposure to the Reference Portfolio:

- (a) shall take into account the Revised Securitisation Framework; and
- (b) shall not take into account either (i) any changes to the Revised Securitisation Framework or any implementing regulations, policies or guidelines in respect thereof announced or published after the Effective Date or (ii) any other proposed changes to any applicable law or regulation.

"Revised Securitisation Framework" means:

- (i) Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending the Capital Requirements Regulation; and
- (ii) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 575/2013.

4. **Fixed Payments**

Fixed Payment Obligations:	On each Fixed Rate Payer Payment Date: <ul style="list-style-type: none">(i) if the Fixed Amount is a positive amount, the Buyer shall pay the Fixed Amount to the Seller; and(ii) if the Fixed Amount is a negative amount, the Seller shall pay an amount equal to the absolute value of the Fixed Amount to the Buyer.
Fixed Rate Payer Payment Dates:	Each date falling one Business Day prior to a Cash Settlement Date. For the avoidance of doubt, the Fixed Rate Payer Payment Date in respect of a Fixed Rate Payer Calculation Period will be the final Business Day of such Fixed Rate Payer Calculation

Period.

Fixed Amount:

In respect of each Fixed Rate Payer Payment Date, an amount equal to:

- (A) the sum of:
 - (a) the Fixed Component Amount in respect of that Fixed Rate Payer Payment Date;
 - (b) the Issuer Operating Expenses in respect of that Fixed Rate Payer Payment Date;
 - (c) the Issuer Taxes in respect of that Fixed Rate Payer Payment Date;
 - (d) the Subordinated Loan Amounts in respect of that Fixed Rate Payer Payment Date; and
 - (e) if, on such Fixed Rate Payer Payment Date, Santander Consumer Finance, S.A. is not the Deposit Bank, the absolute value of any negative interest charged on the Deposit Account in respect of such Fixed Rate Payer Calculation Period;

less

- (B) if, on such Fixed Rate Payer Payment Date, Santander Consumer Finance, S.A. is not the Deposit Bank, an amount equal to any positive interest paid into the Deposit Account in respect of such Fixed Rate Payer Calculation Period.

Fixed Component Amount:

In respect of each Fixed Rate Payer Payment Date, an amount equal to the product of:

- (a) the Protected Tranche Amount on the first day of the Fixed Rate Payer Calculation Period ending on (but excluding) that Fixed Rate Payer Payment Date;
- (b) the Interest Rate; and
- (c) the Interest Rate Day Count Fraction.

Fixed Rate Payer Calculation

Each period from, and including, one Cash

Period: Settlement Date to, but excluding, the next following Cash Settlement Date, *provided that*, the first Fixed Rate Payer Calculation Period shall commence on, and include, the Effective Date and the final Fixed Rate Payer Calculation Period shall end on, but exclude, the Termination Date, unless the Termination Date falls on or before the Scheduled Termination Date, in which case the final Fixed Rate Payer Calculation Period shall end on, and include, the Termination Date.

Interest Rate: In respect of each Fixed Rate Payer Payment Date:

(a) occurring prior to or on the Initial Termination Date, the sum of the Base Rate and 8.90%; and

(b) occurring after the Initial Termination Date, means the Base Rate,

provided that if the Initial Termination Date occurs on a date that is not a Fixed Rate Payer Payment Date, the Fixed Rate for the first Fixed Rate Payer Payment Date falling after the Initial Termination Date shall be a percentage equal (i) the Base Rate and (ii) the product of:

(1) 8.90%; and

(2) the number of days from (and including) the previous Fixed Rate Payer Payment Date to (and including) the Initial Termination Date *divided by* the number of days in the Fixed Rate Payer Calculation Period ending on that Fixed Rate Payer Payment Date.

"**Base Rate**" means, in respect of a Fixed Rate Payer Payment Date, the Base Rate as defined in, and calculated in accordance with, the IM Conditions for the related Note Payment Date.

Fixed Rate Day Count Fraction: Actual/360

Issuer Operating Expenses: In respect of a Fixed Rate Payer Payment Date, an amount equal to the Gastos del Fondo (*Issuer Operating Expenses*) (as defined in section 15.4 of the Deed of Incorporation) payable by the Seller on

the immediately following Cash Settlement Date.

Subordinated Loan Amounts: In respect of a Fixed Rate Payer Payment Date, an amount equal to the sum of the principal and interest payable by the Seller on the immediately following Cash Settlement Date under the Subordinated Loan.

Issuer Taxes: In respect of a Fixed Rate Payer Payment Date, an amount equal to the sum of any taxes, duties, charges, assessments or fees of any nature (including interest, penalties and additions thereto) which the Seller must pay or retain for payment on the immediately following Cash Settlement Date.

Financial Intermediation Fee: On each Cash Settlement Date, the Seller shall pay to the Buyer an amount equal to the excess (if any) of the balance standing to the credit of the Issuer Account once all other payments and retentions to be made by the Seller on such Cash Settlement Date have been made, over the Principal Balance of the Notes once redeemed or reduced on such Cash Settlement Date in accordance with Clause 9.9.3 of the Deed of Incorporation.

Tax Gross Up Amount: If a Tax Gross Up Event occurs, the Buyer may, in its sole and absolute discretion, elect to pay to the Seller, in addition to the payment to which the Seller is otherwise entitled under this Transaction, such additional amount as is necessary to ensure that the net amount actually received by the Noteholders will equal the full amount that the Noteholders would have received had no such deduction or withholding be required.

5. Floating Payment

Conditions to Settlement: Credit Event Notice

Additional Condition to Settlement

Notifying Party: Buyer

Credit Event Notice: Section 3.3 of the 2003 Definitions shall be deleted and replaced with the following:

"Credit Event Notice.

"Credit Event Notice" means an irrevocable notice in writing from the Notifying Party to the Seller, Calculation Agent and Management Company signed by two Managing Directors (or other substantially equivalent title) that describes a Credit

Event that occurred at or after 12:01 a.m., Madrid Time, on the Effective Date and at or prior to 11:59 p.m., Madrid Time, on the latest of:

- (a) the earlier of the Initial Termination Date and the Termination Date; and
- (b) the last day of the Notice Delivery Period if:
 - (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Initial Termination Date; and
 - (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Madrid Time, on the Initial Termination Date.

A Credit Event Notice must contain (a) information that confirms and describes in reasonable detail the occurrence of the relevant Credit Event on or after the Effective Date, (b) confirmation from the Buyer of the occurrence of such Credit Event, and (c) the Initial Credit Protection Amount for each Reference Obligation in respect of which such Credit Event occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set forth in Section 1.10."

Notwithstanding Section 3.2(b) of the 2003 Definitions, the Credit Event Notice Condition to Settlement may only be satisfied by the delivery during the Notice Delivery Period by the Buyer to the Seller of a Credit Event Notice.

Additional Condition to Settlement:

Notwithstanding anything to the contrary in Section 3.2 of the 2003 Definitions, if a Reference Obligation is an Initial Verifiable Reference Obligation, it shall constitute an Additional Condition to Settlement that the Independent Accountants deliver to the Seller a notice (the "**Accountants' Notice**") verifying, in accordance with the Agreed Upon Procedures:

- (a) that the Credit Event identified in the relevant Credit Event Notice occurred during the Notice Delivery Period;
- (b) the calculation of the Initial Credit Protection Amount;
- (c) that the Defaulted Notional Amount on the Event Determination Date was not greater than the aggregate outstanding principal amount of the Reference Obligation to which the Relevant Lender is exposed on the Event Determination Date (which amount shall exclude any amount in respect of which the Relevant Lender has entered into any other hedging or credit protection arrangements *provided that*, for this purpose, (i) where the Relevant Lender is a Securitisation Issuer, any securities issued by that Securitisation Issuer shall not constitute a hedge or credit protection arrangement and (ii) any guarantees forming part of the finance documentation with respect to such Reference Obligation shall not constitute hedging or credit protection arrangements);
- (d) if the Relevant Lender in respect of the Reference Obligation is a Securitisation Issuer, that on the Event Determination Date for that Reference Obligation the Securitisation Retained Amount in respect of the relevant Securitisation was not less than the Securitisation Alignment Amount in respect of that Securitisation;
- (e) that the Independent Accountants have previously verified that such Reference Obligation complied with the Eligibility Criteria as at the Relevant Date and that if the Reference Obligation was previously the subject of a Replenishment, that the Conditions to Replenishment were satisfied on the Relevant Date, and that no Replenishment Stop Event had occurred on or prior to that Relevant Date; and
- (f) that the Buyer is, and has at all times since the Trade Date been, in compliance with the undertaking set out in Section 14(c) (*Additional Representations and Agreements*)

of the Parties); and

- (g) that the relevant Reference Obligation was included in the Reference Portfolio on the date on which the Credit Event occurred,

provided that, where the Independent Accountants require the Seller and/or the Management Company to enter into a hold harmless arrangement substantially in the form agreed between the Seller and the Buyer prior to the execution of this Transaction as a condition to the Seller or the Management Company (as applicable) receiving the Accountants' Notice and the Seller or the Management Company (as applicable) fails to enter into such arrangements, this Additional Condition to Settlement shall be deemed to have been satisfied by delivery of the Accountants' Notice to the other recipients only.

The Accountants' Notice delivered to the Seller and the Buyer shall be conclusive and binding for all purposes, absent manifest error.

Notwithstanding anything to the contrary in Section 3.2 of the 2003 Definitions, if a Reference Obligation is not an Initial Verifiable Reference Obligation, it shall constitute an Additional Condition to Settlement that the Buyer shall deliver to the Seller a notice (the "**Buyer Confirmation Notice**") confirming:

- (a) that the Credit Event identified in the relevant Credit Event Notice occurred during the Notice Delivery Period;
- (b) the calculation of the Initial Credit Protection Amount;
- (c) that the Defaulted Notional Amount on the Event Determination Date was not greater than the aggregate outstanding principal amount of the Reference Obligation to which the Relevant Lender is exposed on the Event Determination Date (which amount shall exclude any amount in respect of which the Relevant Lender has entered into any other hedging or credit protection arrangements *provided that*, for this purpose, (i) where the Relevant Lender is a Securitisation Issuer, any securities issued by that Securitisation

Issuer shall not constitute a hedge or credit protection arrangement and (ii) any guarantees forming part of the finance documentation with respect to such Reference Obligation shall not constitute hedging or credit protection arrangements);

- (d) if the Relevant Lender in respect of the Reference Obligation is a Securitisation Issuer, that on the Event Determination Date for that Reference Obligation the Securitisation Retained Amount in respect of the relevant Securitisation was not less than the Securitisation Alignment Amount in respect of that Securitisation;
- (e) that such Reference Obligation complied with the Eligibility Criteria as at the Relevant Date and that, if the Reference Obligation was previously the subject of a Replenishment, that the Conditions to Replenishment were satisfied on the Relevant Date and that no Replenishment Stop Event had occurred on or prior to that Relevant Date; and
- (f) that the Buyer is, and has at all times since the Trade Date been, in compliance with the undertaking set out in Section 14(c) (*Additional Representations and Agreements of the Parties*); and
- (g) that the relevant Reference Obligation was included in the Reference Portfolio on the date on which the Credit Event occurred.

For the avoidance of doubt, no Reference Obligation shall be a Defaulted Reference Obligation unless the Conditions to Settlement Satisfaction Date has occurred (irrespective of whether or not it is an Initial Verifiable Reference Obligation).

Securitisation:

In respect of a Reference Obligation the Relevant Lender of which is a Securitisation Issuer, the securitisation transaction entered into by that Securitisation Issuer.

Securitisation Alignment Amount:

In respect of a Securitisation, on any date, an amount equal to the sum of the outstanding principal amount of each Reference Obligation in respect of which the Relevant Lender at that time is the

relevant Securitisation Issuer.

Securitisation Retained
Amount:

In respect of each Securitisation, on any date, an amount equal to:

- (a) the aggregate of the outstanding principal amount of the notes outstanding in respect of that Securitisation; *minus*
- (b) the sum of:
 - (i) the sum of the outstanding principal amount of (1) one or more classes of notes any portion of which are sold to any party other than Santander Consumer, E.F.C., S.A. or any of its Affiliates unless all such notes are the subject of any repurchase transaction in respect of which either Santander Consumer, E.F.C., S.A., any of its Affiliates or a special purpose vehicle or other entity which is part of the consolidated regulatory group of Banco Santander, S.A. is under an obligation to repurchase such notes at a pre-determined price and (2) any tranches of notes ranking *pari passu* with or senior to the notes referred to in (1); and
 - (ii) without double-counting one or more classes of notes referred to in subparagraph (i), the aggregate of the outstanding principal amount (1) of any class of notes in respect of that Securitisation in respect of which Santander Consumer, E.F.C., S.A., any of its Affiliates or a special purpose vehicle or other entity which is part of the consolidated regulatory group of Banco Santander, S.A. has purchased credit protection or entered into any other agreement to transfer the credit risk in respect of any portion of such notes and (2) any tranches of notes ranking *pari passu* with or senior to the notes referred to in (1) above.

Initial Verifiable Reference

- (a) Each Determined Reference Obligation in respect of which the Defaulted Notional

Obligation:

Amount is greater than EUR 7,500; and

- (b) where the Threshold Amount has been reduced to zero, each Determined Reference Obligation in respect of which:
 - (i) the Independent Accountants select that Reference Obligation to be an Initial Verifiable Reference Obligation on or prior to the Calculation Date immediately following the applicable Event Determination Date; or
 - (ii) the Seller has requested that Reference Obligation to be an Initial Verifiable Reference Obligation on or prior to the Calculation Date immediately following the applicable Event Determination Date, *provided that* the Seller may only make such a request if it has been requested to do so by a Noteholder who has undertaken to the satisfaction of the Management Company to pay for all costs and expenses arising from such request,

provided that if the Independent Accountants identify any Discrepancies in the course of preparing the Accountant's Notice for any Initial Verifiable Reference Obligation, all Reference Obligations in the relevant Initial Batch shall be deemed to be Initial Verifiable Reference Obligations.

Discrepancy:

In respect of any verification of an Initial Verifiable Reference Obligation or Final Verifiable Reference Obligation, a Discrepancy will occur if either:

- (i) there are discrepancies in any of the matters being verified which impact on the valid determination of whether or not the Credit Event occurred (including, for the avoidance of doubt, compliance by the relevant Reference Obligation with the Eligibility Criteria or the Portfolio Guidelines); or
- (ii) there are discrepancies in the calculation of the Initial Credit Protection Amount or Worked Out Credit Protection Amount (as applicable) where the difference between the

amount determined by the Independent Accountant and the Initial Credit Protection Amount or Worked Out Credit Protection Amount (as applicable) is greater than an amount equal to (i) 5% of such Initial Credit Protection Amount or Worked Out Credit Protection Amount (as applicable), or (ii) where the Threshold Amount at such time is less than 0.15% of the Initial Reference Portfolio Amount, 1% of the Initial Credit Protection Amount or Worked Out Credit Protection Amount (as applicable) .

Selection of Initial Verifiable Reference Obligations:

The Buyer will, from time to time, procure that the Independent Accountants randomly select, from all Reference Obligations in respect of which the Defaulted Notional Amount is less than or equal to EUR 7,500 and which has become a Determined Reference Obligation since the last time they made such a selection (or, in the case of the initial selection, since the Effective Date) (an "**Initial Batch**"), at least 3% of such Reference Obligations to be Initial Verifiable Reference Obligations.

Notwithstanding the above, in respect of a Determined Reference Obligation, the Seller may at any time on or prior to the Calculation Date immediately following the applicable Event Determination Date (if so instructed by the Management Company in accordance with the Conditions of the Notes), request that such Determined Reference Obligation be an Initial Verifiable Reference Obligation.

Conditions to Settlement Satisfaction Date:

In respect of a Determined Reference Obligation:

- (a) if that Reference Obligation is an Initial Verifiable Reference Obligation, the date on which the Accountant's Notice in respect of that Reference Obligation is delivered to the Seller; and
- (b) if that Reference Obligation is not an Initial Verifiable Reference Obligation, if there are other Reference Obligations within the same Initial Batch to which that Reference Obligation belongs which are Initial Verifiable Reference Obligations, the later to occur of the date on which the Conditions to Settlement Satisfaction Date has occurred with respect to all Initial Verifiable

Reference Obligations that are selected by the Independent Accountants from the Initial Batch to which that Reference Obligation belongs at such time pursuant to the Selection of Initial Verifiable Reference Obligations provision and the date on which the Buyer Confirmation Notice in respect of that Reference Obligation is delivered to the Seller; or

- (c) if neither sub-paragraph (a) nor (b) above apply with respect to such Determined Reference Obligation, the later to occur of the Event Determination Date and the date on which the Buyer Confirmation Notice in respect of that Reference Obligation is delivered to the Seller.

Where the Independent Accountants do not deliver an Accountants' Notice with respect to an Initial Verifiable Reference Obligation (the "**Failed Initial Verifiable Reference Obligation**") for any reason:

- (a) the Buyer may procure that the Independent Accountants verify each Reference Obligation that is not an Initial Verifiable Reference Obligation and which was part of the same Initial Batch as the Failed Initial Verifiable Reference Obligation (a "**Related Non-Verifiable Reference Obligation**"), and the Conditions to Settlement Satisfaction Date with respect to each such Related Non-Verifiable Reference Obligation shall occur upon the delivery of an Accountants' Notice with respect to such Related Non-Verifiable Reference Obligation; and
- (b) if the Buyer is subsequently able to rectify the issue which led to the Independent Accountants being unable to deliver an Accountants' Notice with respect to that Failed Initial Verifiable Reference Obligation, the Buyer may request that the Independent Accountants deliver an Accountants' Notice with respect to such Failed Initial Verifiable Reference Obligation, and upon such delivery, the Conditions to Settlement Satisfaction Date shall occur with respect to such Failed Initial Verifiable Reference Obligation.

Satisfaction of Conditions to Settlement:

Other than in relation to a Restructuring Credit Event or where a Reference Obligation is a Cured Reference Obligation, the Conditions to Settlement may (subject as provided below) only be satisfied once in relation to a Failure to Pay or Bankruptcy Credit Event in relation to each Reference Obligation. However, the Conditions to Settlement can be satisfied more than once in relation to the Reference Portfolio and the Transaction. For the avoidance of doubt, the Buyer may:

- (a) deliver multiple Credit Event Notices relating to Restructuring Credit Events in relation to the same Reference Obligation *provided that* a Credit Loss Event Amount arises in relation to each such notice; and
- (b) deliver a Credit Event Notice relating to a Failure to Pay or Bankruptcy Credit Event in relation to a Cured Reference Obligation (where the relevant cure relates to a previous, separate event) or a Reference Obligation in respect of which a Restructuring Credit Event has previously occurred.

If the Conditions to Settlement are satisfied for a Reference Obligation in respect of which a Failure to Pay, Bankruptcy, or, to the extent that the Initial Credit Protection Amount is calculated in accordance with the LGD Method, a Restructuring Credit Event has occurred, such Reference Obligation shall be removed from the Reference Portfolio on becoming a Worked Out Reference Obligation, except:

- (i) in respect of a Failure to Pay Credit Event where, upon becoming a Worked Out Reference Obligation, the Reference Obligation was a Cured Reference Obligation; or
- (ii) where a Restructuring Credit Event has subsequently occurred in respect of that Reference Obligation and the Buyer has chosen to deliver a modified Credit Event Notice pursuant to the "Restructuring of Failure to Pay Defaulted Reference Obligation" provisions below.

Following the occurrence of a Restructuring Credit Event where the Initial Credit Protection Amount is calculated in accordance with the Credit Loss Event Method, the related Reference Obligation will remain in the Reference Portfolio and may be subject to further Credit Events (including further Restructuring Credit Events).

Notice Delivery Period:

The definition of "Notice Delivery Period" set out in Section 1.9 of the 2003 Definitions shall be deleted and replaced by the following: "**Notice Delivery Period**" means the period commencing on and including the Effective Date and ending on and including the Initial Termination Date, *provided that*, if a Potential Credit Event Notice has been delivered in respect of any Reference Obligation on or prior to the earlier of the Initial Termination Date and the Termination Date, the Notice Delivery Period in respect of such Reference Obligation shall be extended to and include the day falling 90 days after the Initial Termination Date."

Potential Credit Event Notice:

The Buyer may on or prior to the Initial Termination Date deliver to the Seller a written notice (such notice, a "**Potential Credit Event Notice**") that contains information that confirms in reasonable detail the occurrence of a Potential Failure to Pay on or after the Effective Date and on or prior to the Initial Termination Date in respect of a Reference Obligation.

Potential Failure to Pay:

Section 1.13 of the 2003 Definitions is deleted and replaced with the following:

"Potential Failure to Pay.

"Potential Failure to Pay" means the failure by a Reference Entity in respect of a Reference Obligation to make, when and where due, any payments with respect to such Reference Obligation, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Reference Obligation, in accordance with the terms of such Reference Obligation at the time of such failure."

Credit Events:

The following Credit Events shall apply to this Transaction:

Bankruptcy

Failure to Pay

Restructuring

Obligations:

Reference Obligations Only

Section 2.30 of the 2003 Definitions shall not apply to this Agreement.

Section 2.31 of the 2003 Definitions shall not apply to this Agreement.

Failure to Pay:

Section 4.5 of the 2003 Definitions is deleted and replaced with the following:

"Failure to Pay" means after the expiration of 90 days from the due date, the failure by the Reference Entity to make, when and where due, any payments under the Reference Obligation in accordance with the terms of such Reference Obligation, at the time of such failure.

Bankruptcy:

means a Reference Entity:

- (a) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (b) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (c) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof;
- (d) seeks or becomes subject to the appointment

of an administrator, provisional liquidator, conservator, trustee, custodian or other similar official for it or for all or substantially all its assets;

- (e) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter;
- (f) has become deceased; or
- (g) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (e) (inclusive).

Restructuring:

Section 4.7 of the 2003 Definitions is deleted and replaced with the following:

"Restructuring" means, in respect of a Reference Obligation, the forgiveness or postponement of principal, interest or fees that results in a value adjustment or other similar debit to the profit and loss account of the Relevant Lender in respect of such Reference Obligation, in relation to such Reference Obligation, as the case may be, **provided that** the same is effected:

- (a) with regard to the standards of a reasonable and prudent lending bank (disregarding for such purposes the effect of the credit protection provided by the Credit Default Swap in respect of such Reference Obligation but taking into account any security allocable to that Reference Obligation); and
- (b) with the intent that such Restructuring is to minimise any expected loss in respect of such Reference Obligation,

and occurs in circumstances where such event directly or indirectly results from a deterioration in the creditworthiness or financial condition of the

Reference Entity and *provided further that* (x) the Buyer shall procure certification of a managing director of the Relevant Lender that such Restructuring is agreed with the intent referred to in the preceding paragraph (b) and (y) and where such Restructuring is required to be reported to the Buyer's supervisor as a "forborne exposure", the Buyer has taken such action in respect of such Reference Obligation.

"Credit Loss Event" means, in respect of a Restructuring Credit Event, the value reduction or other similar debit directly attributable to the principal amount of the Reference Obligation (the amount of such value reduction or debit, the **"Debit"**) to the profit and loss account of the Relevant Lender of the Reference Obligation (or, if the Relevant Lender is a Securitisation Issuer, to the profit and loss account of the Buyer) holding an amount of the Reference Obligation equal to the Reference Obligation Notional Amount on the date of the relevant Restructuring, whether by reason of making a provision or otherwise in accordance with applicable accounting principles. For the avoidance of doubt, losses in relation to the hedging of a Reference Obligation shall not constitute a Debit.

"Credit Loss Event Amount" means, with respect to a Reference Obligation which has been subject to a Restructuring Credit Event and a Credit Loss Event, on any date on which an Initial Credit Protection Amount or a Worked Out Credit Protection Amount is determined, an amount equal to:

- (a) the Debit; *minus*
- (b) the Credit Loss Event Amount Recovery,

subject to a minimum of zero.

"Credit Loss Event Amount Recovery" means, with respect to a Reference Obligation which has been subject to a Restructuring Credit Event and a Credit Loss Event, any amount of principal that is recovered by the Relevant Lender (including by way of set-off) in respect of the relevant Debit relating to such Reference Obligation.

Defaulted Reference

A Reference Obligation in respect of which the Conditions to Settlement Satisfaction Date has

Obligation:	occurred and which is not a Cured Reference Obligation.
Determined Reference Obligation:	A Reference Obligation in respect of which an Event Determination Date has occurred.
Non-Worked Out Reference Obligation:	A Reference Obligation (i) which is a Determined Reference Obligation or (ii) in respect of which a Potential Credit Event Notice has been delivered but which, in either case, has not yet become a Verified Reference Obligation.
Defaulted Notional Amount:	<p>In respect of a Defaulted Reference Obligation, an amount equal to the lesser of:</p> <ul style="list-style-type: none"> (a) the Reference Obligation Notional Amount in respect of that Defaulted Reference Obligation; and (b) the aggregate outstanding principal amount of the Reference Obligation to which the Relevant Lender is exposed on the Event Determination Date in respect of that Defaulted Reference Obligation.
Relevant Lender:	<p>In respect of a Reference Obligation, the person that is the lender of record of such Reference Obligation, being one of:</p> <ul style="list-style-type: none"> (a) the Buyer; and (b) a special purpose vehicle or other entity (whether or not such entity is incorporated) which has issued securities the performance and/or redemption thereof is linked to the performance of a portfolio of exposures which include any Reference Obligations, which exposures are included in the regulatory balance sheet of the Buyer (a "Securitisation Issuer") <p>as determined by the Buyer for the purposes of this Transaction.</p>
Restructuring of Failure to Pay Defaulted Reference Obligation:	If, in respect of a Reference Obligation in respect of which a Credit Event Notice was delivered specifying the occurrence of a Failure to Pay Credit Event, a Restructuring Credit Event occurs in respect of that Reference Obligation following the Event Determination Date, then the Buyer may, in its sole discretion, choose to deliver a modified

Credit Event Notice in respect of that Reference Obligation confirming the occurrence of such Restructuring, and, following delivery of such modified Credit Event Notice, such Credit Event shall for all purposes under this Confirmation be deemed to be a Restructuring and not a Failure to Pay, *provided that*, if such modified Credit Event Notice is delivered following the determination of the Initial Credit Protection Amount for that Reference Obligation, then the Initial Credit Protection Amount for that Reference Obligation shall not be recalculated, but the Worked Out Credit Protection Amount shall be calculated on the basis that the relevant Credit Event was the Restructuring rather than the Failure to Pay.

For the avoidance of doubt, where the Buyer does deliver a modified Credit Event Notice pursuant to these provisions, the Reference Obligation shall remain in the Reference Portfolio following becoming a Worked Out Reference Obligation (pursuant to sub-paragraph (a)(ii) of the definition of Work-Out Completion Date) and may be the subject of subsequent Credit Events.

6. Settlement Terms

Settlement Method:

Cash Settlement. Article VII of the 2003 Definitions shall not apply to this Agreement and the following alternative provisions shall apply in place thereof.

Section 3.1 of the 2003 Definitions shall be deleted and replaced with the following:

"Upon the occurrence of a Credit Event in respect of a Reference Obligation, and satisfaction of all the Conditions to Settlement (including, for the avoidance of doubt, the Additional Condition to Settlement), the parties shall perform their respective obligations in accordance with the Settlement Method."

Cash Settlement Date:

20 March, 20 June, 20 September and 20 December in each year from (and including) 20 June 2019 to (and including) the Termination Date, and, where the Termination Date would otherwise not be a Cash Settlement Date, the Termination Date.

Calculation Date:

In respect of each Cash Settlement Date, the Business Day falling 5 Business Days prior to that

Cash Settlement Date.

Calculation Period:

In respect of any Calculation Date, the period from (and including) the first Business Day of the month in which the immediately preceding Calculation Date occurred (or, in the case of the first Calculation Date, the period from and including the Effective Date) to (and excluding) the first Business Day of the month in which such Calculation Date occurs.

Calculation of Aggregate Seller Payment:

On each Calculation Date, the Calculation Agent shall calculate the Aggregate Seller Payment in respect of the Calculation Period ending immediately prior to such Calculation Date.

Where the Aggregate Seller Payment is greater than zero, the Aggregate Seller Payment shall be paid by the Seller to the Buyer on the applicable Cash Settlement Date.

Where the Aggregate Seller Payment is less than zero, the Buyer shall pay to the Seller on the Business Day immediately preceding the applicable Cash Settlement Date an amount equal to the absolute value of the Aggregate Seller Payment.

For the avoidance of doubt, the Aggregate Seller Payments for any Calculation Period shall not exceed the Protected Tranche Amount at the beginning of such Calculation Period.

Threshold Loss Allocation:

In respect of each Calculation Date:

- (a) if the Current Period Loss Adjustment is a positive amount, an amount equal to the lesser of:
 - (i) the Current Period Loss Adjustment; and
 - (ii) the Threshold Amount on that Calculation Date (prior to giving effect to any adjustment to the Threshold Amount on that Calculation Date); and
- (b) if the Current Period Loss Adjustment is a negative amount, an amount equal to the lesser of:
 - (i) the greater of (A) zero and (B) the

absolute value of the Current Period Loss Adjustment *minus* the sum of the absolute value of the Senior Tranche Loss Allocation and the absolute value of the Aggregate Seller Payment for that Calculation Date; and

- (ii) the Cumulative Threshold Loss Amount immediately prior to that Calculation Date,

expressed as a negative amount.

Aggregate Seller Payment:

In respect of each Calculation Date:

- (a) if the Current Period Loss Adjustment is a positive amount, an amount equal to the lesser of:

- (i) the greater of (A) zero and (B) the Current Period Loss Adjustment *minus* the Threshold Loss Allocation on that Calculation Date; and

- (ii) the Protected Tranche Amount on that Calculation Date (prior to giving effect to any adjustment to the Protected Tranche Amount on that Calculation Date); and

- (b) if the Current Period Loss Adjustment is a negative amount, an amount equal to the lesser of:

- (i) the greater of (A) zero and (B) the absolute value of the Current Period Loss Adjustment *minus* the absolute value of the Senior Tranche Loss Allocation for that Calculation Date; and

- (ii) the Cumulative Protected Tranche Loss Amount immediately prior to that Calculation Date,

expressed as a negative amount,

in each case notified to the Seller by the Calculation Agent.

Senior Tranche Loss Allocation:

In respect of each Calculation Date:

- (a) if the Current Period Loss Adjustment is a positive amount, an amount equal to the lesser of:
 - (i) the greater of (A) zero and (B) the Current Period Loss Adjustment *minus* the sum of the Threshold Loss Allocation and the Aggregate Seller Payment on that Calculation Date; and
 - (ii) the Senior Tranche Amount on that Calculation Date (prior to giving effect to any adjustment to the Senior Tranche Amount on that Calculation Date); and
- (b) if the Current Period Loss Adjustment is a negative amount, an amount equal to the lesser of:
 - (i) the absolute value of the Current Period Loss Adjustment; and
 - (ii) the Cumulative Senior Tranche Loss Amount immediately prior to that Calculation Date,expressed as a negative amount.

Current Period Loss Adjustment:

In respect of each Cash Settlement Date, an amount equal to:

- (a) the aggregate of all Initial Credit Protection Amounts which are determined during the Calculation Period preceding the Calculation Period ending immediately prior to such Cash Settlement Date; *plus*
- (b) the aggregate of all positive and negative Credit Protection Adjustment Amounts in respect of Verified Reference Obligations for which the Verification Date occurred in the Calculation Period ending immediately prior to such Cash Settlement Date; *minus*
- (c) the aggregate of any Late Recovery Amounts received in the Calculation Period ending immediately prior to such Cash Settlement

Date.

- (d) For the avoidance of doubt the Current Period Loss Adjustment may be either positive or negative.

Seller Payment(s):

In respect of a Defaulted Reference Obligation each of the Initial Credit Protection Amount and the Credit Protection Adjustment Amount in respect of that Defaulted Reference Obligation.

Initial Credit Protection Amount:

The Initial Credit Protection Amount shall be determined by the Buyer promptly following the Conditions to Settlement Satisfaction Date in respect of a Defaulted Reference Obligation.

In respect of a Defaulted Reference Obligation in respect of which a Failure to Pay or Bankruptcy has occurred, an amount equal to the product of:

- (a) the Defaulted Notional Amount; and
- (b) the Regulatory Capital LGD in respect of that Defaulted Reference Obligation.

In respect of each Defaulted Reference Obligation in respect of which a Restructuring has occurred, an amount equal to, at the option of the Buyer, in its sole and absolute discretion, either:

- (a) the Credit Loss Event Amount, determined by reference to the amount of any Credit Loss Event Amount Recovery received by the Relevant Lender as at the Event Determination Date (the "**Credit Loss Event Method**"); or
- (b) an amount equal to the product of:
- (i) the Defaulted Notional Amount; and
- (ii) the Regulatory Capital LGD in respect of that Defaulted Reference Obligation

(the "**LGD Method**").

Regulatory Capital LGD:

In respect of a Defaulted Reference Obligation, the loss given default (expressed as a percentage) used by the Buyer for the purpose of its regulatory capital calculations immediately prior to the Event Determination Date in respect of that Defaulted

Reference Obligation (and not, for the avoidance of doubt, the expected loss best estimate calculated after the Event Determination Date in respect of that Defaulted Reference Obligation), *provided that* for the purpose of determining the Regulatory Capital LGD of a Defaulted Reference Obligation, the Buyer shall disregard any adjustments to the loss given default of such Defaulted Reference Obligation which occurred as a result of:

- (i) any obligation of that Reference Entity becoming a Related Defaulted Obligation; or
- (ii) the Relevant Lender having previously determined that an event of default is likely to occur in respect of that Defaulted Reference Obligation.

"Related Defaulted Obligation" means, in respect of any Defaulted Reference Obligation, an obligation in respect of which an event of default occurred prior to the Event Determination Date for the Defaulted Reference Obligation (and which has not been cured prior to the Event Determination Date) or an obligation in respect of which the Relevant Lender has determined that an event of default is likely to occur, and in each case which has:

- (i) the same Relevant Lender as the Defaulted Reference Obligation; and
- (ii) the same Reference Entity as the Defaulted Reference Obligation.

Credit Protection Adjustment Amount:

In respect of a Worked Out Reference Obligation, an amount (which may be positive or negative) equal to:

- (a) the Worked Out Credit Protection Amount in respect of that Worked Out Reference Obligation; *minus*
- (b) the Initial Credit Protection Amount in respect of that Worked Out Reference Obligation.

The Credit Protection Adjustment Amount shall be calculated by the Calculation Agent on or promptly following the Work-Out Completion Date.

Worked Out Credit Protection Amount: In respect of a Worked Out Reference Obligation in respect of which a Failure to Pay (but which is not a Cured Reference Obligation) or Bankruptcy has occurred, an amount equal to:

- (a) the Defaulted Notional Amount in respect of such Worked Out Reference Obligation; *minus*
- (b) the Total Recoveries in respect of such Worked Out Reference Obligation.

In respect of a Worked Out Reference Obligation which is a Cured Reference Obligation, zero.

In respect of a Worked Out Reference Obligation in respect of which a Restructuring has occurred:

- (a) if the Buyer elected to calculate the Initial Credit Protection Amount for such Worked Out Reference Obligation in accordance with the Credit Loss Event Method, an amount equal to the Credit Loss Event Amount on the Work-Out Completion Date; and
- (b) if the Buyer elected to calculate the Initial Credit Protection Amount for such Worked Out Reference Obligation in accordance with the LGD Method, an amount equal to:
 - (i) the Defaulted Notional Amount in respect of such Worked Out Reference Obligation; *minus*
 - (ii) the Total Recoveries in respect of such Worked Out Reference Obligation.

Worked Out Reference Obligation: A Defaulted Reference Obligation in respect of which the Work-Out Completion Date has occurred.

Work-Out Completion Date: In respect of a Defaulted Reference Obligation, the earliest to occur of:

- (a) the date on which the Buyer has determined (acting in accordance with the standards of a commercially reasonable and prudent lender):
 - (i) in the case of a Defaulted Reference Obligation in respect of which a Failure to Pay or a Bankruptcy Credit

Event has occurred, or a Defaulted Reference Obligation in respect of which a Restructuring has occurred and the Buyer elected to calculate the Initial Credit Protection Amount for such Worked Out Reference Obligation in accordance with the LGD Method, all Recoveries reasonably anticipated in respect of such Defaulted Reference Obligation have been received by the Relevant Lender; and

- (ii) in the case of a Defaulted Reference Obligation in respect of which a Restructuring Credit Event has occurred and the Buyer elected to calculate the Initial Credit Protection Amount for such Worked Out Reference Obligation in accordance with the Credit Loss Event Method, the Credit Loss Event Amount has been determined and that such amount does not need to be revised or revalued in accordance with applicable accounting principles applicable to the Relevant Lender;
- (b) in respect of a Defaulted Reference Obligation in respect of which a Failure to Pay Credit Event had occurred, the date on which the Buyer determines that all overdue amounts in respect of such Defaulted Reference Obligation have been paid in full (together with any interest on such amounts) (in which case such Reference Obligation shall be a "**Cured Reference Obligation**"); and
- (c) except where the Credit Event specified in the Credit Event Notice for that Defaulted Reference Obligation was a Failure to Pay and a Restructuring Credit Event also occurred following the Event Determination Date in respect of that Defaulted Reference Obligation but the Buyer has not elected to reclassify as a Restructuring pursuant to the Restructuring of Failure to Pay Defaulted Reference Obligation provisions (above), the date falling 48 months following the Event

Determination Date; and

- (d) the date falling 45 Business Days prior to the Final Termination Date (the "**Long-Stop Date**").

Work-Out Period: In respect of a Defaulted Reference Obligation, the period from (and including) the Event Determination Date to (and including) the Work-Out Completion Date.

Final Estimated Recoveries Obligation: A Defaulted Reference Obligation in respect of which the Work-Out Completion Date occurs on the Long-Stop Date.

Total Recoveries: In respect of a Worked Out Reference Obligation:

- (a) if such Worked Out Reference Obligation is not a Final Estimated Recoveries Obligation, the aggregate of all Recoveries in respect of such Worked Out Reference Obligation; and
- (b) if such Worked Out Reference Obligation is a Final Estimated Recoveries Obligation, the Estimated Recoveries in respect of such Worked Out Reference Obligation.

Recoveries: With respect to any Defaulted Reference Obligation, the sum of each of the following amounts received or applied by the Relevant Lender following the Event Determination Date in respect of amounts of principal owing in respect of such Defaulted Reference Obligation:

- (a) any amounts of principal paid or repaid in respect of (i) such Reference Obligation or (ii) any replacement obligation which may be entered into following the Credit Event (or, in the case of a Reference Obligation that is subject to a guarantee, such Reference Obligation and guarantee) by or on behalf of the Reference Entity or any applicable guarantor;
- (b) any amounts in respect of which the Relevant Lender has successfully exercised against the Reference Entity or any applicable guarantor of such Defaulted Reference Obligation a right of set-off in respect of amounts of principal due under such Defaulted Reference Obligation (or, in

the case of a Reference Obligation that is subject to a guarantee, such Reference Obligation and guarantee) and/or any amounts in respect of which the Reference Entity or guarantor of such Defaulted Reference Obligation has successfully exercised a right of set-off against any Relevant Lender of such Defaulted Reference Obligation in respect of amounts of principal due under such Defaulted Reference Obligation or guarantee;

- (c) the sale or other proceeds from any sale of the Reference Obligation, or from the enforcement of the Reference Collateral (after deduction of all external fees, taxes, foreclosure and other enforcement expenses (including legal costs) which are attributable to enforcement of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount); and
- (d) (to the extent not included in (c) above) any payments in respect of principal received by the Relevant Lender of such Defaulted Reference Obligation in respect of any other security, including any related insurance policies, endowment policies or mortgage indemnity guarantees (if any).

If the Relevant Lender receives Recoveries in respect of more than one obligation of such Reference Entity (including the Defaulted Reference Obligation), Recoveries shall, except to the extent required by law, for the purpose of this Transaction be deemed to be allocated first in discharge of the Defaulted Reference Obligation..

If the Defaulted Notional Amount of a Defaulted Reference Obligation is less than the outstanding principal amount of such Defaulted Reference Obligation, on the Event Determination Date, Recoveries shall be allocated on a *pro rata* basis to the Defaulted Reference Obligation by reference to the proportion which the Defaulted Notional Amount of the Defaulted Reference Obligation bears to the total outstanding principal amount of the Defaulted Reference Obligation on the Event Determination Date.

Reference Collateral: With respect to any Defaulted Reference Obligation, any pledge, mortgage, indemnity, guarantee or any other security interest granted directly or indirectly for the benefit of the Relevant Lender.

If Reference Collateral is given as security for more than one obligation (including such Defaulted Reference Obligation), Recoveries in respect of such Reference Collateral shall (except to the extent required otherwise by law) for the purpose of this Transaction be deemed to be allocated first in discharge of the Defaulted Reference Obligation.

Estimated Recoveries: In respect of a Final Estimated Recoveries Obligation, an amount equal to the sum of:

- (a) the Recoveries which have been received or applied by the Relevant Lender prior to the Work-Out Completion Date; and
- (b) the amount which the Calculation Agent estimates would constitute future Recoveries, acting in a commercially reasonable manner.

Late Recoveries: If, in respect of any Worked Out Reference Obligation, at any time prior to the Termination Date the Relevant Lender receives further Recoveries which were not included in determining the Worked Out Credit Protection Amount in respect of such Worked Out Reference Obligation, such amounts, determined on the basis set out below, shall be a "**Late Recovery Amount**".

For the avoidance of doubt, if the Defaulted Notional Amount of the applicable Worked Out Reference Obligation was less than the outstanding principal amount of such Worked Out Reference Obligation on the Event Determination Date occurred and/or the Relevant Lender receives payment from the related Reference Entity in respect of more than one obligation of such Reference Entity (including the Defaulted Reference Obligation), any Late Recovery Amount shall, except to the extent required otherwise by law and except to the extent provided otherwise in the documentation relating to the relevant obligations), be allocated *pro rata* to each such obligation of such Reference Entity (including each Defaulted Reference Obligation of such Reference Entity) by reference to the outstanding principal amounts of each such obligation on the Event Determination

Date.

7. Verification

Appointment of Independent Accountants:

The Buyer confirms that the Independent Accountants have been validly appointed (and have accepted such appointment), on or prior to the Effective Date.

Verification of Reference Portfolio:

On or as soon as reasonably practicable following (but no later than 20 Business Days after):

- (a) the Trade Date; and
- (b) each Replenishment Date,

the Buyer shall procure that the Independent Accountants confirm to each of the Seller and the Buyer that as at the Relevant Date: (i) each Reference Obligation complied with the Eligibility Criteria, and (ii) the Reference Portfolio on such Relevant Date complied with the Portfolio Guidelines (save for, in respect of the Initial Reference Portfolio, the criteria set forth in paragraphs (xv) and (xvi) of the Portfolio Guidelines).

For the avoidance of doubt, a failure by the Independent Accountants to make the necessary confirmations in accordance with the requirements set out in the paragraph immediately above, will not entitle the Seller, to designate an Event of Default pursuant to Section 5(a)(ii) of the Agreement or otherwise.

Relevant Date:

- (a) With respect to any Reference Obligation comprised in the Reference Portfolio on the Effective Date, the Cut-Off Date; and
- (b) with respect to any Reference Obligation that has been added to the Reference Portfolio after the Effective Date pursuant to a Replenishment, the date falling 5 Business Days prior to the relevant Replenishment Date.

Verification of Credit Protection Adjustment Amount:

Following the Work-Out Completion Date in respect of a Worked Out Reference Obligation which is a Final Verifiable Reference Obligation, the Calculation Agent shall cause the Independent Accountants to deliver to the Seller, the Buyer and

the Calculation Agent a notice (the "**Verification Notice**") verifying, in accordance with the Agreed Upon Procedures, the calculation of the Credit Protection Adjustment Amount (including each component thereof), *provided that*, where the Independent Accountants require the Seller to enter into a hold harmless arrangement substantially in the form agreed between the Seller and the Buyer prior to the execution of this Transaction as a condition to the Seller receiving the Verification Notice and the Seller fails to enter into such arrangements, this verification requirement shall be deemed to have been satisfied by the delivery of a Verification Notice to the Buyer only.

Final Verifiable Reference Obligation:

- (a) Each Worked Out Reference Obligation in respect of which the Defaulted Notional Amount is greater than EUR 7,500; and
- (b) where the Threshold Amount has been reduced to zero, each Worked Out Reference Obligation in respect of which:
 - (i) the Independent Accountants select that Worked Out Reference Obligation to be a Final Verifiable Reference Obligation on or prior to the Calculation Date immediately following the applicable Work-Out Completion Date; or
 - (ii) the Seller has requested that Reference Obligation to be a Final Verifiable Reference Obligation on or prior to the Calculation Date immediately following the applicable Work-Out Completion Date, *provided that* the Seller may only make such a request if it has been requested to do so by a Noteholder who has undertaken to the satisfaction of the Management Company to pay for all costs and expenses arising from such request,

provided that if the Independent Accountants identify any Discrepancies in the course of preparing the Verification Notice for any Final Verifiable Reference Obligation, all Worked Out Reference Obligations in the relevant Final Batch shall be deemed to be Final Verifiable Reference

Obligations.

Selection of Final Verifiable Reference Obligations:

The Buyer will, from time to time, procure that the Independent Accountants randomly select, from all Worked Out Reference Obligations in respect of which the Defaulted Notional Amount is less than or equal to EUR 7,500 and which has become a Worked Out Reference Obligation since the last time they made such selection (a "**Final Batch**"), at least 3% of such Reference Obligations to be Final Verifiable Reference Obligations.

Notwithstanding the above, in respect of a Determined Reference Obligation, the Seller may at any time on or prior to the Calculation Date immediately following the applicable Work-Out Completion Date (if so instructed by the Management Company in accordance with the Conditions of the Notes), request that such Determined Reference Obligation be a Final Verifiable Reference Obligation.

Verification Date:

In respect of a Worked Out Reference Obligation:

- (i) if that Worked Out Reference Obligation is a Final Verifiable Reference Obligation, the date on which the Verification Notice in respect of that Worked Out Reference Obligation is delivered to the Seller; and
- (ii) if that Worked Out Reference Obligation is not a Final Verifiable Reference Obligation, the date on which the Verification Date has occurred with respect to all Final Verifiable Reference Obligations that are selected by the Independent Accountants from the Final Batch to which that Worked Out Reference Obligation belongs at such time pursuant to the Selection of Final Verifiable Reference Obligations provision; or
- (iii) if neither sub-paragraph (i) nor (ii) above apply with respect to such Worked Out Reference Obligation, the Work-Out Completion Date.

Where the Independent Accountants do not deliver a Verification Notice with respect to a Final Verifiable Reference Obligation (the "**Failed Final Verifiable Reference Obligation**") for any reason:

- (i) the Buyer may procure that the Independent Accountants verify each Worked Out Reference Obligations that is not a Final Verifiable Reference Obligation and which was part of the same Final Batch as the Failed Final Verifiable Reference Obligation (a "**Related Non-Verifiable Final Reference Obligation**"), and the Verification Date with respect to each such Related Non-Verifiable Final Reference Obligation shall occur upon the delivery of a Verification Notice with respect to such Worked Out Reference Obligation; and
- (ii) the Buyer may correct the its calculation of the Credit Protection Adjustment Amount and request that the Independent Accountants to deliver a Verification Notice with respect to such Failed Final Verifiable Reference Obligation, and upon such delivery, the Verification Date shall occur with respect to such Failed Final Verifiable Reference Obligation.

Verified Reference Obligation: A Worked Out Reference Obligation in respect of which the Verification Date has occurred.

Agreed Upon Procedures: The procedures to be carried out by the Independent Accountants under the Transaction on substantially the terms set out in Annex 2 (*Agreed Upon Procedures*) of this Confirmation as agreed between the Buyer and Independent Accountants in a letter agreement to be dated on or about the Effective Date (the "**Letter Agreement**"). The Agreed Upon Procedures may be amended or replaced from time to time as agreed between the Buyer and the Independent Accountants, *provided that* such amendments or replacements will not result in any difference to the procedures as set out in the Letter Agreement in respect of:

- (a) the delivery of any Accountants' Notice and the verification of certain matters therein for the purpose of satisfying the Additional Condition to Settlement;
- (b) the delivery of any Verification Notice; and
- (c) the verification of the calculations by the Calculation Agent of any Seller Payment (including, for the avoidance of doubt, any

Worked Out Credit Protection Amount, Initial Credit Protection Amount and/ or Credit Protection Adjustment Amount) and Late Recovery Amounts).

The Buyer shall provide the Seller with no less than five (5) Business Days' notice of any change to the Agreed Upon Procedures.

Independent Accountants: PricewaterhouseCoopers, S.L. or such other firm of independent accountants of internationally recognised standing as may be appointed by the Calculation Agent from time to time.

8. Account and Contact Details

Account Details of Seller:

IBAN: ES43 0224 0001 5700 1015 0832

Bank Name: Santander Consumer Finance, S.A.

Account Details of Buyer:

Swift Code: BSCHEMM

Bank Name: Banco Santander S.A.

Account Number: IBAN ES43 0049 5199 18 2416009160

Contact Details for Buyer: As set out in Part 4(a) of the Schedule to this Agreement.

Contact Details for Seller: As set out in Part 4(a) of the Schedule to this Agreement.

9. Offices

Seller: Madrid

Buyer: Madrid

10. Reference Register

The Buyer will maintain the Reference Register, which will contain information relating to, *inter alia*, the following:

- (i) the reference number of each Reference Obligation (Loan Identifier), (including, for the avoidance of doubt, any Non-Worked Out Reference Obligations);
- (ii) the reference number of each Reference Entity (Borrower Identifier);

- (iii) the original principal balance of the Reference Obligation;
- (iv) the outstanding principal of each Reference Obligation;
- (v) the Reference Obligation Notional Amount of each Reference Obligation under the heading "RONA" (RONA);
- (vi) the borrower's employment status of each Reference Obligation (Borrower's Employment Status);
- (vii) the amortization type of each Reference Obligation;
- (viii) the *Comunidad Autónoma* of each Reference Obligation;
- (ix) the date on which the Reference Obligation was originated;
- (x) the contractual maturity date of the Reference Obligation;
- (xi) the down payment amount (*entrada*) paid by the Reference Entity for the relevant vehicle in respect of each Reference Obligation;
- (xii) whether the related vehicle is New or Used;
- (xiii) the payment method each Reference Obligation;
- (xiv) if the Reference Obligation is in arrears, the corresponding amount of the Reference Obligation that is in arrears;
- (xv) if the Reference Obligation is in arrears, the number of days in arrears;
- (xvi) the PD of each Reference Obligation;
- (xvii) the Regulatory Capital LGD of each Reference Obligation;
- (xviii) the vehicle type of each Reference Obligation;
- (xix) the scoring of each Reference Obligation (Scoring);
- (xx) the vehicle purchase price of each Reference Obligation;
- (xxi) if any, the related fees and costs of each Reference Obligation that were financed with such Reference Obligation;
- (xxii) if any, the related insurance costs of each Reference Obligation that were financed with such Reference Obligation;
- (xxiii) with respect to each Reference Obligation, whether a Credit Event has occurred in relation to such Reference Obligations and the nature of such Credit Event,
- (xxiv) whether the Relevant Lender in respect of a Reference Obligation is a Securitisation Issuer and, if so, the relevant Securitisation;

- (xxv) with respect to each Reference Obligation, the Initial Credit Protection Amount (if any); and
- (xxvi) with respect to each Reference Obligation, the Worked Out Credit Protection Amount (if any).

The Buyer will update the Reference Register on a monthly basis in order to reflect any Reduction/Removal resulting in changes to the Reference Obligation Notional Amount of any Reference Obligation or any other change to the Reference Register details since the Cut-Off Date or the date of the most recent monthly update, as the case may be. The Buyer shall, on the first Business Day of each calendar month, deliver to the Seller a copy of the Reference Register updated as of the calendar day immediately preceding such Business Day.

11. **Reference Portfolio Report**

The Buyer shall, not later than the fifth Business Day immediately preceding each Cash Settlement Date deliver to the Seller a report (the "**Reference Portfolio Report**") disclosing in respect of the immediately preceding Fixed Rate Payer Calculation Period each of the items listed below, and the Seller shall, not later than the tenth Business Day following each Cash Settlement Date make available on its website www.santanderdetitulizacion.com such Reference Portfolio Report:

- (i) the most recent Reference Register available at the end of such Calculation Period;
- (ii) each Reference Entity and Reference Obligation in respect of which a Credit Event Notice has been delivered during the relevant Calculation Period;
- (iii) each Reference Obligation that has become a Defaulted Reference Obligation during the relevant Calculation Period;
- (iv) any Seller Payments calculated in respect of any Defaulted Reference Obligations during the relevant Calculation Period;
- (v) the Aggregate Seller Payment (if any) payable by the Seller on the next Cash Settlement Date;
- (vi) the Threshold Amount and Protected Tranche Amount on the last day of such Calculation Period;
- (vii) details of any Threshold Amortisation Amount and Protected Tranche Amortisation which may have been determined on the Amortisation Date immediately following the last day of the relevant Calculation Period;
- (viii) details of any Subordination Event and any rating downgrade of the Deposit Bank below the Required Rating, in each case that occurred during the relevant Calculation Period;
- (ix) details of the Risk Retention in respect of the Reference Portfolio;
- (x) the Cumulative Credit Losses at the end of such Calculation Period;

- (xi) the Cumulative Unmatured Losses at the end of such Calculation Period;
- (xii) the Cumulative Threshold Loss Amount at the end of such Calculation Period;
- (xiii) the Cumulative Protected Tranche Loss Amount at the end of such Calculation Period; and
- (xiv) any other information as the Buyer deems appropriate.

Except for the Reference Portfolio Report, the Seller shall not be entitled to receive from the Buyer any information regarding the Reference Entities or the Reference Obligations from time to time designated on the Reference Register.

12. **Calculation Agent**

The Calculation Agent shall make such calculations and determinations and perform such duties and actions that are contemplated to be calculated, determined or performed by the Calculation Agent under this Agreement. All such calculations, determinations, duties and actions shall be performed by the Calculation Agent in good faith and in a commercially reasonable manner. It is acknowledged by the Buyer and the Seller that the Calculation Agent has agreed to become party to this Confirmation solely in relation to the obligations it will perform as Calculation Agent hereunder.

13. **Notices**

The Buyer will send a copy of all notices and communications that are sent to the Seller.

14. **Additional Representations and Agreements of the Parties:**

- (a) On the date hereof each party represents to the other party that:
 - (i) in connection with this Transaction, neither the other party nor any of the other party's Affiliates has made any representation whatsoever with respect to any Reference Entity or any Reference Obligation on which it is relying;
 - (ii) it is entering into this Transaction for either investment, financial intermediation, hedging or other commercial purposes and solely for the purposes of carrying on its business;
 - (iii) it is acting as principal and not as agent of any other person in connection with this Transaction;
 - (iv) it is acting for its own account, and it has made its own independent decision to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary;
 - (v) it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and

conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction;

- (vi) this Transaction is not intended to be and does not constitute a contract of surety, insurance, assurance or indemnity and it is not a contract of utmost good faith and no principles of contribution and/or subrogation will apply with respect to payments hereunder and that their obligations in respect thereof are not conditional or dependent upon or subject to the Buyer having any title ownership or interest (whether legal, equitable or economic) in any Reference Obligation;
 - (vii) it has not received from the other party any assurance or guarantee as to the expected results of this Transaction;
 - (viii) it is capable of assessing the merits of and understanding (on its behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Transaction;
 - (ix) it is capable of assuming, and assumes, the financial and other risks of this Transaction; and
 - (x) the other party is not acting as a fiduciary or an adviser for it in respect of this Transaction.
- (b) Each party agrees with the other that, so long as either party has or may have any obligation under this Transaction:
- (i) this Transaction does not create either a direct or indirect obligation of any Reference Entity or a direct or indirect participation in any obligation of any Reference Entities owing to such party;
 - (ii) the Buyer and its Affiliates may deal in each Reference Obligation or Obligation and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Reference Entity, any affiliate of any Reference Entity, any other person or entity having obligations relating to any Reference Entity and may act with respect to such business in the same manner as if this Transaction did not exist regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to a Credit Event) on any Reference Entity or the position of the other party to this Transaction or otherwise;
 - (iii) the Buyer and its Affiliates may, whether by virtue of the types of relationships described herein or otherwise, at the date hereof or at any time hereafter, be in possession of information in relation to any Reference Entity or Reference Obligation that is or may be material in the context of this Transaction and that may not be publicly available or known to the other party. This Transaction does not create any obligation on the part of the Buyer and its Affiliates to disclose to the other party any such relationship or information (whether or not confidential);

- (iv) subject to the satisfaction of the Conditions to Settlement, the parties will be obligated to comply with the payment terms of this Transaction, irrespective of the existence or amount of the parties' credit exposure to any Reference Entity;
 - (v) the Buyer is not required to hold any Reference Obligation as at the Effective Date and if it holds any Reference Obligation as at the Effective Date, it is not obliged to retain such Reference Obligation thereafter. In addition, there is no restriction whatsoever on the Buyer's ability to retain, sell or otherwise dispose of a Reference Obligation;
 - (vi) the obligation of the Seller to pay Aggregate Seller Payments to the Buyer exists regardless of whether the Buyer suffers a loss or is exposed to the risk of loss following the occurrence of a Credit Event, and regardless of whether the Buyer has any legal or beneficial interest in any obligations of any Reference Entity or any economic risk in respect thereof and therefore this Transaction is not a contract of insurance; and their respective rights and obligations under this Transaction are not dependent or conditional on the Buyer owning or having any other legal or equitable interest in any Reference Obligation or any expectation of the Buyer acquiring such an interest on or prior to the date of occurrence of a Credit Event in respect of a Reference Obligation and the fact that the Buyer may or may not have such an interest or an expectation of acquiring such an interest prior to the date of occurrence of a Credit Event in respect of a Reference Obligation shall have no effect whatsoever on the rights and obligations of the parties under this Transaction. The Buyer and the Seller agree that, if the Buyer transfers any beneficial interest in any obligation of a Reference Entity or any economic risk in respect thereof to another person or entity, the Buyer will not, directly or indirectly (including through any indemnity or representation as to collectability made in any agreement providing for such transfer), transfer to or otherwise vest in such person or entity any interest in or under the benefit of this Transaction for the portion of beneficial interest or economic risk that has been transferred; and
 - (vii) each party agrees to act in good faith in performing its obligations under this Transaction.
- (c) The Buyer undertakes that it will retain, at all times until the redemption of the Notes, a material net economic interest in a pool of randomly selected exposures, equivalent to no less than 5% of the Reference Portfolio Notional Amount, where such exposures (the "**Retained Exposures**") would otherwise have been securitised in this securitisation, in the manner contemplated by Article 405(1)(c) of Regulation (EU) No. 575/2013 ("**CRR**"), Article 51(1)(c) of Regulation 231/2013 supplementing EU Directive 2011/61/EC on Alternative Investment Fund Managers and Article 254(2)(c) of Commission Delegated Regulation (EU) No. 2015/35 supplementing EU Directive 2009/138/EC (the "**Risk Retention**").
- (d) The Buyer undertakes that it will not enter into any hedging or credit risk mitigation transaction in respect of any Retained Exposures which would have the effect of either (i) causing the undertaking in Paragraph 14(c) not to be satisfied at any time or (ii) double-hedging the same risk.

- (e) The Buyer represents that each Reference Obligation is recorded on the regulatory balance sheet of Santander Consumer, E.F.C., S.A.
- (f) The Buyer represents and agrees that:
 - (i) each Relevant Lender has expertise in originating and servicing exposures of a similar nature to the Reference Obligations, and has well documented and adequate policies, procedures and risk management controls relating to the servicing of such exposures;
 - (ii) any written information provided by the Buyer to the Independent Accountants or the Seller will, to the best of its knowledge and belief, be true, accurate, complete and not misleading in any material respect; and
 - (iii) to the extent permitted or otherwise not prohibited under all applicable laws and regulations (including, without limitation, any rules of confidentiality that may be applicable to the Buyer), it will provide to the Independent Accountants upon demand (or as soon as possible thereafter) all relevant information in its possession in respect of the Reference Portfolio which is necessary to enable the Independent Accountants to perform the Agreed Upon Procedures.
- (g) The Seller acknowledges and agrees that:
 - (i) the Buyer will, subject to the provisions of this Confirmation, have no obligation to keep the Seller informed as to the continued compliance of the Reference Portfolio with the Eligibility Criteria, or as to any matter whatsoever arising in relation to any Reference Entity or any Reference Obligation, including, whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event; and
 - (ii) it will not have the right to inspect any records of the Buyer and that the Buyer will be under no obligation to disclose any further information or evidence regarding the existence or terms of any obligation of any Reference Entity or any matters arising in relation thereto or otherwise regarding any Reference Entity, any guarantor or any other person.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation in the space provided below and returning it to us.

Yours sincerely,

SANTANDER CONSUMER, E.F.C., S.A.

By: _____

Name: Gema Bermejo Hernández

Date: 17 December 2018

By: _____

Name: Mariano García Herrero

Date: 17 December 2018

Confirmed on the date
first above written:

**THE MANAGEMENT COMPANY (AS LEGAL REPRESENTATIVE OF FT
SANTANDER CONSUMER SPAIN SYNTHETIC AUTO 2018-1)**

By: _____

Name: Iñaki Reyero Arregui

Date: 17 December 2018

Accepted and agreed with respect to the obligations of the Calculation Agent:
SANTANDER CONSUMER, E.F.C., S.A.

By: _____

Name: Gema Bermejo Hernández

Date: 17 December 2018

By: _____

Name: Mariano García Herrero

Date: 17 December 2018

ANNEX 1
ELIGIBILITY CRITERIA

The following individual criteria "**Eligibility Criteria**" shall be met in relation to each Reference Obligation as at the Relevant Date:

1. the Reference Obligation has been originated by Santander Consumer, E.F.C., S.A.
2. such Reference Obligation was originated in the ordinary course of business of Santander Consumer, E.F.C., S.A. in accordance with the credit and collection policies applicable from time to time to Santander Consumer, E.F.C., S.A., and pursuant to underwriting standards that are not less stringent than those that such entity applies to origination of similar exposures that are not securitised and in a manner which meets the requirements set out in Article 8 of Directive 2008/48/EC;
3. the Reference Obligation is governed by Spanish Law;
4. the Buyer has certified that, as at the Relevant Date, the Reference Obligation or any related security is, subject to insolvency laws, valid, binding and enforceable in accordance with its terms and that the Relevant Lender has full recourse to the Reference Entity and, where applicable, any guarantor for all amounts due in respect of the Reference Obligation;
5. the Reference Entity in respect of the Reference Obligation is an individual resident in Spain;
6. the Reference Entity for the Reference Obligation is not an employee, manager or director of Santander Consumer, E.F.C., S.A.;
7. the Reference Obligation was granted for the purpose of financing the acquisition of New and/or Used Vehicles;
8. the principal amount of the Reference Obligation at the date such Reference Obligation was entered into did not exceed the purchase value of the financed vehicle plus, if any, the amount of the fees and expenses and the insurance expenses related to the transaction and financed against the Reference Obligation;
9. the Reference Obligation is not derived from a debt refinancing or restructuring;
10. the Reference Obligation is denominated exclusively in Euros;
11. as the Relevant Date the terms of the Reference Obligation do not provide for a grace period in respect of a failure to pay interest or principal;
12. each payment obligation of the Reference Entity under the Reference Obligation is fulfilled by direct bank debit from a bank account generated automatically;
13. the Reference Entity has made at least one payment in respect of the Reference Obligation as of the Relevant Date;
14. the scheduled maturity date of such Reference Obligation is not greater than 31 July 2028;

15. the Buyer has certified that, to its knowledge, there is no material ongoing litigation in relation to the Reference Obligation;
16. the Reference Obligation amortises on a monthly basis, and each instalment consists of a fixed amount of principal and interest;
17. the Buyer certifies that the Relevant Lender has not received any notice of partial or early redemption of the Reference Obligation from the Reference Entity;
18. no Credit Event shall have occurred and be continuing on the Relevant Date;
19. no payment under the Reference Obligation is past due;
20. the Reference Obligation is not a financial lease agreement;
21. the Reference Obligation has been fully drawn by the Reference Entity;
22. the Reference Entity in respect of the Reference Obligation was not classified as "No Occupation" (*situación de desempleo*) on the origination date of the relevant Reference Obligation;
23. the Reference Obligation was not approved by an analyst manually overriding the determination of the automatic approval process of the originator (a "*forzaje*");
24. the Reference Obligation was not the result of operations aimed for the acquisition of vehicles for self-registration (Demo Vehicles);
25. the Reference Obligation was not originated as a result of Rent a Car operations;
26. the Reference Obligation has a PD lower than 2%; and
27. the Reference Obligation is not a Retained Exposure.

For the purpose of the Eligibility Criteria:

"**Used Vehicle**" means a vehicle which is more than twelve months old as from its registration date.

"**PD**" means, in respect to a Reference Obligation, the "*probability of default*" assigned to it by the Buyer for regulatory purposes.

"**New Vehicle**" means a vehicle which is twelve months or less old as from its registration date.

ANNEX 2
PORTFOLIO GUIDELINES

The "**Portfolio Guidelines**" are satisfied if each of the following criteria is fulfilled:

- (i) The Reference Portfolio Notional Amount does not exceed the Maximum Reference Portfolio Notional Amount.
- (ii) The aggregate Reference Obligation Notional Amount in respect of all Reference Obligations relating to Used Vehicles does not exceed 30% of the Reference Portfolio Notional Amount on the Relevant Date;
- (iii) The aggregate Reference Obligation Notional Amount in respect of all Reference Obligations relating to New Vehicles with a scoring model punctuation of less than 545 does not exceed 15% of the Reference Portfolio Notional Amount on the Relevant Date.
- (iv) The aggregate Reference Obligation Notional Amount in respect of all Reference Obligations relating to Used Vehicles with a scoring model punctuation of less than 539 does not exceed 20% of the Reference Portfolio Notional Amount on the Relevant Date.
- (v) The aggregate Reference Obligation Notional Amounts of all Reference Obligations with the same Reference Entity shall not exceed 0.05% of the Reference Portfolio Notional Amount on the Relevant Date.
- (vi) The weighted average residual maturity of all Reference Obligations in the Reference Portfolio does not exceed 72 months.
- (vii) The aggregate Reference Obligation Notional Amounts of all Reference Obligations with a term to maturity higher than 96 months does not exceed 12,75% of the Reference Portfolio Notional Amount on the Relevant Date.
- (viii) The aggregate Reference Obligation Notional Amounts of all Reference Obligations in the same "*Comunidad Autónoma*" does not exceed 30% of the Reference Portfolio Notional Amount on the Relevant Date.
- (ix) The aggregate Reference Obligation Notional Amounts of all Reference Obligations in the three "*Comunidades Autónomas*" with the highest aggregate Reference Obligation Notional Amount does not exceed 60% of the Reference Portfolio Notional Amount on the Relevant Date;
- (x) The aggregate Reference Obligation Notional Amounts of all Reference Obligations relating to type of vehicle other than a Passenger Car and an Off Road Vehicle does not exceed 15% of the Reference Portfolio Notional Amount on the Relevant Date;
- (xi) The aggregate Reference Obligation Notional Amounts of all Reference Obligations with a down payment lower than 5% of the total vehicle's value does not exceed 10% of the Reference Portfolio Notional Amount on the Relevant Date;

- (xii) The aggregate Reference Obligation Notional Amounts of all Reference Obligations with a down payment lower than 20% of the total vehicle's value does not exceed 50% of the Reference Portfolio Notional Amount on the Relevant Date;
- (xiii) The aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of which the Reference Entity is classified as "No Occupation" (*No trabaja*) does not exceed 7% of the Reference Portfolio Notional Amount on the Relevant Date;
- (xiv) The aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of which the Reference Entity is classified as "Self-Employed" (*Cuenta propia*) does not exceed 18% of the Reference Portfolio Notional Amount on the Relevant Date;
- (xv) In respect of a Replenishment, the weighted average PD of all Reference Obligations which are the subject of the Replenishment occurring on that Replenishment Date is equal to or lower than 1.5%.
- (xvi) In respect of a Replenishment, the weighted average Regulatory Capital LGD of all Reference Obligations which are the subject of the Replenishment occurring on that Replenishment Date is equal or lower than 55%.

For the purposes of the Portfolio Guidelines:

"Off Road Vehicle": means a motor vehicle with at least four wheels used to carry passengers and comprising no more than eight seats in addition to the driver's seat and which satisfies the conditions set out in paragraph 4 of Annex II of the Council Directive No 92/53/EEC of 18 June 1992 amending Directive 70/156/EEC on the approximation of the laws of the Member States relating to the type-approval of motor vehicles and their trailers;

"Passenger Car": means a motor vehicle with at least four wheels used for the carriage of passengers and comprising no more than eight seats in addition to the driver's seat and which is not classified as an Off Road Vehicle;

ANNEX 3
AGREED UPON PROCEDURES

The Agreed Upon Procedures shall be on substantially the following terms:

APPENDIX 3a

Closing Date Independent Accountant Report Agreed Upon Procedures

We will carry out the following agreed upon procedures:

Relating to the Reference Portfolio and Reference Obligations

Santander Consumer, E.F.C., S.A. will provide us with the following information:

1. data file containing information on all of the assets in the Reference Portfolio including the Reference Obligation Notional Amount and the Reference Obligation Notional Amount of each Reference Obligation (the "**Reference Register File**").

The Reference Register File will include the following column headers:

- (i) Loan identifier;
 - (ii) Guarantee type;
 - (iii) Assignment Date;
 - (iv) Formalization Date;
 - (v) Credit line amount;
 - (vi) Current principal outstanding balance;
 - (vii) Current Interest rate;
 - (viii) Amortization period;
 - (ix) Reference rate;
 - (x) Spread;
 - (xi) Period of the interest rate review;
 - (xii) Maturity date;
 - (xiii) Term until maturity date;
 - (xiv) Default interest rate;
 - (xv) Property register;
 - (xvi) Volume
 - (xvii) Book
 - (xviii) Sheet
 - (xix) Property
 - (xx) % Securitisation
2. A database containing information on all of the assets in the Reference Portfolio as held in the books and records of Santander Consumer, E.F.C., S.A. (the "**Loan Database**").
 3. A file containing the portfolio outstanding monthly balances until the last maturity date of the portfolio references obligations extracted from the Relevant Lender's systems (the "**FIC file**").

4. A file containing the list of employees of Santander Consumer, E.F.C., S.A. (the "**Employees File**").
5. A file containing information on all of the assets of the pool of randomly selected exposures selected by the same Entity, equivalent to no less than 5% of the Reference Portfolio Nominal Amount (the "**Retained Obligations File**").
6. A file containing information on all of the assets selected as retained obligations in other securitization funds of the Entity (the "**Other Retained Obligations File**").

We will:

- (i) compare the data in the Reference Pool File to equivalent data in the Loan Database to verify the accuracy of the data in the Reference Pool File;
- (ii) compare the Reference Obligation Notional Amount per the Loan Database per the Reference Pool File and verify that the amount is not more than the amount shown in the Loan Database;
- (iii) verify that the Reference Obligations, per the data set out in the Reference Pool File comply with the Eligibility Criteria of the Portfolio Guidelines as set out below as of the Cut-Off Date; and
- (iv) verify that the Buyer will retain, at all times until the redemption of the Notes, a material net economic interest in a pool of randomly selected exposures, equivalent to no less than 5% of the Reference Portfolio Notional Amount, where such exposures would otherwise have been securitised in this securitisation, in the manner contemplated by Article 405(1)(c) of Regulation (EU) No. 575/2013 ("**CRR**"), Article 51(1)(c) of Regulation 231/2013 supplementing EU Directive 2011/61/EC on Alternative Investment Fund Managers and Article 254(2)(c) of Commission Delegated Regulation (EU) No. 2015/35 supplementing EU Directive 2009/138/EC by checking the "OUTSTANBAL" field in the Retained Obligations File.

The eligibility criteria we will verify are the following:

1. that the Reference Obligation was been originated by Santander Consumer, E.F.C., S.A. by checking that the "CONTRATO" field is recorded with a code starting with "E", "F" or "T" in the Loan Database File;
2. that the Reference Obligation was originated in the ordinary course of business of Santander Consumer, E.F.C., S.A. in accordance with the credit and collection policies applicable from time to time to Santander Consumer, E.F.C., S.A., and pursuant to underwriting standards that are not less stringent than those that such entity applies to origination of similar exposures that are not securitised and in a manner which meets the requirements set out in Article 8 of Directive 2008/48/EC by checking that the "PROPUESTA " field is recorded as "Y" in the Loan Database File;
3. that the Reference Obligation is governed by Spanish Law by checking that the "CONTRATO" field is recorded with a code starting by "E", "F" or "T" in the Loan Database File and checking the "REFENTIREG" field in the Loan Database File;

4. that the Buyer has certified that, as at the Relevant Date, the Reference Obligation or any related security is, subject to insolvency and other laws generally applicable to creditors' rights, valid, binding and enforceable in accordance with its terms and that the Relevant Lender has full recourse to the Reference Entity and, where applicable, any guarantor for all amounts due in respect of the Reference Obligation, by checking that the "CONTRATO" field is recorded with a code starting by "E", "F" or "T" in the Loan Database File;
5. that the address of the Reference Entity for the Reference Obligation is in Spain by checking the "CUSTOMERTY" field is recorded as "4" and checking the "REFENTIREG" field in the Loan Database File;
6. that the Reference Entity for the Reference Obligation is not an employee, manger or director of Santander Consumer, E.F.C, S.A.; by checking the "DOCTITULAR" field in the Loan Database File against the field "DNI/Doc Id Prin" in the Employees File;
7. that the Reference Obligation was granted for the purpose of financing the acquisition of New and/or Used Vehicles by checking the field "NEWORUSED" is recorded as 2N" or "U" in the Loan Database File;
8. that the principal amount of the Reference Obligation at the date such Reference Obligation was entered into does not exceed the purchase value of the financed vehicle plus, if any, the amount of the fees and expenses and the insurance expenses related to the transaction and financed against the Reference Obligation by checking that the value of the field "ORIGINBAL" is lower than the sum of values of the fields "VEHICLEPRI", "COSTS" and "INSURCOSTS" in the Loan Database File;
9. that the Reference Obligation is not derived from a debt refinancing or restructuring by checking the field "CREDITEVEN" is recorded with a blank value in the Loan Database File;
10. that the Reference Obligation is denominated exclusively in Euros, by checking that the "LOAN" field is recorded as "EUR" in the Loan Database File;
11. as the Relevant Date that the terms of the Reference Obligation do not provide for a grace period in respect of a failure to pay interest or principal by checking that the field "AMORTIPED" is recorded as "3" in the Loan Database File;
12. each payment obligation of the Reference Entity under the Reference Obligation is fulfilled by direct bank debit from a bank account generated automatically by checking the field "PAYMENTMET" is recorded as "1" in the Loan Database File;
13. that the Reference Entity has made at least one payment in respect of the Reference Obligation as of the Relevant Date, by checking that the "RONA" field is lower than the "ORIGINBAL" field in the Loan Database File;
14. that the scheduled maturity date of the Reference Obligation is not greater than 31 July 2028, by checking the "MATURITY" field in the Loan Database File;
15. that the Buyer has certified that, to its knowledge, there is no material ongoing litigation in relation to the Reference Obligation by checking that the "LITIGIOS" field in the Loan Database File is recorded as "NO";

16. that the Reference Obligation amortises on a monthly basis, and each instalment consists of a fixed amount of principal and interest by checking that the field "AMORTIPE", "PRINCIPER" and "INTEREPER" in the Loan Database File are recorded as "3";
17. that the Buyer has certified that the Relevant Lender has not received any notice of partial or early redemption of the Reference Obligation from the Reference Entity by checking that the field "AMORT" in the Loan Database File is recorded as "NO";
18. that no Credit Event shall have occurred and be continuing on the Relevant Date by checking that the "CREDITEVEN" field is recorded with a blank value in the Loan Database File;
19. that no payment under the Reference Obligation is past due by checking the "DAYARREAR" field is recorded as "0" in the Loan Database File;
20. that the Reference Obligation is not a financial lease agreement by checking that the field "PRODUCTYPE" is recorded as "1", "2", "3", "4", "6", "7", "8" or "9" in the Loan Database File;
21. that the Reference Obligation has been fully drawn by the Reference Entity by checking that that the field "PRODUCTYPE" is recorded as "8" in the Loan Database File;
22. that the Reference Entity in respect of the Reference Obligation was not classified as "No Occupation" *situación de desempleo* on the origination date of the relevant Reference Obligation by checking that the field "EMPLOYSTAT" is recorded as "1", "2", "3", "5", "6", "7", "8" or "9" in the Loan Database File;
23. that the Reference Obligation was not approved by an analyst manually overriding the determination of the automatic approval process of the originator (a "*forzaje*") by checking that that the field "SCRS" in the FIC file is not recorded as "R";
24. that the Reference Obligation was not the result of operations aimed for the acquisition of vehicles for self-registration (Demo Vehicles) by checking that the "PDTOINSOLVENCIA" field is scored as "1" or "2" in the FIC file;
25. that the Reference Obligation was not originated as a result of Rent a Car operations by checking the "OUTSTANBAL" field in the Retained Obligations file and the "OUTSTANBAL" field in the Other Retained Obligations file;
26. that the Reference Obligation has a PD lower than 2% by checking the "PD" field in the Loan Database File; and
27. that the Reference Obligation is not a Retained Exposure by checking the "OUTSTANBAL" field in the Retained Obligations file and the "OUTSANBAL" field in the Other Retained Obligations file.

For the purpose of the above:

"PD" means, in respect to a Reference Obligation, the "*probability of default*" assigned to it by the Buyer for regulatory purposes.

The portfolio guidelines we will verify are the following:

1. that the Reference Portfolio Notional Amount does not exceed the Maximum Reference Portfolio Notional Amount, by checking the "RONA " field from the Loan Database File;
2. that the aggregate Reference Obligation Notional Amount in respect of all Reference Obligations relating to Used Vehicles does not exceed 30% of the Reference Portfolio Notional Amount on the Relevant Date by checking that the "NEWORUSED" is recorded as 'U' in the Loan Database File and checking for these references that the "RONA" field from the Loan Database File is lower than 30% of the total Reference Portfolio Notional Amount;
3. that the aggregate Reference Obligation Notional Amount in respect of all Reference Obligations relating to New Vehicles with a scoring model punctuation of less than 545 does not exceed 15% of the Reference Portfolio Notional Amount on the Relevant Date by checking that the "NEWORUSED" is recorded as 'N' in the Loan Database File, the filed "SCORING" is less than 545 and checking for these references that the "RONA" field from the Loan Database File is lower than 15% of the total Reference Portfolio Notional Amount;
4. that the aggregate Reference Obligation Notional Amount in respect of all Reference Obligations relating to Used Vehicles with a scoring model punctuation of less than 539 does not exceed 20% of the Reference Portfolio Notional Amount on the Relevant Date by checking that the "NEWORUSED" is recorded as 'U' in the Loan Database File, the filed "SCORING" is less than 539 and checking for these references that the "RONA" field from the Loan Database File is lower than 20% of the total Reference Portfolio Notional Amount;
5. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations with the same Reference Entity shall not exceed 0.05% of the Reference Portfolio Notional Amount on the Relevant Date by checking the field "DOCTITULAR" in the Loan Database File and "RONA" field in the Loan database File;
6. that the weighted average residual maturity of all Reference Obligations in the Reference Portfolio does not exceed 72 months, by checking the weighted average value of field "ORIGINLOAN" in the Loan Database File ;
7. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations with a term to maturity higher than 96 months does not exceed 12.75% of the Reference Portfolio Notional Amount on the Relevant Date by checking that the "ORIGINLOAN" is higher than "96" in the Loan Database File and checking for these references that the "RONA" field from the Loan Database File is lower than 12.75% of the total Reference Portfolio Notional Amount on the Relevant Date ;
8. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations in the same "Comunidad Autónoma" does not exceed 30% of the Reference Portfolio Notional Amount on the Relevant Date by checking the field "REFENTIREG" from the Loan Database File and "RONA" field from the Loan Database File;

9. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations in the three "*Comunidad Autónoma's*" with the highest aggregate Reference Obligation Notional Amount does not exceed 60% of the Reference Portfolio Notional Amount on the Relevant Date by checking the field "REFENTIREG" from the Loan Database File and "RONA" field from the Loan Database File;
10. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations relating to type of vehicle other than a Passenger Car and an Off-road Vehicle does not exceed 15% of the Reference Portfolio Notional Amount on the Relevant Date by checking the "VEHICLETYP" and the "RONA" field in the Loan Database File;
11. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations with a down payment lower than 5% of the total vehicle's value does not exceed 10% of the Reference Portfolio Notional Amount on the Relevant Date by checking the "RONA" field in the Loan Database File, the "DOWNPAYMEN" field in the Loan Database File and the "VEHICLEPRI" in the Loan Database File on the Relevant Date;
12. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations with a down payment lower than 20% of the total vehicle's value does not exceed 50% of the Reference Portfolio Notional Amount on the Relevant Date by checking by checking the "RONA" field in the Loan Database File, the "DOWNPAYMEN" field in the Loan Database File and the "VEHICLEPRI" in the Loan Database File on the Reference Date;
13. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of which the Reference Entity is classified as "No Occupation" (*No Trabaja*) does not exceed 7% of the Reference Portfolio Notional Amount on the Relevant Date by checking that the "EMPLOYSTAT" is recorded as "7" or "9" in the Loan Database File and checking for these references that the "RONA" field from the Loan Database File is lower than 7% of the Reference Portfolio Notional Amount on the Relevant Date;
14. that the aggregate Reference Obligation Notional Amounts of all Reference Obligations in respect of which the Reference Entity is classified as "Self-Employed" (*Cuenta Propia*) does not exceed 18% of the Reference Portfolio Notional Amount on the Relevant Date by checking that the "EMPLOYSTAT" is recorded as "5" in the Loan Database File and checking for these references that the "RONA" field from the Loan Database File is lower than 18% of the Reference Portfolio Notional Amount on the Relevant Date;
15. that, in respect of a Replenishment, the weighted average PD of all Reference Obligations which are the subject of the Replenishment occurring on that Replenishment Date is equal to or lower than 1.5% by checking that the weighted average of the PD field from the Loan Database File of all Reference Obligations which are the subject of the Replenishment occurring on that Replenishment Date is lower than 1.5% on the Relevant Date; and

16. that, in respect of a Replenishment, the weighted average Regulatory Capital LGD of all Reference Obligations which are the subject of the Replenishment occurring on that Replenishment Date is equal or lower than 55% by checking that the weighted average of the LGD field from the Loan Database File of all Reference Obligations which are the subject of the Replenishment occurring on that Replenishment Date is lower than 55% on the Relevant Date.

Please take into consideration that all the technical terms detailed on this appendix should be understood according to the definitions described on section 1 to 9 of this letter.

APPENDIX 3b

Quarterly Credit Event Independent Accountant Report Agreed Upon Procedures

We will carry out the following agreed upon procedures:

Relating to Reference Obligations that have been subject to a Credit Event and/or with respect to which there is a Seller Payment

With respect to a Calculation Period the Calculation Agent will provide us with (a) a list relating to each Credit Event that has occurred during that Calculation Period or any previous Calculation Period and which has not been previously sent to us and the calculations of each Seller Payment payable with respect to such Calculation Period (together the "**Verification Events**") and (b) the relevant information as provided below.

(A) Verification of the Credit Event and Seller Payment

The Calculation Agent will provide us with:

- (a) a Credit Event Notice, detailing the Loan identifier of the Reference Obligation that has been the subject of a credit event and the type of credit event called and
- (b) Santander will provide information that reasonably confirms any of the facts relevant to the determination that a credit event has occurred. This information will include at least one of the following:
 - (i) Information from a public source describing the credit event.
 - (ii) Any petition or filing instituting a bankruptcy or insolvency.
 - (iii) Information received from the reference entity.
 - (iv) In case of a failure to pay, a screenshot of the booking system showing that the loan is at least 90 days in arrears.
 - (v) If any of the information above cannot be sent to the VA due to confidentiality reasons an attestation by 2 MDs confirming the receipt of one of the items listed above.

For the avoidance of doubt, the Credit Event Notice may be initially delivered by Santander Consumer, E.F.C., S.A. to us in "draft" form for the purposes of us commencing to carry out these agreed upon procedures. In such a case, in order for us to sign and deliver the Quarterly Credit Event Independent Accountant Report, we will have to be provided with a copy of the signed Credit Event Notice delivered to the Seller.

For any Initial Credit Protection Amounts in respect of Reference Obligations with respect to which Failure to Pay or Bankruptcy Credit Event has occurred, we will verify the Defaulted Notional Amount and LGD used in the calculation using the Reference Pool File, screenshots from the loan application (*aplicación de préstamos*) and LGD mapping table provided by the Calculation Agent. The Calculation Agent

may also provide screenshots of the internal risk system in which the LGDs are contained.

For any Initial Credit Protection Amounts in respect of Reference Obligations with respect to which a Restructuring Credit Event has occurred, we will verify the notional of the principal forgiveness using the Reference Pool File, screenshots from the loan application (*aplicación de préstamos*), Risk Committee approval and restructured loan agreement or the Defaulted Notional Amount and LGD used in the calculation.

For any Credit Protection Adjustment Amount we will verify the Work Out Completion Date, and all required calculations relating to the Work Out Credit Protection Amount with reference to screenshots from the loan and recovery systems, correspondence with the borrower, court resolution or any other relevant information.

Check that the Reference Obligation per the Credit Event Notice is that referred to in the supporting documentation.

For all Affected Reference Obligations which are Initial Verifiable Reference Obligations or Final Verifiable Reference Obligations we will perform the following:

- (a) verify that the Credit Event identified in the relevant Credit Event Notice has occurred and, if so, that it occurred during the Notice Delivery Period;
- (b) verify that the calculation by the Calculation Agent of the relevant Seller Payment (including, for the avoidance of doubt, any Worked Out Credit Protection Amount, Initial Credit Protection Amount and Credit Protection Adjustment Amount) or any Late Recovery Amount has been calculated correctly; and
- (B) Verification of the Securitisation Retained Amount Test

The Calculation Agent will provide us with:

- (a) one or more files containing information on all of the assets in the Reference Portfolio that have also been included in a separate Securitisation,
- (b) a screenshot of its booking system showing the details of the notes that Santander Consumer, E.F.C., S.A. or any of its Affiliates holds in that securitisation; and
- (c) a written representation from two Managing Directors (or other substantially equivalent title).

We will verify that if the Relevant Lender in respect of the Reference Obligation is a Securitisation Issuer, that on the Event Determination Date for that Reference Obligation the Securitisation Retained Amount in respect of the relevant Securitisation was not less than the Securitisation Alignment Amount in respect of that Securitisation.

ANNEX 4
REFERENCE REGISTER

The Reference Register is as set out in the worksheet entitled "SCSSA 2018-1 Reference Register" in the Microsoft Excel file entitled "SCSSA 2018-1 Reference Register 20181214" as attached to an email from David Sanchez to Maria Gema Bermejo Hernandez at 13:19 (London time) on 17 December 2018.