

**CREDIT SUPPORT ANNEX  
to the Schedule to the  
ISDA Master Agreement**

dated as of 21 July 2020  
between

**Banco Santander, S.A.** and **TAGUS – Sociedade de Titularização  
de Créditos, S.A.**  
("Santander") (in relation to the Silk Finance No. 5  
Securitisation)  
("Counterparty")

**Paragraph 11 Elections and Variables**

(a) **Base Currency and Eligible Currency**

- (i) "**Base Currency**" means Euro ("EUR").  
(ii) "**Eligible Currency**" means the Base Currency.

(b) **Credit Support Obligations**

(i) **Delivery Amount, Return Amount and Credit Support Amount**

- (A) "**Delivery Amount**" has the meaning specified in Paragraph 2(a), as amended (I) by deleting the words "upon a demand made by the Transferee on or promptly following a Valuation Date" and inserting in lieu thereof the words "not later than the close of business on each Valuation Date" and (II) by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The "**Delivery Amount**" applicable to the Transferor for any Valuation Date will be equal to the greater of:

- (a) the amount by which the Fitch Credit Support Amount exceeds the Value of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date); and  
(b) the amount by which the Moody's Credit Support Amount exceeds the Value of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date);

provided that if in respect of any Valuation Date, the Delivery Amount is greater than or equal to the Transferor's Minimum Transfer Amount, the Transferor will transfer to the Transferee sufficient Eligible Credit Support to

ensure that, immediately following such transfer, the amount calculated under this Paragraph shall not be greater than zero."

- (B) "**Return Amount**" has the meaning specified in Paragraph 2(b) as amended by deleting in its entirety the sentence beginning "Unless otherwise specified in Paragraph 11(b)" and inserting in lieu thereof the following:

"The "**Return Amount**" applicable to the Transferee for any Valuation Date will be equal to the lower of:

- (a) the amount by which the Value of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds the Fitch Credit Support Amount; and
- (b) the amount by which the Value of the Transferor's Credit Support Balance (adjusted to include any prior Delivery Amount and to exclude any prior Return Amount, the transfer of which, in each case, has not yet been completed and for which the relevant Settlement Day falls on or after such Valuation Date) exceeds the Moody's Credit Support Amount;

provided that in no event shall the Transferee be required to transfer any Equivalent Credit Support under Paragraph 2(b) if, immediately following such transfer, any of the amounts calculated under Paragraph 2(a) (Delivery Amount) would be greater than zero."

- (C) "**Credit Support Amount**" means the Fitch Credit Support Amount or the Moody's Credit Support Amount, less the Transferor's Threshold, if any.

Notwithstanding any other provision of this Annex, if a Ratings Event I or a Ratings Event II (as applicable) has occurred and is continuing in respect of a Relevant Entity, Santander will transfer the relevant amount of Eligible Credit Support (if any) to Counterparty prior to the end of the Initial Remedy Period (for the avoidance of doubt, the Delivery Amount for such purposes will be determined as if the Threshold were zero).

- (ii) **Eligible Credit Support** means Euro cash only.

- (iii) **Thresholds**

- (A) "**Independent Amount**" means, with respect to Santander: zero.

"**Independent Amount**" means, with respect to Counterparty: zero.

- (B) "**Threshold**" means with respect to Santander: infinity, provided that:

- (i) if, for the purposes of calculating the Fitch Credit Support Amount, no Relevant Entity has the Ratings Event I Required Ratings or the Ratings Event II Required Ratings (as applicable) with respect to Fitch and either (i) no Relevant Entity has had either the Ratings Event I Required Ratings or the Ratings Event II Required Ratings (as applicable) with respect to Fitch since this Annex was executed or (ii)

at least 14 calendar days have elapsed since the last time a Relevant Entity had the Ratings Event I Required Ratings or the Ratings Event II Required Ratings (as applicable) with respect to Fitch, the Threshold with respect to Santander shall be zero;

- (ii) if, for the purposes of calculating the Moody's Credit Support Amount, no Relevant Entity has the Ratings Event I Required Ratings with respect to Moody's and either (i) no Relevant Entity has had either the Ratings Event I Required Ratings with respect to Moody's since this Annex was executed or (ii) at least 30 Local Business Days have elapsed since the last time a Relevant Entity had either the Ratings Event I Required Ratings with respect to Moody's, the Threshold with respect to Santander shall be zero.

**"Threshold"** means with respect to Counterparty: infinity.

(C) **"Minimum Transfer Amount"** with respect to a party on any Valuation Date, means EUR 100,000.

(D) **"Rounding"** The Delivery Amount will be rounded up and the Return Amount will be rounded down to the nearest integer multiple of EUR 10,000.

(c) **Valuation and Timing**

(i) **"Valuation Agent"** means Santander. Following an Event of Default with respect to which Santander is the Defaulting Party, shall entitle the Counterparty, by notice to Santander, to either (a) perform the role of Valuation Agent itself; or (b) nominate a third party leading independent dealer in the relevant derivative market reasonably selected by it to be Valuation Agent.

(ii) **"Valuation Date"** means weekly on the last Local Business Day of each week, or more frequently if agreed in writing between the parties.

(iii) **"Valuation Time"** means the close of business in the place of location of the Valuation Agent on the Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

(iv) **"Notification Time"** means 1:00 p.m., London time, on a Local Business Day.

(v) **Valuations.** The wording of Paragraph 3(b) shall be amended by inserting the words ", Fitch Credit Support Amount and Moody's Credit Support Amount" after the word "Value".

(d) **"Exchange Date"** has the meaning specified in Paragraph 3(c)(ii).

(e) **Dispute Resolution**

(i) **"Resolution Time"** means 1:00 p.m., London time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.

(ii) **Value.** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated as follows:

With respect to any cash, the Base Currency Equivalent of the amount thereof, multiplied by the applicable Valuation Percentage.

(iii) *Alternative.* The provisions of Paragraph 4 will apply.

(f) **Distributions and Interest Amount.**

(i) **Interest Rate**

The Interest Rate shall be overnight rate fixed for such day as set forth under the heading 'EONIA' as such rate is displayed on the Reuters Screen EONIA page; or EONIA rate appearing opposite EONIA on Bloomberg page EONIA INDEX.

This Agreement is subject to and incorporates the ISDA Collateral Agreement Interest Rate Definitions (the "**Collateral Rate Definitions**") and for the purposes of the Collateral Rate Definitions the Interest Rate shall be "EONIA (Collateral Rate)".

The parties hereto acknowledge that on 31 May 2019, the European Money Markets Institute (EMMI) announced that it would cease publication of EONIA from 3 January 2022.

(ii) *Transfer of Interest Amount.* The transfer of the Interest Amount will be made monthly on the second Local Business Day of each calendar month; provided that the Counterparty shall not be obliged to so transfer any Interest Amount unless and until it has earned and received such interest.

(iii) *Alternative to Interest Amount.* The provisions of Paragraph 5(c)(ii) will apply.

(iv) *Definitions.*

(A) The definition of "Interest Amount" in Paragraph 10 is hereby deleted and replaced with the following:

*"Interest Amount"* means, with respect to an Interest Period and each portion of the Credit Support Balance comprised of cash in an Eligible Currency, the sum of the amounts of interest determined (net of any deduction or withholding for or on account of any tax) for each relevant currency and calculated for each day in that Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such currency, determined for each such day as follows:

- (a) the amount of cash in such currency on that day; multiplied by
- (b) the relevant Interest Rate in effect for that day; divided by
- (c) 360 (or, in the case of pounds sterling, 365).

(B) The definition of "*Credit Support Balance*" in Paragraph 10 is hereby amended by deleting the last sentence thereof and replacing it with the following: "Any Equivalent Distributions or Interest Amount (or portion of either) not transferred pursuant to Paragraph 5(c)(i) or 5(c)(ii) will not form part of the Credit Support Balance for the purposes of calculating any Delivery Amount or Return Amount. "

(g) **Demands and Notices.** Subject to Paragraph 11(b)(i)(A) in respect of demands, any communication by a party ("X") to the other party ("Y") requesting the transfer of Eligible

Credit Support or Equivalent Credit Support pursuant to Section 3 of this Annex must be given orally (including telephonically to the telephone number of Y set forth below, or any other telephone number Y may notify X of in writing) and followed by written confirmation thereafter during normal business hours in the city in which Y is located on any Local Business Day to:

- (i) in the case of Santander : Banco Santander, S.A.

Collateral Management - SBGM  
Ciudad Grupo Santander, Edif. Dehesa - 2ª Planta  
Avda. de Cantabria, s/n  
28660 Boadilla del Monte, Madrid  
Tel: + 34 91 2572038

cmanage.madrid@gruposantander.com

- (ii) in the case of Counterparty: Tagus – Sociedade de Títulização de Créditos, S.A.

Rua Castilho, 20  
1250-069 Lisbon, Portugal  
Tel.: +351 213 111 200

tas.lisbon@list.db.com

with copy to the Transaction Manager: U.S. Bank Global Corporate Trust Limited

125 Old Broad Street  
London  
EC2N 1AR  
Tel.: +44 (0)207 330 2000  
MBS.ERG.London@usbank.com, Dublin.MBS@usbank.com

Any such communication will be deemed received and effective when Y receives such written confirmation of any such oral communication.

Notwithstanding the forgoing, all requests for the transfer of Eligible Credit Support by Santander to Counterparty shall be deemed to have been issued automatically on the Valuation Date by the Valuation Agent.

(h) **Other Provisions**

(i) **Definitions**

**"Business Day"** has the meaning given to such term in the Confirmation.

**"Calculation Period"** means, in respect of a Transaction, as specified in the Confirmation in respect of such Transaction.

**"Exposure"** has the meaning specified in Paragraph 10, except that after the word "Agreement" the words "(assuming, for this purpose only, that Part 6(c) of the Schedule is deleted)" shall be inserted and (2) on the last line of the definition of Exposure, the words "without assuming that the terms of such Replacement Transactions are materially less beneficial for the Transferee than the terms of this Agreement" shall be inserted after the words "Replacement Transactions."

**"Fitch Credit Support Amount"** means, for any Valuation Date:

- (a) for so long as no Ratings Event I or Ratings Event II with respect to Fitch has occurred and is continuing, zero; and
- (b) if a Ratings Event I or Ratings Event II (as applicable) with respect to Fitch has occurred, the Fitch Collateral Amount specified in Appendix A hereto.

**"Initial Remedy Period"** means the period specified in Part 6(a)(i) or Part 6(a)(ii) of the Schedule, as applicable.

**"Moody's Credit Support Amount"** means, for any Valuation Date:

- (a) for so long as no Ratings Event I has occurred and is continuing with respect to Moody's, zero; and
- (b) if a Ratings Event I with respect to Moody's has occurred, the Moody's Collateral Amount specified in Appendix B hereto.

**"Notional Amount"** means, with regard to an interest rate swap or cap, the notional amount set forth in the relevant confirmation, and, with respect to a currency swap, including a cross-currency interest rate swap, the notional amount, as set forth in the confirmation, of that leg of the transaction that is denominated in the same currency as the relevant rated notes.

**"Pricing Sources"** means the sources of financial information commonly known as Bloomberg, Bridge Information Services, Data Resources Inc., Interactive Data Services, International Securities Market Association, Merrill Lynch Securities Pricing Service, Muller Data Corporation, Reuters, Wood Gundy, Trepp Pricing, JJ Kenny and S&P and, in each case, any successor thereto.

**"Transaction-Specific Hedge"** means any Transaction that is a cap, floor or swaption, or a Transaction in respect of which (x) the Notional Amount of the Transaction is "balance guaranteed" or (y) the Notional Amount for any Calculation Period otherwise is not a specific amount that is fixed at the inception of the Transaction. For the avoidance of doubt, both a perfect asset swap and any asset-based swap (namely a swap Transaction where the Notional Amount tracks the nominal amount of the underlying reference obligation) will be considered a Transaction-Specific Hedge.

**"Transferee"** means Counterparty.

**"Transferor"** means Santander.

- (ii) **Expenses.** Notwithstanding Paragraph 8, the Transferor will be responsible for, and will reimburse the Transferee for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support and/or Equivalent Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor pursuant to this Annex.
- (iii) **Early Termination.** The heading for Paragraph 6 shall be deleted and replaced with "Early Termination" and the following shall be added after the word "Default" in the first line of Paragraph 6, "or a Termination Event in relation to all (but not less than all) Transactions" and by adding the words "or an Affected Party, as relevant" after the words "Defaulting Party" in the bracketed text in the fourth line of Paragraph 6.

- (iv) ***Negative Interest Protocol.*** The parties agree that the modifications, definitions, and provisions contained in the ISDA 2014 Collateral Agreement Negative Interest Protocol (the "**Protocol**") published by the International Swaps and Derivatives Association, Inc. on May 12, 2014 are incorporated into and apply to this Agreement. All capitalized terms used in this sub-paragraph that are not otherwise defined in this Agreement shall be as defined in the Protocol. Santander and Counterparty agree that this Agreement shall be a Protocol Covered Collateral Agreement, this Agreement shall be amended as if Santander and Counterparty had adhered to the Protocol, the Implementation Date shall be the date of this Agreement and the references to "Adhering Party" in the Protocol shall be construed as referring to Santander and Counterparty.

**IN WITNESS WHEREOF**, the parties have executed and delivered this document as of the date specified on the first page of this document.

**Banco Santander, S.A.**

By:

Name:

Title:



Deborah Manjueli  
Banco Santander S.A.  
Authorized signature  
Deborah Manjueli Varona

By:

Name:

Title:



Silvia Consuelo Rodríguez De León Bebia  
Silvia Consuelo Rodríguez De León Bebia  
Banco Santander, S.A.  
Authorized signature  
Firma electrónica

**TAGUS – Sociedade de Titularização de Créditos, S.A.** (in relation to the Silk Finance No. 5 Securitisation)

By:

Name:

Title:



**IN WITNESS WHEREOF**, the parties have executed and delivered this document as of the date specified on the first page of this document.

**Banco Santander, S.A.**

By:

Name:

Title:

By:

Name:

Title:

**TAGUS – Sociedade de Titularização de Créditos, S.A.** (in relation to the Silk Finance No. 5 Securitisation)

By: 

Name: BRUNO DO CARMO

Title: POA



FRANCISCO OLIVEIRA

DIRECTOR

## Appendix A

### Fitch Collateral Amount

"Fitch Collateral Amount" means the greater of:

- (a) zero; and
- (b) an amount calculated in accordance with the applicable formula in Table 2 below with respect to each Transaction taking into account: (1) the rating assigned by Fitch at the relevant time to Rated Notes, and (2) the long-term and, where applicable, the short-term issuer credit rating assigned by Fitch at the relevant time to Party A as set out in Table 1 below:

**Table 1**

<b>Collateral Posting Formulas for Minimum Counterparty Long-Term Rating or Short-Term Issuer Default Rating</b>		
<b>Rating of highest rated note</b>	<b>Formula 1</b>	<b>Formula 2</b>
AAAsf	A- or F2	BBB- or F3
AAsf	BBB+ or F2	BBB- or F3
Asf	BBB- or F3	BB+
BBBsf	n.a.	BB-
BBsf	n.a.	B+
Bsf	n.a.	B-
Source: Fitch		

**Table 2**

<b>Formula 1</b>	<b>Max[0; MtM + (LA * VC * 60% * Notional)]</b>
<b>Formula 2</b>	<b>Max[0; MtM + (LA * VC * Notional)]</b>

Where:

"Fitch WAL" means the weighted average life of the Transaction (in years, rounded up to the next integer). The "weighted average life" in the preceding sentence refers to the timing of the amortisation assuming non-exercise of any early termination clauses, zero defaults and a capped prepayment assumption. Fitch's analysis relies on the prepayment assumption being capped at 5% a year.

"LA" means, with respect to each Transaction (other than any Transaction constituted by this Annex):  $1.0 * (1 + \text{Max}(0\%; 5\% * (\text{Fitch WAL} - 20)))$ .

"**MtM**" means the mark-to-market value of the derivative at the relevant Valuation Date for the purpose of collateral posting.

"**Notional**" has the meaning given to the term "Notional Amount" in the Confirmation dated on or about the date of this Annex.

"**VC**" means the applicable volatility cushion as determined by the Valuation Agent by reference to the table entitled "Swap Weighted Average Life (WAL) in years" below.

<b>Derivative Weighted Average Life (WAL) in years</b>	<b>VC</b>
0-1	0.75%
1-3	2.25%
3-5	3.50%
5-7	4.50%
7-10	5.50%
10-20	7.50%
20-50	9.50%

## Appendix B

### Moody's Collateral Amount

"**Moody's Collateral Amount**" means the greater of:

- (a) zero; and
- (b) the sum of (x) the Transferee's Exposure and (y) the aggregate of the Moody's Additional Collateral Amounts in respect of such Valuation Date for all Transactions (other than the Transaction constituted by this Annex),

where "**Moody's Additional Collateral Amount**" means the least of (x) the product of the Moody's Single Currency DV01 Multiplier (Optionality) and the Transaction Single Currency DV01 for such Transaction and (y) the product of the Moody's Single Currency Notional Amount Multiplier (Optionality) and the Transaction Notional Amount for such Transaction for the Calculation Period which includes such Valuation Date;

"**Moody's Single Currency DV01 Multiplier (Optionality)**" means 65;

"**Moody's Single Currency Notional Amount Multiplier (Optionality)**" means 0.10;

"**Transaction Notional Amount**" means the Base Currency Equivalent of the Notional Amount; and

"**Transaction Single Currency DV01**" means, with respect to a Transaction and any date of determination, the estimated absolute change in the Base Currency Equivalent of the mid-market value with respect to such Transaction that would result from a one basis point change in the relevant swap curve on such date, as determined by the Valuation Agent in good faith and in a commercially reasonable manner in accordance with the relevant methodology customarily used by the Valuation Agent.