

**Amalia SPV S.r.l.***(incorporated with limited liability under the laws of the Republic of Italy)***Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029***Issue Price: 100 per cent***Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029***Issue Price: 100 per cent***Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029***Issue Price: 100 per cent***Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due October 2029***Issue Price: 100 per cent*

and

**Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029***Issue Price: 100 per cent*

This document (the "**Prospectus**") constitutes a "prospetto informativo" for the purposes of article 2, paragraph 3 of Italian law number 130 of 30 April 1999, as amended from time to time (the "**Securitisation Law**"), in connection with the issue by Amalia SPV S.r.l. (the "**Issuer**"), a società a responsabilità limitata organised under the laws of the Republic of Italy, of the Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029 (the "**M1 Notes**"), the Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029 (the "**M2 Notes**"), the Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029 (the "**M3 Notes**"), the Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due October 2029 (the "**M4 Notes**"), and, together with the M1 Notes, the M2 Notes, the M3 Notes and the M4 Notes, the "**Mezzanine Notes**") and the Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029 (the "**Junior Notes**" and, together with the Mezzanine Notes, the "**Notes**"). This Prospectus constitutes also the admission document of the Mezzanine Notes (other than the M4 Notes) for the admission to trading on the professional segment ("**ExtraMOT PRO**") of the multilateral trading facility "**ExtraMOT**", which is a multilateral system for the purposes of the Market in Financial Instruments Directive 2014/65/EC operated by Borsa Italiana S.p.A. The Notes will be issued on 23 December 2019 (the "**Issue Date**").

In accordance with article 7, paragraph 1, letter (a) of the Securitisation Law, the principal source of payment of interest and of repayment of principal on the Notes will be the collections and recoveries made in respect of a portfolio of monetary claims and connected rights, interests and benefits (the "**Receivables**") and the "**Portfolio**") arising out of (i) a limited recourse loan agreement (the "**Limited Recourse Loan Agreement**") entered into by BNL Finance S.p.A. (the "**Originator**" or "**BNLF**"), as borrower, and the Issuer, as lender, on 5 December 2019 (as amended and restated on 20 December 2019); (ii) a deed of pledge (the "**Deed of Pledge**") entered into by the Issuer, the Originator and BNP Paribas Securities Services, Milan Branch ("**BPSS**"), on or about the Issue Date; and (iii) a parent company guarantee (the "**Parent Company Guarantee**") entered into by the Issuer and BNL S.p.A. (the "**Interest Guarantor**"), on or about the Issue Date.

By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Receivables and the other Segregated Assets and any cash-flow deriving therefrom (to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Transaction, in priority to the Issuer's obligations to any other creditors.

Interest on the Notes will be payable by reference to successive Notes Interest Periods. Interest on the Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable quarterly in arrears in Euro on the Notes Payment Date (as defined below) falling in April 2020 and thereafter on the Notes Payment Date (as defined below) falling in January, April, July and October in each year (or, if any such day is not a Business Day, on the immediately following Business Day). The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date.

The rate of interest applicable to the Notes for each Notes Interest Period shall be: (a) in respect of the M1 Notes, 1.75 per cent. per annum (the "**M1 Notes Interest Rate**"), (b) in respect of the M2 Notes, 2.10 per cent. per annum (the "**M2 Notes Interest Rate**"), (c) in respect of the M3 Notes, 3.10 per cent. per annum (the "**M3 Notes Interest Rate**"), (d) in respect of the M4 Notes, 3.50 per cent. per annum (the "**M4 Notes Interest Rate**") and (e) in respect of the Junior Notes, 11.90 per cent. per annum (the "**Junior Notes Interest Rate**").

The M1 Notes are expected, on issue, to be rated "BBB sf" by S&P and "A- SF" by Scope. The M2 Notes are expected, on issue, to be rated "BBB- sf" by S&P and "BBB+ SF" by Scope. The M3 Notes are expected, on issue, to be rated "BB- sf" by S&P and "BBB SF" by Scope. The M4 Notes and the Junior Notes will not be assigned a credit rating. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies (as defined below) as a result of changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of Mezzanine Notes (other than the M4 Notes) has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the value of the Mezzanine Notes (other than the M4 Notes). As of the date of this Prospectus, each of S&P and Scope (collectively, the Rating Agencies and each, a Rating Agency) is established in the European Union and was registered, respectively, on 31 October 2011 and 24 May 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the CRA Regulation) and, as of the date of this Prospectus, is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus).

As at the date of this Prospectus, payments of interest, and other proceeds in respect of the Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Italian Legislative Decree number 239 of 1 April 1996 ("**Decree 239**"), as amended and supplemented from time to time, and any related regulations. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of Notes. For further details see the section entitled "Taxation".

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Originator Account Bank, the Paying Agent, the Account Bank, the Interest Guarantor, the Notes Subscriber, the Arranger, the Stichting Corporate Services Provider or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes. As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. If applicable, Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes shall at all times be evidenced by book-entries in accordance with the provisions of article 83-bis of the Italian Legislative Decree No. 58 of 24 February 1998 and with the regulation issued on 13 August 2018 by the Bank of Italy together with the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

The Notes have not and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are being offered only outside the United States (the “**U.S.**”) to persons other than U.S. persons in compliance with Regulation S of the Securities Act (“**Regulation S**”) and as defined in the final risk retention rules promulgated under Section 15G of the United States Securities Exchange Act of 1934, as amended (the “**Securities Exchange Act**”). See the section headed “Subscription, Sale and Selling Restrictions” below.

The Issuer has represented that it is (i) neither an “investment company” under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”) since it will be relying on an exemption for securitisations contained in Rule 3a-7 under the Investment Company Act nor (ii) a “covered fund” for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined in this Prospectus). The Issuer is being structured so as not to constitute a “covered fund” for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the “Volcker Rule”.

Before the Scheduled Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 6(Redemption, purchase and cancellation)). Save for the fact that in any event full redemption will have to occur on the Scheduled Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain. The Notes will start to amortise on the First Notes Payment Date and on each Notes Payment Date thereafter, on the basis of, respectively, the M1 Notes Repayment Amount, the M2 Notes Repayment Amount, the M3 Notes Repayment Amount, the M4 Notes Repayment Amount and the Junior Notes Repayment Amount, subject to there being sufficient Issuer Available Funds and in accordance with the Priority of Payments.

The Notes may not be offered or sold, directly or indirectly, in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes see the section entitled “Subscription, Sale and Selling Restrictions” below.

Capitalised words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the meanings set out in the Conditions.

The content of any website or webpage mentioned in this Prospectus does not form part of this Prospectus.

**For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled “Risk Factors”.**

BNLF, in its capacity as originator, has undertaken to the Issuer and the Representative of the Noteholders that it will retain, at all time, a material net economic interest of not less than 5 (five) per cent. in the nominal value of the Transaction, in accordance with article 6 of Regulation (EU) no. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and the relevant applicable technical standards (the “**Securitisation Regulation**”). As at the Issue Date, BNLF, in its capacity as originator, will retain the Senior Tranche of the Reference Portfolio and a net economic interest in the Mezzanine and Junior Tranche of the Reference Portfolio of at least 5% for the entire life of the Transaction. BNLF in its capacity as originator has also undertaken to the Issuer to: (i) not change the manner in which the net economic interest is held until the Notes are redeemed or repaid in full, unless expressly permitted by the Securitisation Regulation; (ii) ensure that any change to the manner in which such retained interest is held in accordance with paragraph (i) above will be promptly disclosed in the Sec Reg Investor Report (as defined above); (iii) comply with the disclosure obligations imposed on originators under article 7, of the Securitisation Regulation; and (iv) ensure that the material net economic interest retained by it shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(1) of the Securitisation Regulation.

The Securitisation will not involve risk retention by the Originator for the purpose of complying with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the U.S. Risk Retention Rules) and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. The Originator intends to rely on an exemption provided for in Section \_\_20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any person except for persons that are not “U.S. persons” as defined in the U.S. Risk Retention Rules (Risk Retention U.S. Persons). Prospective investors should note that the definition of “U.S. person” in the U.S. Risk Retention Rules is different from the definition of “U.S. person” in Regulation S. The Notes offered and sold by the Issuer may not be purchased by any person who is a Risk Retention U.S. Person. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the limitations on sales to Risk Retention U.S. Person in the exemption provided for in Section \_\_20 of the U.S. Risk Retention Rules). Each prospective Noteholder is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation, and none of the Issuer, the Originator, nor the Arranger, makes any representation that the information described in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

Please refer to the sections entitled “Securitisation Regulation – Retention and Transparency Requirement” for further information.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (UE) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

*For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section headed "Risk Factors".*

**ARRANGER**

**BNP Paribas**

**Prospectus dated 23 December 2019**

**CONSOB AND BORSA ITALIANA HAVE NOT EXAMINED NOR APPROVED THE  
CONTENT OF THIS PROSPECTUS**

## RESPONSIBILITY STATEMENTS

*None of the Issuer, the Arranger, the Notes Subscriber or any other party to the Transaction Documents other than the Originator has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables to which the Issuer is entitled under the Limited Recourse Loan Agreement, the Deed of Pledge and the Parent Company Guarantee, nor has any of the Issuer, the Arranger, the Notes Subscriber, or any other party to the Transaction Documents other than the Originator undertaken, nor will they undertake, any investigations, searches, or other actions to establish the creditworthiness of any Reference Debtors. In the Limited Recourse Loan Agreement, the Originator has given certain representations and warranties to the Issuer in relation to, inter alia, the Reference Receivables.*

*The Issuer accepts responsibility for the information contained in this Prospectus. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes. The information contained in this Prospectus does not omit anything likely to affect the import of such information, is true and accurate in all material respects and is not misleading and the opinions and intentions expressed in this Prospectus are honestly held and there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading.*

*BNLF accepts responsibility for the information included in this Prospectus in the sections entitled “Securitisation Regulation – Retention and Transparency Requirement”, “The Reference Portfolio”, “The Originator” and any other information contained in the Prospectus relating to itself, the Reference Receivables, the Reference Loan Agreements, and/or the Reference Debtors. To the best of the knowledge and belief of BNLF (which has taken all reasonable care to ensure that such is the case), such information is true, accurate and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above.*

*Securitisation Services S.p.A. accepts responsibility for the information included in this Prospectus in the sections entitled “The Servicer, the Corporate Servicer, the Calculation Agent and the Representative of the Noteholders”. To the best of the knowledge and belief of Securitisation Services S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

*BNP Paribas Securities Services, Milan Branch accepts responsibility for the information included in this Prospectus in the sections entitled “The Account Bank and the Paying Agent”. To the best of the knowledge and belief of BNP Paribas Securities Services, Milan Branch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

*No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Arranger, the Notes Subscriber, the Representative of the Noteholders, the Issuer, the Quotaholder, the Originator or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originator or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.*

*Save for the parties accepting responsibility for the information included in this Prospectus as stated above, no other party to the Transaction Documents accepts responsibility for such information.*

### **INTEREST MATERIAL TO THE OFFER**

*Save as described under the section headed “Subscription, Sale and Selling Restrictions”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.*

**REPRESENTATIONS ABOUT THE NOTES**

*No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Originator, the Arranger, the Notes Subscriber, the Representative of the Noteholders or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any of the Notes shall in any circumstances constitute a representation or create any implication that there has been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originator or in the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date hereof.*

**LIMITED RECOURSE**

*The Notes will be limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Receivables will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Other Issuer Creditors and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Transaction. Amounts derived from the Receivables will not be available to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as outlined in Condition 4 (Priority of Payments).*

**OTHER BUSINESS RELATIONS**

*In addition to the interests described in this Prospectus, prospective noteholders should be aware that the Arranger and its respective related entities, associates, officers or employees (the “**Relevant Entity**”) may be involved in a broad range of transactions including, without limitation, banking, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any party to the Transaction Documents, both on its own account and for the account of other persons. As such, the Relevant Entity may have various potential and actual conflicts of interest arising in the ordinary course of its business. For example, the Relevant Entity's dealings with respect to the Notes, the Issuer or any other party to the Transaction Documents may affect the value of the Notes as the interests of this Relevant Entity may conflict with the interests of a Noteholder, and that Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, no Relevant Entity is restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents or the interests described above and may continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders. The Relevant Entity may in so doing act without notice to, and without regard to, the interests of the Noteholders or any other person.*

**SELLING RESTRICTIONS**

*The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer, the Originator and the Arranger to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, or may be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.*

*This Prospectus can only be used for the purposes for which it has been issued.*

*To the fullest extent permitted by law, the Arranger does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or on its behalf, in connection with the Issuer, the Originator, any other Transaction Party or the issue and offering of the Notes. The Arranger accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement.*

*The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, nor any other information memorandum or form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which would allow an offering (nor an “offerta al pubblico di prodotti finanziari”) of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered, and neither this Prospectus nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus please see the section entitled “Subscription, Sale and Selling Restrictions”.*

*The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See the section entitled “Subscription, Sale and Selling Restrictions” (below).*

*THE SECURITIES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS PROSPECTUS OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.*

*Neither the Originator nor any other persons intends to retain a risk retention interest contemplated by the final rules promulgated under Section 15G of the Securities Exchange Act (the “**U.S. Risk Retention Rules**”), but rather the Originator intends to rely on the exemption provided for in Section 20 of the U.S. Risk*

*Retention Rules regarding non-U.S. transactions.*

*Accordingly, the Notes may not be purchased by, or for the account or benefit of, any person except for persons that are not Risk Retention U.S. Persons. The Notes may not be transferred to any person who is a Risk Retention U.S. Person. Each purchaser of Notes, including beneficial interests therein will, by its acquisition of a Note or beneficial interest therein, be deemed, and in certain circumstances will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the limitations on sales to U.S. Persons contained in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).*

*The Issuer has not been and will not be registered as an “investment company” under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”).*

*Neither this document nor any other information supplied in connection with the issue of the Notes should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Originator and/or the Arranger that any recipient of this Prospectus, or of any other information supplied in connection with the issue of the Notes, should purchase any of the Notes. Each investor contemplating purchasing any of the Notes must make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.*

*The Arranger and the Representative of the Noteholders do not accept any responsibility for the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Arranger and the Representative of the Noteholders do not make any representation, warranty or undertaking, express or implied, to any prospective investor or purchaser of the Notes and does not accept responsibility regarding the legality of any investment in the Notes by any such prospective investor or purchaser under applicable investment or similar laws or regulations.*

#### **CHANGE OF LAW**

*The structure of the transaction and, inter alia, the issue of the Notes are based on Italian law, interpretation, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law or tax or administrative practice will not change after the date of this Prospectus or that such change will not adversely affect the structure of the transaction and the treatment of the Notes.*

#### **REGULATORY INITIATIVES**

*In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory position for certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arranger or the Originator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Issue Date or at any time in the future.*

#### **PRIIPS / EEA RETAIL INVESTORS**

*The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4 (1) of MiFID II; or (ii) a customer within the meaning of Directive (UE) no. 2016/97 (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a “key information document” in respect of the Notes for the purposes of Regulation (EU) no. 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the “**PRIIPs Regulation**”) and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.*

#### **INTERPRETATION**

*The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the Conditions. These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time. Certain monetary amounts and currency conversions included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.*

*All references in this Prospectus to “Italy” are to the Republic of Italy; references to laws and regulations are to the laws and regulations of Italy; and references to “billions” are to thousands of millions.*

*In this Prospectus references to “Euro”, “EUR”, “€” and “cents” are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.*

*Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus and has not been scrutinised or approved by the competent authority.*

**TABLE OF CONTENTS**

RISK FACTORS .....	9
TRANSACTION DIAGRAM .....	22
TRANSACTION OVERVIEW .....	23
SECURITISATION REGULATION – RETENTION AND TRANSPARENCY REQUIREMENTS .....	59
THE REFERENCE PORTFOLIO .....	60
THE ORIGINATOR .....	65
THE SERVICER, THE CORPORATE SERVICER, THE CALCULATION AGENT AND THE REPRESENTATIVE OF THE NOTEHOLDERS.....	66
THE ACCOUNT BANK AND THE PAYING AGENT.....	67
THE ISSUER .....	68
USE OF PROCEEDS.....	70
THE ISSUER ACCOUNTS.....	71
TERMS AND CONDITIONS OF THE NOTES.....	73
ITALIAN TAXATION.....	136
SUBSCRIPTION, SALE AND SELLING RESTRICTIONS .....	143
GENERAL INFORMATION .....	146



## RISK FACTORS

*Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur but which the Issuer considers to be material for the taking of an informed investment decision in respect of the Notes based on the probability of their occurrence and the expected magnitude of their negative impact.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of interest or principal on the Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### CATEGORY OF RISK FACTORS 1: RISK FACTORS RELATING TO THE ISSUER

#### **Issuer's ability to meet its obligations under the Notes dependent on the Receivables**

The Notes constitute direct, secured limited recourse obligations solely of the Issuer. The assets available to the Issuer for the purpose of meeting its obligations under the Transaction are the Receivables in the Portfolio, any amounts standing to the credit of the Issuer Accounts and the Issuer's rights under the Transaction Documents to which it is a party. If the funds received by the Issuer from the Originator under the Limited Recourse Loan Agreement are insufficient to meet the Issuer's payment obligations under the Notes, the Noteholders may not be repaid in full and/or on a timely basis. Such credit and liquidity risks are however mitigated by the liquidity and/or credit support provided in respect of any particular Class of Notes, by the credit enhancement provided by any subordinate Class of Notes subordinate thereto in the applicable Priority of Payment. There can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Notes will be adequate to ensure punctual and full receipt of amounts due under the Notes. Please see the section of the prospectus entitled "*Terms and Conditions of the Notes – Status, Segregation and Ranking*" for details of the subordination provisions.

#### **Counterparty risk**

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Originator, in its capacity as Servicer of the Reference Portfolio, and the other parties to the Transaction Documents, of their respective obligations under the Transaction Documents to which they are parties. The performance of such parties of their respective obligations respectively under the relevant Transaction Documents is dependent on the solvency of each relevant party.

The Issuer's ability to make payments in respect of the Notes may depend to a certain extent upon the Originator's performance under the Transaction Documents. In particular, in the event that the Originator becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its obligations under the Transaction Documents.

In addition to the above, in the event that the Originator Account Bank becomes subject to insolvency or similar proceedings, this may have an impact on the capability of the Issuer to enforce its rights under the Deed of Pledge. Finally, the Issuer is party to contracts with a number of third parties in addition to the Originator and the Originator Account Bank, who have agreed to perform services in relation to the Transaction. In particular, but without limitation, the Account Bank has agreed to hold and manage the Issuer Accounts pursuant to the Cash Allocation, Management and Payments Agreement; the Corporate Servicer has agreed to provide certain corporate and administrative services to the Issuer pursuant to the Corporate Services Agreement; the Paying Agent has agreed to provide payment services with respect to the Notes pursuant to the Cash Allocation, Management and Payments Agreement; and the Calculation Agent has agreed to provide services with respect to the calculations to be made under the Notes pursuant to the Cash Allocation, Management and Payments Agreement.

In the event that any of the above parties were to fail to perform their obligations under the respective Transaction Documents to which they are a party, this may adversely affect the ability of the Issuer to make payments under the Notes.

### **No Segregation on the Reference Receivables – Credit risk associated to the Originator and the Interest Guarantor**

By virtue of the operation of article 3 of the Securitisation Law and the Transaction Documents, the Issuer's right, title and interest in and to the Receivables (deriving from the Limited Recourse Loan Agreement, the Deed of Pledge and the PC Guarantee) and the other Segregated Assets and any cash-flow deriving therefrom (to the extent identifiable) will be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Transaction, in priority to the Issuer's obligations to any other creditors. The above segregation does not extend to the Reference Receivables comprised in the Reference Portfolio which are in the full ownership of the Originator only. Therefore, investors in the Notes will also be exposed to the credit risk associated with the Originator (for the payments under the Limited Recourse Loan Agreement and the enforcement of the Deed of Pledge) and of the Interest Guarantor (for the payment under the PC Guarantee).

## **CATEGORY OF RISK FACTORS 2: RISK FACTORS RELATING TO THE NOTES**

### **Allocation of Losses**

Pursuant to the Limited Recourse Loan Agreement any Losses allocated to the Mezzanine and Junior Tranche will reduce the Outstanding Amount of the Limited Recourse Loan and, consequently, the amounts to be paid by the Originator to the Issuer under the Limited Recourse Loan Agreement and the amounts due and payable under the Notes. Therefore it will have an impact on the ability of the Issuer to make payments under the Notes. With particular reference to the Reference Portfolio, please see the section "*Risk Factors relating to the Reference Portfolio*" below.

### **Early Redemption of the Notes**

Partial early redemption of the Notes may occur after the delivery by the Originator to the Issuer, at its discretion, pursuant to the Limited Recourse Loan Agreement and the Intercreditor Agreement, of a Partial Early Termination Notice on each Partial Early Termination Date, provided that the Originator may serve such Partial Early Termination Notice to the Issuer only after having received, in the cases in which it is so provided under the Limited Recourse Loan Agreement, the prior written consent to do so by the Regulatory Authority. After the delivery by the Originator to the Issuer of the Partial Early Termination Notice the Issuer shall, on the immediately following Notes Payment Date, partially redeem the Notes for an amount equal to, upon the election made by the Originator in the Partial Early Termination Notice, the amount set forth under the Limited Recourse Loan Agreement, in accordance with the applicable Priority of Payments.

Early redemption of the Notes may also occur after the delivery by the Issuer to the Originator, in accordance with the instructions received by the Representative of the Noteholders (acting in accordance with the Rules), pursuant to the Limited Recourse Loan Agreement and the Intercreditor Agreement, of an Originator EoD Notice after the occurrence of an Originator EoD. After the delivery by the Issuer to the Originator of the Originator EoD Notice, the Issuer shall, on the Notes Payment Date immediately following its delivery of such Originator EoD Notice, redeem the Notes for an amount

equal to the amount set forth under the Limited Recourse Loan Agreement, in accordance with the applicable Priority of Payments.

Early redemption of the Notes may finally occur after the delivery by the Originator to the Issuer, pursuant to the Limited Recourse Loan Agreement and the Intercreditor Agreement, of an Early Termination Notice. After the delivery by the Originator to the Issuer of such Early Termination Notice, the Issuer shall, on the Notes Payment Date immediately following the delivery by the Originator to the Issuer of the Early Termination Notice, redeem the Notes for an amount equal to the amount set forth under the Limited Recourse Loan Agreement, in accordance with the applicable Priority of Payments.

### **Application of the Securitisation Law has a limited interpretation**

As at the date of this Prospectus, limited interpretation of the application of the Securitisation Law has been issued by any Italian governmental or regulatory authority. In addition, the application of article 7, paragraph 1, letter (a), of the Securitisation Law is quite limited in the Italian market.

Consequently, it is possible that Italian governmental or regulatory authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

### **Subordination**

The rights of the Noteholders to receive payments of interest and repayment of principal are subordinated to the payment of certain costs, expenses, fees, taxes and other amounts and to the rights of the Representative of the Noteholders and other parties to receive certain amounts due under the Transaction Documents.

The subordination of amounts payable under the Notes to the items in priority thereto may result in the Noteholders not being repaid in full in the event the Issuer has insufficient funds. Please see the section of the prospectus entitled “*Terms and Conditions of the Notes – Status, Segregation and Ranking*” for details of the subordination provisions.

### **The Representative of the Noteholders and potential conflicts of interests**

Pursuant to the Terms and Conditions and the Intercreditor Agreement, the Representative of the Noteholders, as regards to the exercise and performance of all its powers, authorities, duties and discretion under the Transaction Documents (except where expressly provided otherwise), shall have regard to the interests of both the Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders shall have regard solely to the interests of the Noteholders and (in the event of a conflict between the interests of different Classes of Noteholders) the interest of the Most Senior Class of Noteholders only. These provisions may result in a decision being made or action taken that is adverse to the interests of certain Classes of the Noteholders.

### **Resolutions of Noteholders**

Resolutions properly adopted in accordance with the Rules of the Organisation of the Noteholders are binding on all Noteholders. Prospective Noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting.

In particular, pursuant to the Rules of the Organisation of the Noteholders:

- (a) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of all other Classes of Notes (if any) and the prior written consent of the Originator has been obtained;
- (b) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of Noteholders shall be binding on the other Classes of Notes irrespective of the effect thereof on their interests;
- (c) no Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of a Class of Notes which is not the Most Senior Class of Notes shall be effective unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution, as the case may be, of the Most Senior Class of Noteholders.

In addition, there is a risk that it may not be possible to implement certain modifications approved by the Noteholders in accordance with the Rules of Organisation where the consent of other parties (including, without limitation, the Originator) is required.

#### **Limited secondary market and liquidity risk**

Although application has been made for the admission to trading of the Mezzanine Notes (other than the M4 Notes) on ExtraMOT PRO, there is currently no active and liquid secondary market for the Mezzanine Notes. The Mezzanine Notes will not benefit from the appointment of a specialist operator (*operatore specialista*), as defined under the ExtraMOT Market Rules. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Scheduled Maturity Date or the Final Settlement Date, as the case may be.

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

#### **The Originator intends to rely on an exemption from U.S. Risk Retention Requirements**

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the “securitizer” of a “securitization transaction” to retain at least 5 per cent. of the “credit risk” of “securitized assets”, as such terms are defined for purposes of that statute, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain. Final rules implementing the statute (the **U.S. Risk Retention Rules**) came into effect on 24 December 2016 with respect to non-RMBS securitisations. The U.S. Risk Retention Rules provide that the securitiser of an asset backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Originator does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules, in reliance on the exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Originator has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the assets from an affiliate or branch of the Originator or the Issuer that is organised or located in the United States.

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

Under the U.S. Risk Retention Rules, and subject to limited exceptions, “U.S. person” means any of the following:

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

- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership, corporation, limited liability company, or other organisation or entity if:
  - (i) organised or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts.

Consequently, the Notes may not be purchased by any person except for persons that are not Risk Retention U.S. Persons and where such purchase falls within the exemption provided for in Section 20 of the U.S. Risk Retention Rules. Each holder of a Note or a beneficial interest acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Originator, the Arranger and the Lead Manager that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

To the extent the Originator or its affiliates have jurisdictional contacts with the US, failure on the part of the Originator to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Originator or such affiliates which may adversely affect the value and liquidity of the Notes and the ability of the Originator to perform its obligations under the Transaction Documents. None of the Arranger, the Originator, the Issuer or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply with the U.S. Risk Retention Rules on the Issue Date or at any time in the future.

**Failure to Comply with the Volcker Rule may restrict the ability of certain “banking entities” to invest in the Notes**

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the **Volcker Rule**.

The Volcker Rule generally prohibits “banking entities” broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, (together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or

retaining any “ownership interest” in, or in “sponsoring”, a “covered fund” and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An “ownership interest” is defined widely and may arise through a holder’s exposure to the profits and losses of the “covered fund”, as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the “covered fund”. A “covered fund” is defined widely, and includes any issuer which would be an investment company under the Investment Company Act of 1940, as amended (the **Investment Company Act**) but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exemptions found in the Volcker Rule’s implementing regulations. Not all investment vehicles or funds, however, fall within the definition of a “covered fund” for the purposes of the Volcker Rule. The Issuer and the issuance of the Notes has been structured so that the Issuer should be considered a securitisation entitled to the exemption from the definition of “investment company” pursuant to Rule 3a-7 under the Investment Company Act, and therefore should not be a “covered fund” under the Volcker Rule. The Issuer also is structured to comply with the “loan securitisation” exemption from the definition of “covered fund”. Also, for most non-U.S. banking entities, a non-U.S. issuer that offers its securities only to non-U.S. persons may be considered not to be a “covered fund”. However, if the Issuer is deemed to be a “covered fund” and the Notes to be deemed an “ownership interest” in Issuer, the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of “banking entities” subject to US jurisdiction to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule’s prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a “banking entity” as defined under the Volcker Rule and is considering an investment in the Notes should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a “banking entity” subject to regulation under the Volcker Rule. None of the Issuer, the Arranger or any other Transaction Party makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

#### **The Issuer may incur unexepected expenses which could reduce the funds available to pay the Notes**

The Issuer is unlikely to have a large number of creditors unrelated to the Securitisation or any further securitisation transaction because the corporate object of the Issuer as contained in its by-laws (*statuto*) is limited and the Issuer has covenanted in the Conditions, *inter alia*, not to engage in any activity which is not incidental to or necessary in connection with any activities which the Transaction Documents provide for or envisage that the Issuer may engage in or which is necessary in connection with or incidental to the Transaction Documents. Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to the other third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation (which rank ahead of all other items in the applicable Priority of Payments), as a result of which the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

#### **Investment in the Notes is only suitable for certain investors**

Structured securities, such as the Notes, are sophisticated financial instruments, which can involve a significant degree of risk. Prospective investors in any Class of the Notes should ensure that they understand the nature of such Notes and the extent of their exposure to the relevant risks. Such prospective investors should also ensure that they have sufficient knowledge, experience and access to professional advice to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition. Investment in the Notes is only suitable for investors who (i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes; (ii) have access to, and knowledge of,

appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; (iii) are capable of bearing the economic risk of an investment in the Notes; and (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all. Prospective Noteholders should not rely on or construe any communication (written or oral) of the Issuer, the Originator, the Arranger, or any other party of the Transaction Documents as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer, the Originator, the Arranger or any other party under the Transaction Documents shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes. If an investor does not properly assess the nature of the Notes and the extent of its exposure to the relevant risks before making its investment decision, it may suffer losses. Therefore, prospective Noteholders should make their own independent decision whether to invest in the Notes and whether an investment in the Notes is appropriate or proper for them, based upon their own judgment and upon advice from such advisers as they may deem necessary.

**Reduction or withdrawal of the ratings assigned to the Rated Notes after the Issue Date may affect the market value of the Rated Notes**

The credit ratings assigned to the M1 Notes, the M2 Notes and the M3 Notes (collectively, the **Rated Notes**) reflects the Rating Agencies' assessment only of the likelihood of payment of interest in a timely manner, pursuant to the Conditions and the Transaction Documents, and the ultimate repayment of principal on or before the relevant repayment date under the Conditions, not that such repayment of principal will be paid when expected or scheduled. The ratings do not address (i) the likelihood that the principal will be redeemed on the Rated Notes, as expected, on the scheduled redemption dates; (ii) possibility of the imposition of Italian or European withholding taxes; (iii) the marketability of the Rated Notes, or any market price for the Rated Notes; or (iv) whether an investment in the Rated Notes is a suitable investment for a Noteholder. The ratings are based, among other things, on the Rating Agencies' determination of the payments on the Portfolio. Future events such as any deterioration of the Portfolio, the unavailability or the delay in the delivery of information, the failure by the parties under the Transaction Documents to perform their obligations under the Transaction Documents and the revision, suspension or withdrawal of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Transaction could have an adverse impact on the credit ratings of the Rated Notes, which may be subject to revision or withdrawal at any time by the assigning Rating Agency. In addition, in the event of downgrading of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Transaction, there is no guarantee that the Issuer will be in a position to secure a replacement for the relevant third party or there may be a significant delay in securing such a replacement and, consequently, the rating of the Rated Notes may be affected. A rating is not a recommendation to purchase, hold or sell the Rated Notes. In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by European Securities and Markets Authority on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated European Securities and Markets Authority's list. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgment of the Rating Agencies, the credit quality of the Rated Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the market value of the Rated Notes.

### CATEGORY OF RISK FACTORS 3: RISK FACTORS RELATING TO THE REFERENCE PORTFOLIO

#### Italian consumer protection legislation

The Reference Portfolio comprises Reference Receivables deriving from Reference Loans qualifying as consumer loans, *i.e.* loans granted to individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities. The following risks, *inter alia*, could arise in relation to a consumer loan contract.

##### (A) *Linked contracts (contratti collegati)*

Under the Consolidated Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, provided that certain circumstances are met. In case of termination, the lender must reimburse all instalments and sums paid by the consumer. In addition, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts (such as the issuer) any of the defences, which they had against the original lender, to avoid payment to the assignee.

The same risk might exist with reference to insurance policies financed by the lenders (where the premium is paid up-front by the lenders to the insurance companies and then reimbursed to the lenders by the borrowers as a part of the loan instalments), as it is uncertain whether they may qualify as linked contracts and, as such, what the claim by the Reference Debtor may be in case of default by the insurance company.

In this regard, it should be noted that, as at the date of this Prospectus, no decision has been made by any Italian court in respect of this issue.

##### (B) *Set-off*

There is a risk that, depending on the interpretation of certain legislation, Reference Debtors may have a set-off claim under the relevant Loan Agreement against any amounts payable by the Originator to the relevant Reference Debtor. If a Reference Debtor exercises a right of set-off against the Originator this could result in the Issuer receiving a reduced (if any) payment from the Reference Debtor in respect of the relevant Reference Loan.

##### (C) *Consumer Code's protection*

The Reference Loans are consumer loans regulated, *inter alia*, by article 1469-*bis* of the Italian Civil Code and by Italian Legislative Decree no. 206 of 6 September 2005 (the **Consumer Code**), which provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Therefore, in the event that any of such claims or counterclaim would be raised by the Reference Debtors, the Originator could receive less collections on the Reference Receivables than expected and, therefore may have insufficient amounts to repay in full the Limited Recourse Loan under the Limited Recourse Agreement and, as a consequence, the Issuer will have insufficient amounts to repay principal and pay interest on the Notes.

##### (D) *Prepayment right*

Pursuant to article 125-*sexies*, paragraph 1, of the Consolidated Banking Act, borrowers under consumer loan contracts have the right to prepay any consumer loan without penalty and with the additional right to a *pro rata* reduction in the aggregate costs and interests of the loan. It should, however, be noted that, in the event of prepayment by the borrower, the lender, under certain circumstances, is entitled to a compensation equal to 1 per cent. of the prepaid amount of the consumer loan if the residual duration of the consumer loan is longer than one year, and equal to 0.5 per cent. of the same amount, if shorter; in any case, no prepayment penalty shall be due (i) if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee; or (ii) in the case of overdraft facilities; or (iii) if the repayment falls within a period for which the borrowing rate is not a fixed rate; or (iv) if the prepaid sum is equal to the total outstanding amount of the relevant consumer loan and is equal or less than Euro 10,000.

#### Compounding of interest

There is a risk that the capitalisation of interest payable under the Reference Loans on a quarterly basis



may not comply with the requirements of article 1283 of the Italian Civil Code. There is inconsistent case law on this subject. However, if challenged by Reference Debtors this could have a negative effect on the returns generated by the Issuer from the Reference Loans and affect the ability of the Issuer to make payments under the Notes.

Therefore, in the event that any of such damage, loss, claim, cost, lost profit and expenses arise, the Originator could receive less collections on the Reference Receivables than expected and, therefore may have insufficient amounts to repay in full the Limited Recourse Loan under the Limited Recourse Agreement and, as a consequence, the Issuer will have insufficient amounts to repay principal and pay interest on the Notes.

### **Italian Usury Law**

The interest payments and other remuneration paid by the Reference Debtors under the Reference Loans are subject to Italian law No. 108 of 7 March, 1996, as amended from time to time (the “**Usury Law**”), which introduced legislation preventing lenders from applying interest rates equal to or higher than certain rates. In addition, even where the applicable rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if certain circumstances arise. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the usury rates. If the Reference Loans are found to contravene the Usury Law, the Reference Debtors might be able to claim relief on any interest previously paid and oblige the Originator to accept a reduced rate of interest, or potentially no interest on the relevant Reference Loan. In such cases, the Originator could receive less collections on the Reference Receivables than expected and, therefore may have insufficient amounts to repay in full the Limited Recourse Loan under the Limited Recourse Agreement and, as a consequence, the Issuer will have insufficient amounts to repay principal and pay interest on the Notes. In addition to the above, also the interest payments and other remuneration paid by the Originator to the Issuer under the Limited Recourse Loan are subject to Usury Law.

### **Salary Assignments (Cessioni di quinto dello stipendio)**

The granting of loans with Salary Assignment as collateral constitutes a specific type of financing offered by credit institutions. By virtue of law and of contract, a Salary Assignment requires an Employer to retain a part of the employee's salary/pension and to pay it directly to the lending institution. The Salary Assignments are regulated by (i) the general provisions of the Italian Civil Code; and (ii) by special legislation. The provisions of article 1260 of the Italian Civil Code state that creditors may transfer, whether for consideration or not, any claims they might have (except for those claims that are of a strictly personal nature or are not assignable under the law), even without the consent of the assigned debtor. However, the assignment becomes enforceable towards the assigned debtor only when it is accepted by the assigned debtor or it has been notified to him/her through a notice bearing an indisputable date. The same requirement is provided for by the Royal Decree 180.

Pursuant to the Royal Decree 180, employees of the State, of other public entities and administrations and private employees may be granted loans which are to be repaid through the assignment of up to one fifth of their net monthly salaries and for a term of not more than 10 years. The Royal Decree 180 provides for a number of requirements to be met in order for the employees to be granted a loan assisted by a Salary Assignment.

Among the requirements under the Royal Decree 180, it is provided that the risks relating to:

- a) death of the debtor; and
- b) termination of the employment contract for whatever reason,

shall be guaranteed by a specific insurance policy issued by insurance companies.

In the event of termination of the employment for whatever reason, the Salary Assignment extends to the rights to receive pension payments or other forms of indemnities.

In this respect, it has to be noted that, pursuant to the Royal Decree 180, amounts due by the Employer to the lender under the Salary Assignment (being a portion of the employee salary) have to be paid to the lenders within the month following the month on which they have been accrued.

### **Payment Delegations (*Delegazioni di pagamento*)**

Under a Payment Delegation (*Delegazione di Pagamento*), the employer of the relevant borrower is

obliged, by virtue of law and of contract, to retain a part of the employee's salary and to send it directly to the lending institution.

The Payment Delegations are regulated by general provisions of the Italian Civil Code, by the Royal Decree 180 and by the provisions set under Circulars of the Minister of Treasury No. 46 of 8 August 1995 and No. 63 of 16 October 1996 and under Circulars of the Minister Economic and Financial Affairs No. 1 of 17 January 2011 and No. 2 of 15 January 2015 (collectively, the “Circulars”).

Article 1269 of the Italian Civil Code provides that a debtor (*delegante*) may delegate another party (*delegato*) to perform payments on his/her behalf to the relevant creditor (*delegatario*). In case the delegated party (*delegato*) accepts to be bound towards the creditor, this latter has a direct claim towards the delegated party.

A contract whereby one party undertakes to execute one or more legal transactions for the account of another, such as the execution of a payment, is defined as a mandate under Article 1703 of the Italian Civil Code.

Furthermore, pursuant to Article 1723, second paragraph, of the Italian Civil Code, if a mandate is granted also in the interest of a third party (other than the parties to the mandate), such mandate is irrevocable. Accordingly, the Employer, which has accepted the Payment Delegation (which constitutes a mandate to make payments on behalf of the Reference Debtor, also in the interest of the Originator, this latter being a third party to the mandate) would be obliged thereunder to make payments to the Originator until the payment obligations of the Reference Debtor are fulfilled and the mandate is therefore extinguished.

#### **CATEGORY OF RISK FACTORS 4: RISKS RELATING TO THE SECURITISATION REGULATION**

##### **Default Risk in relation to the Securitisation Regulation**

In the event that the Originator breaches its undertaking to retain on an ongoing basis a material net economic interest in the Transaction of not less than 5% in accordance with the requirements of the Securitisation Regulation the Transaction would cease to be compliant with the Securitisation Regulation which may result in penalties including fines, other administrative sanctions and possibly criminal sanctions being imposed and would also affect the liquidity of the Notes.

##### **General Uncertainty in relation to the Securitisation Regulation**

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European “institutional investors” (as defined in the Securitisation Regulation) as regards: (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. These requirements apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Prospective investors are required to independently assess and determine the sufficiency of the information contained in this Prospectus or made available by the Issuer and the Originator for the purposes of complying with any relevant requirements and none of the Issuer, the Originator, the Reporting Entity, the Arranger, the Representative of the Noteholders or any other party to the Transaction Documents makes any representation that such information is sufficient in all circumstances for such purposes.

There is at present some uncertainty in relation to certain of the requirements of the Securitisation Regulation, including the risk retention requirements under article 6 of the Securitisation Regulation and the transparency obligations imposed under article 7 of the Securitisation Regulation. The regulatory technical standards relating to such requirements are not in final form or have not been adopted yet. Therefore, the final scope of application of such regulatory technical standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final regulatory technical standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

The disclosure requirements of article 7 of the Securitisation Regulation apply to the Notes and replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI’s as a result of repealing article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. As at the

date of this Prospectus, such technical standards of disclosure are not yet adopted in the form of a binding delegated regulation of the European Commission. The transitional provision of article 43(8) of the Securitisation Regulation applies and, consequently, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes I to VIII of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014. Under the terms of the Transaction Documents, the Originator, as the designated Reporting Entity, undertakes to comply with the disclosure requirements of article 7 of the Securitisation Regulation and will provide disclosure accordingly. In a joint statement of the European Supervisory Authorities published on 30 November 2018, the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under article 7 of the Securitisation Regulation become available, the national competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity. As at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy. In addition, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Originator with the reporting obligations.

### **Risks relating to investor obligation to comply with due diligence requirements under the Securitisation Regulation**

Investors should be aware of the due diligence requirements under article 5 of the Securitisation Regulation that apply to institutional investors with an EU nexus (including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision and UCITS funds). Amongst other things, such requirements restrict an institutional investor (other than the originator, sponsor or original lender within the meaning of the Securitisation Regulation) from investing in securitisation positions unless, prior to holding the securitisation position:

- (a) that institutional investor has verified that:
  - (i) for certain originators, certain credit-granting standards were met in relation to the origination of the underlying exposures;
  - (ii) the risk retention requirements set out in article 6 of the Securitisation Regulation are being complied with; and
  - (iii) information required by article 7 of the Securitisation Regulation has been made available; and
- (b) that institutional investor has carried out a due diligence assessment which enables it to assess the risks involved, which shall include at least (among other things) the risk characteristics of its securitisation position and the underlying exposures of the securitisation, and all the structural features of the transaction that can materially impact the performance of its securitisation position.

In addition, under article 5 (4) of the Securitisation Regulation, an institutional investor (other than the originator, sponsor or original lender) holding a securitisation position shall at least establish appropriate written procedures that are proportionate to the risk profile of the securitisation position and, where relevant, to the institutional investor's trading and non-trading book, in order to monitor, on an ongoing basis, compliance with its due diligence requirements and the performance of the securitisation position and of the underlying exposures.

Depending on the approach in the relevant EU Member State, failure to comply with one or more of the due diligence requirements may result in penalties including fines, other administrative sanctions and possibly criminal sanctions. In the case of those institutional investors subject to regulatory capital requirements, penal capital charges may also be imposed on the securitisation position (i.e., notes) acquired by the relevant institutional investor.

The institutional investor due diligence requirements described above apply in respect of the Notes. Relevant institutional investors are required to independently assess and determine the sufficiency of

the information contained in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation and any corresponding national measures which may be relevant to investors. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear and are still evolving. Prospective investors who are uncertain as to the requirements that will need to be complied with in order to avoid the consequences of the non-compliance should seek guidance from their regulator.

## **CATEGORY OF RISK FACTORS 5: RISKS RELATING TO TAX CONSIDERATIONS**

### **Withholding Tax under the Notes**

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed “*Italian Taxation*” of this Prospectus, be subject to a Decree 239 Withholding. In such a circumstance, any beneficial owner of an interest payment relating to the Notes of any Class will receive amounts of interest payable on the Notes net of a Decree 239 Withholding. As at the date of this Prospectus, Decree 239 Withholding, if applicable is levied at the rate of 26 per cent., or such lower rate as may be applicable under the relevant double taxation treaty.

In the event that any Decree 239 Withholding or any other deduction or withholding for or on account of tax is imposed in respect of payments to Noteholders of amounts due pursuant to the Notes, the Issuer shall not be obliged to gross-up or otherwise compensate Noteholders for the lesser amounts that the same Noteholders shall receive as a result of the imposition of any such deduction or withholding, or otherwise to pay any additional amounts to any of the Noteholders.

### **Tax Treatment of the Issuer**

Taxable income of the Issuer is determined in accordance with Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy, the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolio will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, *i.e.* on-balance sheet, earnings, subject to such adjustments as are specifically provided for under applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio. This opinion has been supported by the Italian tax authority (Circular No. 8/E issued by *Agenzia delle Entrate* on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets are not legally available to an issuer as they are specifically destined to satisfy the obligations of such issuer *vis à vis* the noteholders, the originator and any other creditors.

It is, however, possible that the Ministry of Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to the Securitisation Law which might alter or affect the tax position of the Issuer as described above in respect of all or certain of its revenues and/or items of income also through the non-deduction of costs and expenses and the ability of the Issuer to make payments under the Notes.

### **U.S. Foreign Account Tax Compliance Act Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA (“**FATCA**”), a “foreign financial institution” (including entities such as the Issuer) may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements.

A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the Italian IGA, the Issuer will not be required to enter into an agreement with the IRS or withhold under FATCA from payments it makes on the Notes if it complies with the terms of the Italian IGA. However if (i) the placement of the Notes is not performed by a Reporting Italian Financial Institution (a “**RIFI**”), or (ii) the Notes are not sold by the Issuer to a RIFI, or (iii) the Notes are not subscribed for by the Issuer and are held among its assets (“*mantenute nel proprio attivo dello stato patrimoniale*”), the Issuer maybe required to register with the IRS and comply with any Italian legislation that would be implemented to give effect to such IGA.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if

withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer).

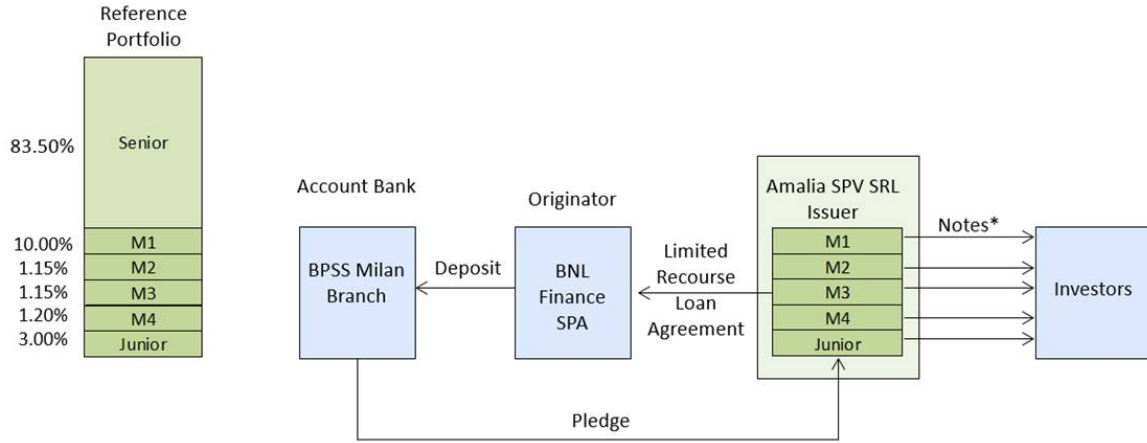
If an amount in respect of U.S. withholding tax (including under FATCA) were to be deducted or withheld from interest or principal on the Notes or other payments from a Party to this Transaction as a result of a holder’s failure to comply with these rules, none of the Issuer, any paying agent or any other person would, pursuant to the Conditions or any other Transaction Documents, be required to pay additional amounts as a result of the deduction or withholding of such tax.

***Holders of the Notes should consult their own tax advisors about the application of FATCA and on how the above rules may apply to, or affect payments to be received under the Notes or any other payments to be made by the Parties to this Transaction.***

***The Risk Factors described above are the risks the Issuer considers to be material for the taking of an informed investment decision in respect of the Notes based on the probability of their occurrence and the expected magnitude of their negative impact. However, the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and the Risk Factors do not represent an exhaustive list of risks associated with the Transaction. While the various mitigants described in the Risk Factors above are intended to lessen some of the Risk Factors for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Notes of any Class of interest or principal on such Notes on a timely basis or at all. Additional risks and uncertainties may also arise or become more material after the date of this Prospectus which could also have a material impact on the Issuer’s business operations in the future.***

**TRANSACTION DIAGRAM**

*The following is a diagram showing the structure of the Transaction as at the Issue Date. It is intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Transaction on the Issue Date.*



\* Notes' size equals 95% of corresponding tranches' size

## TRANSACTION OVERVIEW

The following information is an overview of the transactions relating to the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents.

Capitalised terms used, but not defined, in the overview below shall bear the meanings given to them in the Conditions.

### 1. THE PRINCIPAL PARTIES

<b>Issuer</b>	<b>Amalia SPV S.r.l.</b> , a company with a sole quotaholder incorporated under the laws of Italy as a limited liability company ( <i>società a responsabilità limitata</i> ) with sole quotaholder, whose registered office is at Via Vittorio Alfieri, 1, 31015 Conegliano, Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Treviso - Belluno with VAT registration number 05044860269 , enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 under number 35667.5 (the <b>Issuer</b> ).
<b>Originator</b>	<b>BNL Finance S.p.A.</b> , a company with a sole shareholder incorporated as a “ <i>società per azioni</i> ”, having its registered office at Viale Altiero Spinelli, 30, 00157, Rome, Italy, share capital of Euro 14,950,000 fully paid up, fiscal code and enrolment in the companies’ register of Rome under the number 01014411001, currently enrolled under number 59 in the register of the <i>Intermediari Finanziari</i> held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as “Gruppo Bancario BNL”, registered with the register of the banking group held by the Bank of Italy, company subject to the activity of direction and coordination ( <i>soggetta all’attività di direzione e coordinamento</i> ) pursuant to article 2497 of the Italian civil code of BNP Paribas S.A. - Parigi - and BNL S.p.A. ( <b>BNLF</b> ).
<b>Servicer, Corporate Servicer, Calculation Agent and Representative of the Noteholders</b>	<b>Securitisation Services S.p.A.</b> , a company with a sole shareholder incorporated as a “ <i>società per azioni</i> ”, having its registered office at Via Alfieri, 1, Conegliano (TV), Italy, share capital of Euro 2,000,000.00 fully paid up, fiscal code and enrolment in the companies’ register of Treviso-Belluno under the number 03546510268, VAT Group “Gruppo IVA FININT S.P.A.” - VAT number 04977190265, currently enrolled under number 50 in the register of the <i>Intermediari Finanziari</i> held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as “Gruppo Banca Finanziaria Internazionale”, registered with the register of the banking group held by the Bank of Italy, company subject to the activity of direction and coordination ( <i>soggetta all’attività di direzione e coordinamento</i> ) pursuant to article 2497 of the Italian civil code of Banca Finanziaria Internazionale S.p.A. ( <b>Securitisation Services</b> ).

<b>Originator Account Bank, Account Bank and Paying Agent</b>	<b>BNP Paribas Securities Services, Milan Branch</b> , a company incorporated under the laws of the Republic of France as a <i>société en commandite par actions</i> , having its registered office at 3 Rue d'Antin, 75002 Paris, France, acting through its Milan branch, with offices in Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, enrolled with the companies register of Milan under no. 13449250151 ( <b>BNPSS</b> )
<b>Quotaholder</b>	<b>Stichting Tavoliere</b> , a Dutch foundation ( <i>Stichting</i> ) incorporated on 1 July 2019 under the laws of The Netherlands and having its registered office at Barbara Strozziilaan 101, 1083HN Amsterdam, The Netherlands and enrolled at the Chamber of Commerce in Amsterdam at the no. 75250659 with Italian fiscal code 97851680153 ( <b>Stichting Tavoliere</b> ).
<b>Stichting Corporate Services Provider</b>	<b>WILMINGTON TRUST SP SERVICES (LONDON) LIMITED</b> , a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom, enrolment with the Trade Register of the Chamber of Commerce of England and Wales under no. 02548079 ( <b>WT</b> ).
<b>Interest Guarantor</b>	<b>BNL S.p.A.</b> , a bank incorporated as a " <i>società per azioni</i> ", having its registered office at Viale Altiero Spinelli, 30, 00157, Rome, Italy, fiscal code and enrolment in the companies' register of Rome under the number and currently enrolled under number 09339391006 in the <i>albo delle banche</i> held by the Bank of Italy pursuant to the Consolidated Banking Act, parent company of the banking group known as "Gruppo Bancario BNL", registered with the register of the banking group held by the Bank of Italy ( <b>BNL</b> ).
<b>Arranger</b>	<b>BNP Paribas</b> a <i>société anonyme</i> incorporated under the laws of France, whose registered office is at 16, boulevard des Italiens, 75009 Paris, registered with the Trade and Companies Register of Paris under number 662 042 449, licensed as a credit institution in France by the <i>Autorité de Contrôle Prudentiel et de Résolution</i> (the <b>Arranger</b> ).
<b>Notes Subscriber</b>	<b>CRC CF (LUX) S.À R.L.</b> , a private limited liability company ( <i>société à responsabilité limitée</i> ) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 8-10, avenue de la Gare, L-1610 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Trade and Companies ( <i>registre de commerce et des sociétés</i> ) with number B193317 ( <b>CRC</b> ), acting in respect and on behalf of its compartment "Amalia".
<b>Retention holder and retention requirements</b>	<b>BNLF</b> in its capacity as originator shall act as retention holder for purposes of satisfying the retention requirements under article 6 of the Securitisation Regulation and its relevant implementing provisions (in particular pursuant to article 6(3), option (a) of the Securitisation Regulation and the



corresponding provision of the applicable technical standards). In particular, the Originator will retain the Senior Tranche of the Reference Portfolio and a net economic interest in the Mezzanine and Junior Tranche of the Reference Portfolio at least 5% for the entire life of the Transaction, in accordance with the Securitisation Regulation and its relevant implementing provisions referred to above.

The Securitisation will not involve risk retention by the Originator for the purpose of complying with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the U.S. Risk Retention Rules) and the issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules. The Originator intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, any Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any person except for persons that are not “U.S. persons” as defined in the U.S. Risk Retention Rules (Risk Retention U.S. Persons).

**Securitisation Regulation** means the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017, together with the relevant technical standards each as subsequently amended and supplemented from time to time.

**Synthetic securitisation** The Transaction will constitute a “synthetic securitisation” and is aimed at obtaining the significant risk transfer of the Reference Portfolio for the Originator, pursuant to applicable provisions of the CRR and any provisions applicable to/relevant for the risk transfer through synthetic securitisations. In particular, the Originator will retain the Senior Tranche of the Reference Portfolio and a net economic interest in the Mezzanine and Junior Tranche of the Reference Portfolio of at least 5%.

## 2. PRINCIPAL FEATURES OF THE NOTES

**The Issue** On 23 December 2019 (the **Issue Date**), the Issuer will issue the following classes of asset-backed notes (each, a **Class** and, together, the **Classes**):

the Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029 (the **M1 Notes**),

the Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029 (the **M2 Notes**),

the Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029 (the **M3 Notes**),

the Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due

October 2029 (the **M4 Notes**, and, together with the M1 Notes, the M2 Notes and the M3 Notes, the **Mezzanine Notes**) and

the Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029 (the **Junior Notes** and, together with the Mezzanine Notes, the **Notes**),

pursuant to the Securitisation Law.

**Issue Price** On the Issue Date, the Notes will be issued at an issue price of 100 per cent. of their principal amount upon issue.

**Status** The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Reference Portfolio and the other Segregated Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

**Credit Rating** The M1 Notes are expected, on issue, to be rated “BBBsf” by S&P and “A-SF” by Scope.

The M2 Notes are expected, on issue, to be rated “BBB-sf” by S&P and “BBB+SF” by Scope.

The M3 Notes are expected, on issue, to be rated “BB-sf” by S&P and “BBBSF” by Scope.

The M4 Notes and the Junior Notes will not be assigned a credit rating.

**A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies (as defined below) as a result of changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of Mezzanine Notes (other than the M4 Notes) has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the value of the Mezzanine Notes (other than the M4 Notes).**

As of the date of this Prospectus, each of Scope Ratings GmbH and S&P Global Ratings Europe Limited, Italy Branch (collectively, the **Rating Agencies** and each, a **Rating Agency**) is established in the European Union and was registered, respectively, on 31 October 2011 and 24 May 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended, the **CRA Regulation**) and, as of the date of this Prospectus, is included in the list of

credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus).

<b>Admission to trading</b>	<p>Application has been made for the Mezzanine Notes (other than the M4 Notes) to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility “ExtraMOT”, which is a multilateral trading system for the purposes of the Market in Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A..</p> <p>No application has been made to list or admit to trading the M4 Notes and the Junior Notes on any stock exchange.</p>
<b>Governing Law</b>	<p>The Notes and any non-contractual obligations arising out thereof will be governed by Italian law.</p>
<b>Denomination, form and title</b>	<p>The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.</p> <p>The Notes are issued in bearer (<i>al portatore</i>) and dematerialised form (<i>emesse in forma dematerializzata</i>) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act.</p> <p>Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the Notes.</p>
<b>Interest on the Notes</b>	<p>The Notes of each Class will bear interest on the outstanding amount of the corresponding Tranche as follows:</p> <p>the M1 Notes, on the M1 Tranche Outstanding Amount,</p> <p>the M2 Notes, on the M2 Tranche Outstanding Amount,</p> <p>the M3 Notes, on the M3 Tranche Outstanding Amount</p> <p>the M4 Notes, on the M4 Tranche Outstanding Amount and</p> <p>the Junior Notes, on the Junior Tranche Outstanding Amount,</p> <p>from (and including) the Issue Date at the fixed rate per annum (expressed as a percentage) equal to:</p> <p>in respect of the M1 Notes, 1.75 per cent. per annum (the <b>M1 Notes Interest Rate</b>),</p>

in respect of the M2 Notes, 2.10 per cent. per annum (the **M2 Notes Interest Rate**),

in respect of the M3 Notes, 3.10 per cent. per annum (the **M3 Notes Interest Rate**)

in respect of the M4 Notes, 3.50 per cent. per annum (the **M4 Notes Interest Rate**) and

in respect of the Junior Notes, 11.90 per cent. per annum (the **Junior Notes Interest Rate**).

Interest on the Notes will be payable in Euro quarterly in arrears by reference to successive interest periods on each Notes Payment Date, subject to and in accordance with the Conditions, including the interest deferral and limited recourse provisions thereof. The first Notes Payment Date shall be the Notes Payment Date falling on 6<sup>th</sup> April 2020 (the **First Notes Payment Date**).

**Allocation of the Observed Losses Variation Amount**

Where the Observed Losses Variation Amount is greater than zero, the allocation of the Observed Losses Variation Amount shall be effected by the Originator, pursuant to the Limited Recourse Loan Agreement, reducing, on a sequential basis, the LRL Tranche Outstanding Amount and the Senior Tranche Outstanding Amount, starting from the most junior Tranche to the most senior Tranche (i.e. reducing, on a sequential basis, the Junior Tranche, the M4 Tranche, the M3 Tranche, the M2 Tranche, the M1 Tranche and the Senior Tranche). Where any given Tranche is reduced to zero by the application of the Observed Losses Variation Amount, the amount thereof which has not been so allocated to such reduced Tranche shall be allocated to reduce the Tranche which is immediately senior to the reduced Tranche. The total Losses allocated to each Tranche will be increased by an amount equal to the reduction of the outstanding principal amount applied to such Tranche.

Where the Observed Losses Variation Amount is lower than zero, the absolute value of the Observed Losses Variation Amount will be applied to reduce, on a sequential basis, the total Losses allocated to each Tranche starting from the most senior Tranche to the most junior Tranche (i.e. reducing, on a sequential basis, the total Losses allocated to the Senior Tranche, to the M1 Tranche, to the M2 Tranche, to the M3 Tranche, to the M4 Tranche and to the Junior Tranche). In each case, the total Losses allocated to each Tranche cannot be below zero. As a consequence, the Senior Tranche Outstanding Amount and the LRL Tranche Outstanding Amount will be increased by an amount equal to the reduction of the total Losses allocated to the relevant Tranche and consequently the LRL Tranche Outstanding Amount will be increased by an amount equal to the reduction of the total Losses allocated to the

Mezzanine and Junior Tranche.

**Allocation of the Observed Recoveries Variation Amount**

Where the Observed Recoveries Variation Amount is a positive amount, such amount shall be allocated to reduce, on a sequential basis, the Senior Tranche Outstanding Amount and the LRL Tranche Outstanding Amount starting from the most senior one to the most junior one (i.e. reducing, on a sequential basis, the Senior Tranche, the M1 Tranche, the M2 Tranche, the M3 Tranche, the M4 Tranche and the Junior Tranche). Where the outstanding principal amount of any Tranche is reduced to zero by the application of the Observed Recoveries Variation Amount, the amount thereof which is not impacted to such reduced Tranche shall be impacted to the reduction of the Tranche which is immediately junior to the reduced Tranche;

Where the Observed Recoveries Variation Amount is a negative amount, the absolute value of such amount shall be allocated to increase, as applicable, the Senior Tranche Outstanding Amount and the LRL Tranche Outstanding Amount, on a sequential basis, with such allocation amount to be applied first to the most senior Tranche then outstanding.

**Allocation of the Amortisation Amount**

Pursuant to the Limited Recourse Loan Agreement and subject to the relevant provisions, on each LRL Payment Date and on the LRL Final Settlement Date, the Originator shall repay an amount of principal on the LRL Outstanding Amount equal to LRL Repayment Amount, by transferring such amount from the Originator Account to the Transaction Account, it being understood that:

- (a) prior to the delivery of a Sequential Notice, the Amortisation Amount will be allocated on the basis of the Pro-Rata Allocation Mechanism; and
- (b) following the delivery of a Sequential Notice, the Amortisation Amount will be allocated on the basis of the Sequential Allocation Mechanism.

**Taxation of the Notes**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of the Republic of Italy unless such withholding or deduction is required by law. In such event, neither the Issuer nor any other person will be obliged to pay any additional amounts to any Noteholder on account of such withholding or deduction.

According to the provisions of article 6 of Decree 239, a holder of a Note who (i) is not a person resident for tax purposes (or an institutional investor incorporated) in a country which allows an adequate exchange of information with the Republic of Italy, or (ii) is resident or incorporated in such a country but has not fulfilled all the requisite documentary requirements under

Decree 239, will receive amounts of interest payable on the Notes net of the Decree 239 Withholding.

For further details, see the section headed “*Taxation in the Republic of Italy*” below.

**Mandatory  
Redemption on each  
Notes Payment Date**

On the first Notes Payment Date and on each Notes Payment Date thereafter on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the applicable Priority of Payment, the Issuer will cause:

- (i) each M1 Notes to be redeemed on such Notes Payment Date in an amount equal to the M1 Notes Repayment Amount determined on the immediately preceding Calculation Date;
- (ii) each M2 Notes to be redeemed on such Notes Payment Date in an amount equal to the M2 Notes Repayment Amount determined on the immediately preceding Calculation Date;
- (iii) each M3 Notes to be redeemed on such Notes Payment Date in an amount equal to the M3 Notes Repayment Amount determined on the immediately preceding Calculation Date;
- (iv) each M4 Notes to be redeemed on such Notes Payment Date in an amount equal to the M4 Notes Repayment Amount determined on the immediately preceding Calculation Date;
- (v) each Junior Notes to be redeemed on such Notes Payment Date in an amount equal to the Junior Notes Repayment Amount determined on the immediately preceding Calculation Date.

**Redemption after the  
Scheduled Maturity  
Date**

Unless previously redeemed in full or cancelled as provided under this Conditions, the Issuer shall, on the 5<sup>th</sup> Business Day after the Scheduled Maturity Date, redeem the Notes on a sequential basis for an amount equal to the difference between:

- (i) the LRL Tranche Outstanding Amount as of the Credit Protection End Date; and
- (ii) the aggregate of:
  - (a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of the Credit Protection End Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and
  - (b) the Outstanding Amount of any

Reference Receivable for which a Potential Credit Event has occurred as of the Credit Protection End Date (and for which no Credit Event or Cured Potential Credit Event has occurred),

allocated to the Mezzanine and Junior Tranche,

multiplied by 95%,

If on the Credit Protection End Date there are Work-Out Pending Reference Receivables that are outstanding, any residual amount of the Principal Outstanding Amount shall be repaid by Issuer in accordance with Condition 6.1(a) (*Redemption, Purchase and Cancellation – Mandatory Redemption on each Notes Payment Date*) on each following Notes Payment Date until the Notes Payment Date falling immediately after the Final Settlement Date within the limits of the amounts received by the Issuer under the Limited Recourse Loan Agreement, provided that such residual amount of the Principal Outstanding Amount shall accrue interest at the End-Period Interest Rate for all Classes of Notes.

If the Issuer has insufficient Issuer Available Funds to repay the Notes in full on the 5<sup>th</sup> Business Days immediately following the Scheduled Maturity Date or, if applicable, the Notes Payment Date immediately after the Final Settlement Date, then the Notes shall be deemed to be discharged in full and any amount in respect of interest, principal or any other amounts due and payable in respect of the Notes and unpaid on that date shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

**Partial Early  
Redemption of the  
Notes**

Promptly upon the delivery of a Partial Early Termination Notice by the Originator to the Issuer under the Limited Recourse Loan Agreement (the delivery of any such Partial Early Termination Notice being an option for the Originator), the Issuer shall, on the immediately following Notes Payment Date, partially redeem the Notes, upon the election made by the Originator in the Partial Early Termination Notice under the Limited Recourse Loan Agreement, as follows:

- (i) to redeem (in whole but not in part) the M1 Notes for an amount equal to the 95% of the M1 Tranche Outstanding Amount, together with the interest accrued thereon on such Notes Payment Date, provided that upon payment in full of such relevant amount, all the M1 Notes will be cancelled; and/or
- (ii) to redeem (in whole but not in part) the M2 Notes for an amount equal to the 95% of the M2 Tranche Outstanding Amount, together with the interest accrued thereon on such Notes Payment

Date, provided that upon payment in full of such relevant amount, all the M2 Notes will be cancelled; and/or

- (iii) to redeem (in whole but not in part) the M3 Notes for an amount equal to the 95% of the M3 Tranche Outstanding Amount, together with the interest accrued thereon on such Notes Payment Date, provided that upon payment in full of such relevant amount, all the M3 Notes will be cancelled,

provided that the Issuer shall redeem one or several Classes of the Mezzanine Notes listed under (i), (ii), and (iii) above, in sequential order starting from the most senior Class of Mezzanine Notes then outstanding, as elected by the Originator in each relevant Partial Early Termination Notice served by it to the Issuer under the Limited Recourse Loan Agreement.

**Early Redemption of the Notes**

Upon the delivery of an Early Termination Notice by the Originator to the Issuer (the delivery of such notice being an option for the Originator) under the Limited Recourse Loan Agreement or upon delivery of an Originator EoD Notice by the Issuer to the Originator under the LRL Agreement, the Issuer shall, on the Notes Payment Date immediately following the Early Termination Date (such date, the **Notes Early Termination Date**), redeem the Notes on a sequential basis for an amount equal to the difference between:

- (i) the LRL Tranche Outstanding Amount as of the Credit Protection End; and
- (ii) the aggregate of:
  - a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of the Credit Protection End Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and
  - b) the Outstanding Amount of any Reference Receivable for which a Potential Credit Event has occurred as of the Credit Protection End Early Termination Date (and for which no Credit Event or Cured Potential Credit Event has occurred),

allocated to the Mezzanine and Junior Tranche,

multiplied by 95%,

together with the interest accrued thereon until the



## Notes Early Termination Date.

If on the Credit Protection End Date there are Work-Out Pending Reference Receivables that are outstanding, any residual amount of the Principal Outstanding Amount shall be repaid by Issuer in accordance with Condition 6.1(a) (*Redemption, Purchase and Cancellation – Mandatory Redemption on each Notes Payment Date*) on each following Notes Payment Date until the Notes Payment Date falling immediately after the Final Early Termination Date (the **Notes Final Early Termination Date**) within the limits of the amounts received by the Issuer under the Limited Recourse Loan Agreement, provided that such residual amount of the Principal Outstanding Amount shall accrue interest at the End-Period Interest Rate for all Classes of Notes.

If the Issuer has insufficient Available Funds to repay the Notes in full on the 5<sup>th</sup> Business Days immediately following the Notes Payment Date immediately following the Notes Early Termination Date or, if applicable, the Notes Final Early Termination Date, then the Notes shall be deemed to be discharged in full and any amount in respect of interest, principal or other amounts due and payable in respect of the Notes and not paid on that date, shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

**Ranking, status and subordination**

Both prior and following the delivery of a Trigger Notice, the Notes of each Class shall rank *pari passu* without preference or priority amongst themselves, provided that, as regards the Notes of each Class with respect to the Notes of each other Class, in respect of both interest/remuneration and principal:

- (i) the M1 Notes shall rank *pari passu* among themselves and in priority to the M2 Notes, the M3 Notes, the M4 Notes and the Junior Notes;
- (ii) the M2 Notes shall rank *pari passu* among themselves and in priority to the M3 Notes, the M4 Notes and the Junior Notes but subordinated to the M1 Notes;
- (iii) the M3 Notes shall rank *pari passu* among themselves and in priority to the M4 Notes and the Junior Notes but subordinated to the M1 Notes and the M2 Notes;
- (iv) the M4 Notes shall rank *pari passu* among themselves and in priority to the Junior Notes but subordinated to the M1 Notes, the M2 Notes and the M3 Notes;
- (v) the Junior Notes shall rank *pari passu* among themselves but subordinated to the Mezzanine Notes of each Class,

in all circumstances in accordance with the applicable Priority of Payments.

**Trigger Events**

The occurrence of any of the following events shall constitute a **Trigger Event**:

- (a) **Non payment of interest:** default is made by the Issuer in respect of any payment of Interest Amount on the Mezzanine Notes (other than the M4 Notes), which default or non-payment shall have continued unremedied for a period of 5 (five) calendar days; or
- (b) **Non payment of principal:** default is made in respect of any repayment of principal due and payable on the Notes (provided that the Issuer has sufficient Issuer Available Funds available to it to make such payment in accordance with the applicable Priority of Payments), which default or non-payment shall have continued unremedied for a period of 5 (five) calendar days; or
- (c) **Breach of Obligations:** breach is made by the Issuer of a covenant, undertaking, financial obligation (other than a payment default pursuant to paragraphs (a) and (b) above) or other material obligation as set out in any of the Transaction Documents and such default remains unremedied for a period of 30 (thirty) calendar days after the earlier of the Issuer (A) becoming aware of such breach and (B) having received notice by the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) specifying such breach; or
- (d) **Breach of Representations and Warranties:** any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 30 (thirty) Business Days after the earlier of the Issuer (A) becoming aware of such breach and (B) having received notice by the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) specifying such breach; or
- (e) **Insolvency Proceedings:** the Issuer institutes or has instituted against it Insolvency Proceedings under applicable laws; or

- (f) **Arrangement of indebtedness:** other than in respect of the Issuer Creditors, the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
- (g) **Unlawfulness:** it is or will become unlawful in any respect for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document to which it is a party, any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason.

Following the occurrence of a Trigger Event, the Representative of the Noteholders may, in its absolute discretion, or shall, if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class, deliver a Trigger Notice to the Issuer declaring the Notes to be due and repayable, whereupon the Notes shall become immediately due and repayable at their Principal Amount Outstanding and all payments due to be made by the Issuer will be made in accordance with the Post Trigger Notice Priority of Payments.

The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on the date on which the Notes shall become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes shall become due and payable and all payments due to be made by the Issuer will be made in accordance with the Post Trigger Notice Priority of Payments.

#### **Segregation of the Issuer's Rights**

The Notes have the benefit of the provisions of articles 3 and 4 of the Securitisation Law, pursuant to which, further to the publication of the Official Gazette Notice, the Receivables and the Collections and Recoveries in connection thereto, and any other monetary claim of the Issuer under the Transaction Documents and all cash –flows deriving from both of them (the **Segregated Assets**) are segregated by operation of law from the Issuer's other assets. Both before and after the winding-up of the Issuer, amounts deriving from the Receivables, the Collections and Recoveries and the other Segregated Assets will be exclusively available for the purposes of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect

of any costs, fees and expenses in relation to the Transaction.

The Collection and Recoveries and the other Segregated Assets may not be sized or attached in any form by creditors of the Issuer other than the Issuer Creditors, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof.

**Receivables** means all the monetary claims as well as all the rights, interests and benefits to which the Issuer is entitled under the Limited Recourse Loan Agreement, and any right ancillary to the exercise of such monetary claims, rights, interests and benefits arising from, *inter alia*, the Deed of Pledge, including, but not limited to:

- (i) all rights in relation to all outstanding principal amounts of the Limited Recourse Loan Agreement;
- (ii) all rights in relation to interest to be paid under the Limited Recourse Loan Agreement;
- (iii) all rights in relation to the reimbursement of expenses, and in relation to any losses, costs, indemnities and damages, as well as any other amounts due to the Issuer with respect to or in connection with the Limited Recourse Loan Agreement, the Deed of Pledge and the Parent Company Guarantee;
- (iv) all rights and claims provided under the Limited Recourse Loan Agreement for the benefit of the Issuer,

together with the security interest and guarantees, all pledges and all privileges and priority rights supporting such rights and claims, and all other ancillary rights (*accessori*) pertaining thereto, as well as any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to such rights and claims and to the exercise thereof in accordance with the provisions of the Limited Recourse Loan Agreement and agreements connected to it and/or pursuant to the applicable law, including, but not limited to, the contractual right of termination by reason of failure to perform (*diritto di risoluzione contrattuale per inadempimento*) or other reason and the right to accelerate the obligations of the Originator (*diritto di dichiarare il debitore decaduto dal beneficio del termine*).

**Collections and Recoveries** means all amounts received by the Issuer in relation to the Receivables (including recoveries in the proceeds of any disposal, in whole or in part, of the Receivables).

**Representative of the Noteholders**

The Representative of the Noteholders will represent the interests of the Noteholders of each Class in accordance with the Conditions of the Notes (including the Rules attached thereto), and the interests of the Other Issuer Creditors in accordance with

the Intercreditor Agreement.

The Representative of the Noteholders shall exercise as it sees fit all rights and discretions of the Noteholders under the Transaction Documents in accordance with the Conditions and, under the Intercreditor Agreement, shall be entitled to exercise certain other rights and discretions as agent (*mandatario con rappresentanza*) of the Other Issuer Creditors with respect to the Issuer's Rights.

The actions of the Representative of the Noteholders will be binding on each of the Issuer Creditors. Each of the Other Issuer Creditors will agree in the Intercreditor Agreement and each of the Noteholders will agree or will be deemed to agree by virtue of the transfer to it of the Note(s), that in the exercise of its powers, authorities, duties and discretions the Representative of the Noteholders shall have regard to the Noteholders generally, and shall also have regard to the interests of the Other Issuer Creditors. However if there is a conflict between the interests of the Noteholders of each Class, or between the interests of the Noteholders and the Other Issuer Creditors, it shall have regard only to the interests of the holders of the Most Senior Class of Notes, and if there is a conflict between the interests of any of the Other Issuer Creditors, it shall have regard only to the interests of the Issuer Creditor the amounts owed to which rank highest in the applicable Priority of Payments.

Each Noteholder, by purchasing the relevant Note, shall be deemed to agree, and each of the Other Issuer Creditors will acknowledge pursuant to the Intercreditor Agreement, that the Representative of the Noteholders shall not be bound to take any steps or institute any proceedings after the delivery of a Trigger Notice to the Issuer or to exercise any rights granted under the mandate conferred on it by the Issuer under the Intercreditor Agreement unless it has been indemnified, secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

The Representative of the Noteholders shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any Issuer Creditor as a result of the performance of its duties save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

Pursuant to the terms of the Intercreditor Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to timely exercise its rights under the Transaction Documents (but only in relation to the powers and authority needed by the Representative of the Noteholders to enforce the rights, entitlements or remedies, to exercise the discretion,

authorities or powers, to give the directions or make the determination in respect of which the failure has occurred), to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents, taking such actions in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Collection and Recoveries, the other Segregated Assets and the Issuer's Rights. Italian law governs the delegation of such powers.

**Limitation to individual rights and non-petition**

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents against the Issuer and no Noteholder shall be entitled to directly proceed against the Issuer to obtain any payment from the Issuer or to enforce any guarantee granted by the Issuer.

In particular:

- (i) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- (ii) until the date falling two years and one day after the date on which the Notes and any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Proceeding in relation to the Issuer; and
- (iii) no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the applicable Priority of Payments not being complied with.

**Limited Recourse obligations of the Issuer**

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders are limited recourse obligations as set out below:

- (i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in

accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its equity capital;

- (ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the applicable Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and
- (iii) if the Issuer has insufficient Issuer Available Funds to repay the Notes in full on the Final Settlement Date, then the Notes shall be deemed to be discharged in full and any amount in respect of interest, principal or other amounts due and payable in respect of the Notes unpaid on such date shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled and the Noteholders shall have no further claim against the Issuer in respect of such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

### 3. THE REFERENCE PORTFOLIO, THE LIMITED RECOURSE LOAN, THE SERVICING AND THE CASH MANAGEMENT ARRANGEMENTS

#### **The Reference Portfolio**

The Reference Receivables comprised under the Reference Portfolio have been identified and selected by the Originator on the Selection Date on the basis of the following criteria (the **Criteria**):

- (a) are granted to consumers as defined by article 121 of the Consolidated Banking Act and are assisted by the payment delegation ("*delegazione di pagamento*") and/or salary/pension assignment ("*cessione del quinto*"), pursuant to Presidential Decree No. 180/1950 as amended and supplemented) which have been notified to the relevant employer/pension authority and accepted by it;
- (b) have been granted exclusively by the Originator in the ordinary course of its business through the Originator's, BNL's and Poste Italiane's networks, as lender under Reference Loan Agreements entered into by the Originator;
- (c) are denominated in Euro and do not contain any provision allowing for the conversion in another currency;

- (d) have been drawn in full and there are no obligations or possibilities for more drawings to be made;
- (e) have been granted pursuant to Reference Loan Agreements governed by Italian law that have been executed after 30 September 2008;
- (f) in relation to which the Insurance Policies, of which the Originator is the beneficiary, covering the risk of death of the debtor and of the risk of loss of job of the Reference Debtor, where applicable in the latter case, have been granted by one of the Insurance Companies;
- (g) are granted to individuals, employees of a public body (including, without limitation, *dipendenti statali*), a para-public company or a private company or pensioners which, as of the execution date of the relevant loan agreement, are resident in Italy (as indicated in the relevant Reference Loan Agreement);
- (h) have not been granted in favour of directors or employees of the Originator nor to employees of the Insurance Companies which have granted the insurance policies assisting the loans in accordance with letter (f) above;
- (i) as of the Selection Date, were not classified as “*sofferenze*”, “*inadempienze probabili*” or “*esposizioni scadute e/o sconfinanti deteriorate*” pursuant to the applicable supervisory regulation;
- (j) as of the Selection Date, there is less than 1 (one) full instalment due and unpaid which is outstanding, applying a 45-day grace period;
- (k) must be reimbursed in whole not later than 30 September 2029 (included);
- (l) with respect to Reference Loan Agreements assisted by salary assignment (“*cessione del quinto dello stipendio*”) executed with employees of private companies, the relevant borrower must have, as of the execution date of the relevant loan agreement, a *contratto a tempo indeterminato* or a *contratto a tempo determinato* expiring after the original reimbursement date of the relevant Reference Loan ;
- (m) in relation to which no event qualified as “life



damage” (*sinistro vita*) or as “damage due to the loss of the job” (*sinistro perdita impiego*) has occurred, with the exception of the “damages” (*sinistri*) which have been subsequently cancelled (*annullati*);

- (n) have not been executed and entered into pursuant to any law or regulation which provides from the date of execution of the relevant Reference Loan Agreement for financial concessions, public contributions of any nature, discounts provided by law, limits to the interest rate and/or other provisions allowing concessions or reductions to the Reference Debtors in relation to the principal and/or the interests;
- (o) the relevant amortisation plan agreed with the Reference Debtor at the inception/disbursement of the Reference Loan provides for the payment of both interest and principal components, with equal monthly instalments with a fixed interest rate, provided that the monthly instalments can be reduced/rescheduled due to events such as maternity leave, as provided for pursuant to the applicable law;
- (p) the Reference Receivables, the Salary Assignments, the Payment Delegations and the Insurance Policies are existing and constitute legal, valid, effective and binding and enforceable obligations of the Reference Debtors, and, with respect to each Reference Loan Agreement, Salary Assignment and Payment Delegations, of the Employer/Pension Authority and Collateral Security and, with respect to the Insurance Policies, of the Insurance Companies (save for the application of the Italian Bankruptcy Law or any other similar law provisions generally applicable to the creditors’ right);
- (q) the Reference Receivables are in the full and unconditional ownership of the Originator and are correctly registered in its accounting records;
- (r) all the Reference Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies have been executed in compliance with the standard forms of Reference Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies used from time to time by the Originator. After the Selection Date, no

Reference Loan Agreement, Salary Assignment, Payment Delegation and Insurance Policies was modified save in accordance with the Servicing Procedures;

- (s) all the Employers and Pension Authorities are set up and have their registered office or operative office in Italy as at the date of execution of the relevant Reference Loan Agreement; to the knowledge of the Originator, all the Employers and Pension Authorities are set up pursuant to Italian law and have their registered office or operative office in Italy as at the Selection Date;
- (t) there are no litigations, civil or administrative judicial proceedings, arbitration, alternative dispute resolution proceedings, claim or action in progress or pending in relation to the Reference Loan Agreements, the Salary Assignments, the Payment Delegations, the Insurance Policies and/or the Reference Receivables which may adversely affect the collection, the existence and/or collectability and/or the enforceability (even if partial) of one or more Reference Receivables, Reference Loan Agreements, Salary Assignments, Payment Delegations and/or Insurance Policies;
- (u) pursuant to each Salary Assignment contained in the relevant Reference Loan Agreement, the relevant Reference Debtor has validly assigned to the Originator, for the purposes of the repayment of the Reference Loan, his/her credit right to the payment of the fifth of his/her salary and, upon termination of the relevant employment relationship, his/her right to payment of any other amount due as a consequence of the termination of the employment relationship (including the right to payment of the severance payment, also from pension funds to which the severance payment has been eventually assigned from the relevant Reference Debtor);
- (v) pursuant to each Payment Delegation contained in each relevant Reference Loan Agreement, the relevant Reference Debtor has delegated his/her Employer to pay the fifth of his/her salary to the Originator, for the purposes of repaying the Reference Loan, assigning as well to the Originator, upon termination of the relevant employment relationship, his/her right to payment of any other amount due as a consequence of the termination of the

employment relationship (including the right to payment of the severance payment, also from pension funds to which the severance payment has been eventually assigned from the relevant Reference Debtor;

- (w) each Reference Loan has been entirely granted and disbursed directly to the relevant Reference Debtor or on his/her behalf and there is no further obligation of the Originator in relation to the granting or disbursement of any further amount which can be referred to the same legal title;
- (x) the Originator has not subordinated its own rights to the rights of third party creditors;
- (y) the Reference Loan Agreements and the Salary Assignments provide that, in case of new employment relationship of one or more Reference Debtor, the relevant Reference Loan Agreement and Salary Assignment are notified to the new Employer and made enforceable towards the same;
- (z) having an original maturity not greater than 120 months; and

at least one instalment, including a principal component and an interest component, has been paid. **Selection Date** means 30 November 2019.

The principal sources of the payment of interest and repayment of principal on the Notes will be the Collections and Recoveries made by the Issuer in respect of the Limited Recourse Loan and, therefore, pursuant to the Limited Recourse Agreement, the collections and recoveries in respect of the Reference Portfolio allocated to the Mezzanine and Junior Tranche.

### **Limited Recourse Loan**

The Limited Recourse Loan granted by the Issuer to the Originator pursuant to and in accordance with the Limited Recourse Loan Agreement is equal to 95% of the Mezzanine and Junior Tranche of the Reference Portfolio. Such Limited Recourse Loan will be granted by the Issuer to the Originator using the proceeds of the Notes in accordance with the terms and conditions set forth under the Limited Recourse Loan Agreement. The Originator will retain the Senior Tranche of the Reference Portfolio and a net economic interest in the Mezzanine and Junior Tranche of the Reference Portfolio of at least 5%.

On the Issue Date the Issuer will disburse the Limited Recourse Loan to the Originator, in compliance with the terms set forth under the Limited Recourse Loan Agreement and pursuant to Article 7, paragraph 1, letter (a), of the Securitisation Law, with

the purpose of transferring from the Originator to the Transaction the credit risk associated to the Reference Receivables, without transferring the ownership of the same Reference Receivables. Pursuant to the Limited Recourse Loan Agreement, the disbursement of the Limited Recourse Loan by the Issuer to the Originator on the Issue Date is subject to the satisfaction of certain conditions precedent set forth therein.

Pursuant to the Limited Recourse Loan Agreement, the Limited Recourse Loan shall be disbursed by the Issuer, on the Issue Date, to the Originator into the Originator Account and shall be used by the Originator as a funded credit risk mitigation instrument in respect of the Reference Portfolio, in accordance with the terms of the Transaction Documents.

**Originator Loan Account** means the euro denominated account with IBAN IT 56 D 03479 0160000802340601 established in the name of the Originator where the Limited Recourse Loan Amount is credited by the Issuer on the Issue Date pursuant to and in accordance with the provisions set forth under the Limited Recourse Loan Agreement.

Pursuant to the Limited Recourse Loan Agreement:

- (i) as to the payment of interest/remuneration on the Limited Recourse Loan:

on each LRL Payment Date, the Originator shall pay to the Issuer into the Transaction Account a remuneration calculated on an actual/360 basis on the LRL Outstanding Amount for each relevant Interest Period equal to the aggregate of:

- (a) the sum of:
- a. the M1 Tranche Interest Amount (as defined below) for such Interest Period;
  - b. the M2 Tranche Interest Amount (as defined below) for such Interest Period;
  - c. the M3 Tranche Interest Amount (as defined below) for such Interest Period;
  - d. the M4 Tranche Interest Amount (as defined below) for such Interest Period; and
  - e. the Junior Tranche Interest Amount (as below) for such Interest Period;

*plus*

- (b) the aggregate of the amounts due and payable by the Issuer under items *First* and

*Second* of each applicable Priority of Payments as of the Notes Payment Date immediately following such LRL Payment Date (or any cost, fee, tax to be paid by the Issuer on the immediately following Notes Payment Date, provided that such costs and/or fees to be paid by the Issuer are determined in accordance with the relevant provisions set forth under the fee letters that are executed by the Issuer on or prior to the Issue Date), such amount will be notified by the Corporate Servicer to the Originator (copying the Servicer) pursuant to the Corporate Services Agreement on the third Business Day prior to each relevant LRL Payment Date and thereafter notified by the Originator to the Issuer (through the Calculation Agent) no later than the fourth Business Day prior to each relevant Calculation Date;

*plus*

- (c) on the first LRL Payment Date, the amount of the Facility (as defined under the Intercreditor Agreement) due by the Issuer to the Originator pursuant to the Intercreditor Agreement.

For the purposes of this item (i):

- (i) **M1 Tranche Interest Amount** means, for each Interest Period, an amount equal to 95% of the M1 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M1 Tranche Outstanding Amount), multiplied by the M1 Tranche Interest Rate (calculated on an actual/360 basis);
- (ii) **M2 Tranche Interest Amount** means, for each Interest Period, an amount equal to 95% of the M2 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M2 Tranche Outstanding Amount), multiplied by the M2 Tranche Interest Rate (calculated on an actual/360 basis);
- (iii) **M3 Tranche Interest Amount** means, for each Interest Period, an amount equal to 95% of the M3 Tranche Outstanding Amount as of the Notes Payment Date on which such

Interest Period starts (or, with reference to first Interest Period, the Initial M3 Tranche Outstanding Amount), multiplied by the M3 Tranche Interest Rate (calculated on an actual/360 basis);

- (iv) **M4 Tranche Interest Amount** means, for each Interest Period, an amount equal to 95% of the M4 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M4 Tranche Outstanding Amount), multiplied by the M4 Tranche Interest Rate (calculated on an actual/360 basis);
  - (v) **Junior Tranche Interest Amount** means, for each Interest Period, an amount equal to 95% of the Junior Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial Junior Tranche Outstanding Amount), multiplied by the Junior Tranche Interest Rate (calculated on an actual/360 basis);
- (ii) as to the mandatory repayment of principal on the Limited Recourse Loan:

on each LRL Payment Date, the Originator shall repay an amount of principal on the LRL Tranche Outstanding Amount equal to LRL Repayment Amount, by transferring such amount from the Pledged Originator Account to the Transaction Account, it being understood that:

- (a) the Amortisation Amount will be allocated on the basis of the Pro-Rata Allocation Mechanism, other than in the circumstances described under paragraph (b) below; and
- (b) the Amortisation Amount will be allocated on the basis of the Sequential Allocation Mechanism in the following circumstances:
  - (i) from the Issue Date until the Notes Payment Date immediately following the LRL Payment Date falling in June 2021 (included);
  - (ii) from the Notes Payment Date when the aggregate Outstanding Amount of the Reference Receivables (excluding the Reference Receivables for which a Credit Event occurred) is lower than

50% of the Initial Reference Portfolio Amount;

- (iii) automatically starting from the Notes Payment Date immediately following the LRL Payment Date falling in December 2023 (included);
  - (iv) following the delivery of a Sequential Notice;
  - (v) following the delivery of a Trigger Notice;
  - (vi) following the delivery of an Early Termination Notice; or
  - (vii) following the delivery of an Originator EoD Notice.
- (iii) as to the partial early repayment of the Limited Recourse Loan:

on the LRL Payment Date immediately following the delivery of a Partial Early Termination Notice by the Originator to the Issuer in accordance with the Intercreditor Agreement (the delivery of such notice being an option for the Originator), the Originator shall repay the LRL Tranche Outstanding Amount for an amount equal to, upon its election made in the Partial Early Termination Notice:

- (a) 95% of the M1 Tranche Outstanding Amount; and/or
- (b) 95% of the aggregate of the M2 Tranche Outstanding Amount; and/or
- (c) 95% of the aggregate of the M3 Tranche Outstanding Amount,

provided that the Originator may redeem one or several of the Mezzanine Tranches listed under (a), (b) and (c) above, in sequential order starting from the most senior Mezzanine Tranche then outstanding, by serving one or more Partial Early Termination Notices under the Limited Recourse Loan Agreement,

(together with the interest accrued thereon), by transferring such amount from the Pledged Originator Account to the Transaction Account;

- (iv) as to the total early repayment of the Limited Recourse Loan:
- promptly upon the delivery of an Early Termination

Notice by the Originator to the Issuer (the delivery of such notice being an option for the Originator) or upon delivery of an Originator EoD Notice by the Issuer to the Originator, in accordance with the Intercreditor Agreement, on the immediately following LRL Payment Date (any such date, the **Early Termination Date**) the Originator shall repay the LRL Tranche Outstanding Amount for an amount equal to the difference between:

- (i) the LRL Tranche Outstanding Amount as of the Credit Protection End Date; and
- (ii) the aggregate of:
  - (a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of the Credit Protection End Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and
  - (b) the Outstanding Amount of any Reference Receivable for which a Potential Credit Event has occurred as of the Credit Protection End Date (and for which no Credit Event or Cured Potential Credit Event has occurred),

allocated to the Mezzanine and Junior Tranche,  
multiplied by 95%,

together with the interest accrued thereon for the full Interest Period in which the Early Termination Date falls, by transferring such amount from the Pledged Originator Account to the Transaction Account,

provided that any residual amount of the LRL Tranche Outstanding Amount shall be repaid by the Originator to the Issuer in accordance with Clause 7.2 of the Limited Recourse Loan Agreement on each following LRL Payment Date until the Final Early Termination Date within the limits of: (1) in respect of (A) the Defaulted Reference Receivables referred to under paragraph (ii)(a) above or (B) the Reference Receivables referred to under paragraph (ii)(b) above for which a Credit Event has occurred and no Cured Potential Credit Event has occurred before the Work Out Cut-Off Date, the difference between (x) the Maximum Reference Receivable Loss and (y) the Final Losses (or the Non Computed Losses, as the case may be), for any such Defaulted Reference Receivables as allocated to the Mezzanine and Junior Tranche; and (2) the Notional Reduction allocated to the Mezzanine and



Junior Tranche in respect of the Reference Receivables referred to under paragraph (ii)(b) above for which no Credit Event has occurred or a Cured Potential Credit Event has occurred before the Work Out Cut-Off Date, further provided that such residual amount of the LRL Tranche Outstanding Amount shall accrue interest at the End-Period Interest Rate;

- (v) as to the repayment on the Scheduled Maturity Date:  
on the Scheduled Maturity Date the Originator shall repay the LRL Tranche Outstanding Amount for an amount equal to the difference between:
- (i) the LRL Tranche Outstanding Amount as of the Credit Protection End Date; and
  - (ii) the aggregate of:
    - (a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of the Credit Protection End Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and
    - (b) the Outstanding Amount of any Reference Receivable for which a Potential Credit Event has occurred as of the Credit Protection End Date (and for which no Credit Event or Cured Potential Credit Event has occurred),

allocated to the Mezzanine and Junior Tranche,  
multiplied by 95%,

together with the interest accrued thereon, by transferring such amount from the Pledged Originator Account to the Transaction Account,

provided that any residual amount of the LRL Tranche Outstanding Amount shall be repaid by the Originator to the Issuer in accordance with Clause 7.2 of the Limited Recourse Loan Agreement on each following LRL Payment Date until the Final Settlement Date within the limits of: (1) in respect of (A) the Defaulted Reference Receivables referred to under paragraph (ii)(a) above or (B) the Reference Receivables referred to under paragraph (ii)(b) above for which a Credit Event has occurred and no Cured Potential Credit Event has occurred before the Work Out Cut-Off Date, the difference between (x) the Maximum Reference Receivable Loss and (y) the Final Losses (or the Non Computed Losses, as the case may be), for any such Defaulted Reference Receivables as allocated to the

Mezzanine and Junior Tranche; and (2) the Notional Reduction allocated to the Mezzanine and Junior Tranche in respect of the Reference Receivables referred to under paragraph (ii)(b) above for which no Credit Event has occurred or a Cured Potential Credit Event has occurred before the Work Out Cut-Off Date, further provided that such residual amount of the LRL Tranche Outstanding Amount shall accrue interest at the End-Period Interest Rate;

- (vi) with respect to points (iv) and (v) above, if any Work-Out Pending Reference Receivables exist on the Credit Protection End Date, then:
  - (a) if a Cured Potential Credit Event occurs in respect of such a Reference Receivable, then a Repayment shall be deemed to occur in an amount equal to the Outstanding Amount of such Reference Receivable on the date of such Cured Potential Credit Event; and
  - (b) if a Work Out Cut-Off Date occurs in respect of such a Reference Receivable (other than as set out in the definition of Cured Potential Credit Event), then a Non Computed Loss shall be determined in respect of such Reference Receivable on such Work Out Cut-Off Date.
- (vii) as soon as practicable after, and in any event no later than 30 (thirty) calendar days after, the termination of the status as Eligible Institution for the Originator Account Bank, to: (a) open a new bank account with an Eligible Institution (the **New Pledged Originator Account**); (b) instruct the Originator Account Bank to transfer the amounts standing to the credit of the Pledged Originator Account into the New Pledged Originator Account; and (c) create a pledge in favour of the Issuer over all the monetary rights and claims relating to the amounts standing to the credit of the New Pledged Originator Account, to secure the Receivables under this Agreement; and
- (viii) the Originator will assume certain undertakings towards the Issuer in respect of the administration, management, collection and recovery of the Reference Portfolio, including certain reporting duties in connection thereto.

**Deed of Pledge**

Pursuant to the Deed of Pledge, the Originator has pledged in favour of the Issuer all the monetary rights and claims relating to the amounts standing to the credit of the Pledged Originator Account, to secure the Receivables.

**Parent Company Guarantee**

Pursuant to the Parent Company Guarantee, BNL has undertaken to guarantee the timely and full payment of the interest due and payable by the Originator to the Issuer on the

Limited Recourse Loan under the Limited Recourse Loan Agreement.

**Servicing of the Collections and Recoveries**

Pursuant to the Servicing Agreement, the Servicer has agreed to act as (i) the entity in charge of the collections of the Receivables under the Limited Recourse Loan and of each of the cash and payment services in relation to such Receivables (the “*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*”), pursuant to article 2, paragraph 3, letter (c), of the Securitisation Law and (ii) the entity responsible for verifying the compliance of the Transaction with the Securitisation Law and this Prospectus, pursuant to article 2, paragraph 3, letter (c) and paragraph 6-*bis* of the Securitisation Law.

**Cash Allocation, Management and Payment Agreement**

Pursuant to the Cash Allocation, Management and Payment Agreement, the Account Bank, the Calculation Agent and the Paying Agent and the Issuer have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling, cash management and payment services in relation to moneys from time to time standing to the credit of the Issuer Accounts.

Payments into and withdrawals from the Issuer Accounts shall be made in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

**4. PRIORITY OF PAYMENTS AND ISSUER AVAILABLE FUNDS**

**Pre Trigger Notice Priority of Payments**

Prior to the delivery of a Trigger Notice and prior to the occurrence of the other circumstances where the Sequential Amortisation Mechanism applies under the Limited Recourse Loan Agreement, the Issuer Available Funds shall be applied on each Notes Payment Date in making the following payments in the following order of priority, in each case, only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account:

- (a) *First*, (a) to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such cost during the immediately preceding Collection Period; and (b) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (b) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable in account of remuneration, indemnities or proper costs and expenses (including *VAT*, in applicable, and

other applicable taxes) incurred by the relevant agent during the immediately preceding Interest Period to the Calculation Agent, the Paying Agent, the Account Bank, the Servicer, the Corporate Servicer, the Stichting Corporate Services Provider, the Verification Agent (if appointed) and the Representative of the Noteholders;

- (c) *Third*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M1 Notes;
- (d) *Fourth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M2 Notes;
- (e) *Fifth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M3 Notes;
- (f) *Sixth*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M1 Notes Repayment Amount;; and (B) if a Partial Early Termination Notice has been delivered by the Originator to the Issuer under the Limited Recourse Loan Agreement, on the immediately following Notes Payment Date, to pay the M1 Notes Principal Amount Outstanding in accordance with Condition 6.3;
- (g) *Seventh*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M2 Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the M2 Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding has been repaid in full; and (B) if a Partial Early Termination Notice has been delivered by the Originator to the Issuer under the Limited Recourse Loan Agreement, on the immediately following Notes Payment Date, to pay the M2 Notes Principal Amount Outstanding (if so elected by the Originator in the Partial Early Termination Notice) in accordance with Condition 6.3;
- (h) *Eighth*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M3 Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not

been cured on such Notes Payment Date, no repayment of principal on the M3 Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding and the M2 Notes Principal Amount Outstanding have been repaid in full; and (B) if a Partial Early Termination Notice has been delivered by the Originator to the Issuer under the Limited Recourse Loan Agreement, on the immediately following Notes Payment Date, to pay the M3 Notes Principal Amount Outstanding (if so elected by the Originator in the Partial Early Termination Notice) in accordance with Condition 6.3;

- (i) *Ninth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M4 Notes;
- (j) *Tenth*, on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M4 Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the M4 Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding, the M2 Notes Principal Amount Outstanding and the M3 Notes Principal Amount Outstanding have been repaid in full;
- (k) *Eleventh*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Junior Notes;
- (l) *Twelfth*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the Junior Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the Junior Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding, the M2 Notes Principal Amount Outstanding, the M3 Notes Principal Amount Outstanding and the M4 Notes Principal Amount Outstanding have been repaid in full;
- (m) *Thirteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable

under other items of this Pre Trigger Notice  
Priority of Payments,

provided that on the earlier of the Final Settlement Date and the date on which all the Notes are redeemed in full or cancelled, the credit balance of the Transaction Account (net of the amounts deemed necessary to pay any possible closing expense and, if any, the liquidation of the Issuer) will be repaid on such date by the Issuer to the Originator.

**Post Trigger Notice  
Priority of Payments**

Following the delivery of a Trigger Notice and following the occurrence of the other circumstances where the Sequential Amortisation Mechanism applies under the Limited Recourse Loan Agreement, or following the delivery of an Early Termination Notice or the delivery of an Originator EoD Notice, the Issuer Available Funds shall be applied on each Notes Payment Date, in making the following payments in the following order of priority, in each case, only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account:

- (n) *First*, (a) to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such cost during the immediately preceding Collection Period; and (b) (other than the Notes Early Termination Date (or the Notes Final Early Termination Date, if applicable) or the Scheduled Maturity Date (or the Final Settlement Date, if applicable), if the relevant Trigger Event does not consist in the opening of an Insolvency Proceeding in relation to the Issuer, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (o) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable in account of remuneration, indemnities or proper costs and expenses (including VAT, in applicable, and other applicable taxes) incurred by the relevant agent during the immediately preceding Interest Period to the Calculation Agent, the Paying Agent, the Account Bank, the Servicer, the Corporate Servicer, the Stichting Corporate Services Provider, the Verification Agent (if appointed) and the Representative of the Noteholders;
- (p) *Third*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M1

Notes;

- (q) *Fourth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M2 Notes;
- (r) *Fifth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M3 Notes;
- (s) *Sixth*, to pay, *pari passu* and *pro rata*, the M1 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M1 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M1 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (t) *Seventh*, upon payment in full of any amount to be paid under item *Sixth* above, to pay, *pari passu* and *pro rata*, the M2 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M2 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M2 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (u) *Eighth*, upon payment in full of any amount to be paid under item *Seventh* above, to pay, *pari passu* and *pro rata*, the M3 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M3 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M3 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (v) *Ninth*, to pay, *pari passu* and *pro rata*, upon

payment in full of any amount to be paid under item *Eighth* above, any amount of interest due and payable on the M4 Notes;

- (w) *Tenth*, upon payment in full of any amount to be paid under item *Ninth* above, to pay, *pari passu* and *pro rata*, the M4 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M4 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M4 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (x) *Eleventh*, to pay, *pari passu* and *pro rata*, upon payment in full of any amount to be paid under item *Tenth* above, any amount of interest due and payable on the Junior Notes;
- (y) *Twelfth*, upon payment in full of any amount to be paid under item *Eleventh* above, to pay, *pari passu* and *pro rata*, the Junior Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the Junior Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the Junior Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (z) *Thirteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Post Trigger Notice Priority of Payments,

provided that on the earlier of the Final Settlement Date and the date on which all the Notes are redeemed in full or cancelled, the credit balance of the Transaction Account (net of the amounts deemed necessary to pay any possible closing expense and, if any, the liquidation of the Issuer) will be repaid on such date by the Issuer to the Originator.

**Issuer Available Funds** The Issuer Available Funds, in respect of each Payment Date,



are constituted by the aggregate of:

- (i) all the Collections and Recoveries received by the Issuer during the preceding Collection Period and credited into the Payments Account;
- (ii) any other amounts standing to the credit of the Payments Account as of the end of the immediately preceding Collection Period;
- (iii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights),

provided that on the earlier of the Final Settlement Date and the date on which all the Notes are redeemed in full or cancelled, the credit balance of the Expenses Account (net of the amounts deemed necessary to pay any possible closing expense and, if any, the liquidation of the Issuer) will be part of the Issuer Available Funds and the amount equal to such credit balance will be repaid on such date by the Issuer to the Originator.

## 5. OTHER PRINCIPAL TRANSACTION DOCUMENTS

### **Intercreditor Agreement**

Pursuant to the Intercreditor Agreement, (i) provision is made as to the order of application of the Issuer Available Funds; and (ii) the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents (but only in relation to the powers and authority needed by the Representative of the Noteholders to enforce the rights entitlements or remedies, to exercise the discretion, authorities or powers, to give the directions or make the determination in respect of which the failure has occurred) and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents.

### **Corporate Services Agreement**

Under the Corporate Services Agreement, the Corporate Servicer has agreed to provide to the Issuer certain services in relation to the management of the Issuer.

### **Stichting Corporate Services Agreement**

Under the Stichting Corporate Services Agreement, the Stichting Corporate Services Provider has agreed to provide certain services in relation to the management of the Quotaholder.

**Quotaholder's  
Agreement**

Pursuant to the Quotaholder's Agreement, the Quotaholder has undertaken certain obligations for the benefit of the Noteholders in relation to the holding and management of its equity contribution in the Issuer.

## **SECURITISATION REGULATION – RETENTION AND TRANSPARENCY REQUIREMENTS**

Under clause 14 of the Intercreditor Agreement, the Originator has undertaken that:

- (i) it shall at all times retain at the origination and maintain (on an ongoing basis) a material net economic interest of at least 5 (five) per cent. in the Transaction in accordance with option (a) of article 6, paragraph 3, of the Securitisation Regulation and the applicable technical standards;
- (ii) it shall not change the manner in which the net economic interest set out above is held until the Notes are redeemed or repaid in full, save as permitted by the Securitisation Regulation and, upon entry into force, the applicable technical standards;
- (iii) it shall notify to the Noteholders any change to the manner in which the material net economic interest set out above is held;
- (iv) it shall not split the material net economic interest held by it amongst different types of retainers; such material net economic interest is not to be subject to any credit-risk mitigation or hedging, in accordance with article 6, paragraph 3, of the Securitisation Regulation and the applicable technical standards.

In particular, under the same clause 14 of the Intercreditor Agreement, the Originator has undertaken that the manner in which the material net economic interest is held will:

- (a) on the Issue Date, be disclosed under this Section of the Prospectus; and
- (b) following the Issue Date, on a quarterly basis, be disclosed in the report(s) to be prepared, on a quarterly basis, by the Originator, as Reporting Entity, pursuant to article 7, paragraph 1, letter (e), of the Securitisation Regulation.

Finally, under clause 14 of the Intercreditor Agreement the Issuer and the Originator have agreed that the Originator is designated and will act as Reporting Entity in accordance with and for the purposes of article 7, paragraph 2, of the Securitisation Regulation.

As Reporting Entity, the Originator has agreed to:

- (i) be the entity responsible for complying with article 7 of the Securitisation Regulation pursuant to the Transaction Documents; and
- (ii) perform any related duty applicable to non-public transactions in accordance with article 7, paragraph 2, of the Securitisation Regulation. In particular, the Originator has undertaken to fulfil the obligations under article 7.1, let. (a) (b), (e), (f) to the extent relevant and (g) of the Securitisation Regulation, by making the relevant documents and information available to the Noteholders, the competent authorities referred to under article 29 of the Securitisation Regulation and, upon request, any Potential Investor (as defined under the Intercreditor Agreement), in such a manner as to ensure compliance with applicable laws requirements.

## THE REFERENCE PORTFOLIO

The Reference Receivables comprised in the Reference Portfolio arise out of consumer loans denominated in Euro granted by the Originator to the relevant Reference Debtor on the basis of a Reference Loan Agreement to be reimbursed through:

- (i) the assignment of up to one-fifth of the salary and/or pension pursuant to Royal Decree 180 and implementing regulation, made by the Reference Debtor in favour of the Originator, with reference to the payments due by such Reference Debtor under the relevant Reference Loan Agreement; or
- (ii) a payment delegation of up to one-fifth of the salary pursuant to Royal Decree 180 and implementing regulation or article 1269 and 1723 second paragraph of the Italian Civil Code, issued by the Reference Debtor to his/her Employer in favour of the Originator, with reference to the payments due by such Reference Debtor under the relevant Reference Loan Agreement.

The Reference Receivables comprised under the Reference Portfolio have been identified and selected by the Originator on the Selection Date on the basis of the following criteria (the **Criteria**):

- (a) are granted to consumers as defined by article 121 of the Consolidated Banking Act and are assisted by the payment delegation (“*delegazione di pagamento*”) and/or salary/pension assignment (“*cessione del quinto*”), pursuant to Presidential Decree No. 180/1950 as amended and supplemented) which have been notified to the relevant employer/pension authority and accepted by it;
- (b) have been granted exclusively by the Originator in the ordinary course of its business through the Originator’s, BNL’s and Poste Italiane’s networks, as lender under Reference Loan Agreements entered into by the Originator;
- (c) are denominated in Euro and do not contain any provision allowing for the conversion in another currency;
- (d) have been drawn in full and there are no obligations or possibilities for more drawings to be made;
- (e) have been granted pursuant to Reference Loan Agreements governed by Italian law that have been executed after 30 September 2008;
- (f) in relation to which the Insurance Policies, of which the Originator is the beneficiary, covering the risk of death of the debtor and of the risk of loss of job of the Reference Debtor, where applicable in the latter case, have been granted by one of the Insurance Companies;
- (g) are granted to individuals, employees of a public body (including, without limitation, *dipendenti statali*), a para-public company or a private company or pensioners which, as of the execution date of the relevant loan agreement, are resident in Italy (as indicated in the relevant Reference Loan Agreement);
- (h) have not been granted in favour of directors or employees of the Originator nor to employees of the Insurance Companies which have granted the insurance policies assisting the loans in accordance with letter (f) above;
- (i) have not been granted in favour of directors or employees of the Originator nor to employees of the Insurance Companies which have granted the insurance policies assisting the loans in accordance with letter (f) above;
- (j) as of the Selection Date, there is less than 1 (one) full instalment due and unpaid which is outstanding, applying a 45-day grace period;
- (k) must be reimbursed in whole not later than 30 September 2029 (included);

- (l) with respect to Reference Loan Agreements assisted by salary assignment (“*cessione del quinto dello stipendio*”) executed with employees of private companies, the relevant borrower must have, as of the execution date of the relevant loan agreement, a *contratto a tempo indeterminato* or a *contratto a tempo determinato* expiring after the original reimbursement date of the relevant Reference Loan;
- (m) in relation to which no event qualified as “life damage” (*sinistro vita*) or as “damage due to the loss of the job” (*sinistro perdita impiego*) has occurred, with the exception of the “damages” (*sinistri*) which have been subsequently cancelled (*annullati*);
- (n) have not been executed and entered into pursuant to any law or regulation which provides from the date of execution of the relevant Reference Loan Agreement for financial concessions, public contributions of any nature, discounts provided by law, limits to the interest rate and/or other provisions allowing concessions or reductions to the Reference Debtors in relation to the principal and/or the interests;
- (o) the relevant amortisation plan agreed with the Reference Debtor at the inception/disbursement of the Reference Loan provides for the payment of both interest and principal components, with equal monthly instalments with a fixed interest rate, provided that the monthly instalments can be reduced/rescheduled due to events such as maternity leave, as provided for pursuant to the applicable law;
- (p) the Reference Receivables, the Salary Assignments, the Payment Delegations and the Insurance Policies are existing and constitute legal, valid, effective and binding and enforceable obligations of the Reference Debtors, and, with respect to each Reference Loan Agreement, Salary Assignment and Payment Delegations, of the Employer/Pension Authority and Collateral Security and, with respect to the Insurance Policies, of the Insurance Companies (save for the application of the Italian Bankruptcy Law or any other similar law provisions generally applicable to the creditors’ right);
- (q) the Reference Receivables are in the full and unconditional ownership of the Originator and are correctly registered in its accounting records;
- (r) all the Reference Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies have been executed in compliance with the standard forms of Reference Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies used from time to time by the Originator. After the Selection Date, no Reference Loan Agreement, Salary Assignment, Payment Delegation and Insurance Policies was modified save in accordance with the Servicing Procedures;
- (s) all the Employers and Pension Authorities are set up and have their registered office or operative office in Italy as at the date of execution of the relevant Reference Loan Agreement; to the knowledge of the Originator, all the Employers and Pension Authorities are set up pursuant to Italian law and have their registered office or operative office in Italy as at the Selection Date;
- (t) there are no litigations, civil or administrative judicial proceedings, arbitration, alternative dispute resolution proceedings, claim or action in progress or pending in relation to the Reference Loan Agreements, the Salary Assignments, the Payment Delegations, the Insurance Policies and/or the Reference Receivables which may adversely affect the collection, the existence and/or collectability and/or the enforceability (even if partial) of one or more Reference Receivables, Reference Loan Agreements, Salary Assignments, Payment Delegations and/or Insurance Policies;
- (u) pursuant to each Salary Assignment contained in the relevant Reference Loan Agreement, the relevant Reference Debtor has validly assigned to the Originator, for the purposes of the repayment of the Reference Loan, his/her credit right to the payment of the fifth of his/her salary and, upon termination of the relevant employment relationship, his/her right to payment of any other amount due as a consequence of the termination of the employment relationship (including the right to payment of the severance payment, also from pension funds to which the severance payment has been eventually assigned from the relevant Reference Debtor);

- (v) pursuant to each Payment Delegation contained in each relevant Reference Loan Agreement, the relevant Reference Debtor has delegated his/her Employer to pay the fifth of his/her salary to the Originator, for the purposes of repaying the Reference Loan, assigning as well to the Originator, upon termination of the relevant employment relationship, his/her right to payment of any other amount due as a consequence of the termination of the employment relationship (including the right to payment of the severance payment, also from pension funds to which the severance payment has been eventually assigned from the relevant Reference Debtor);
- (w) each Reference Loan has been entirely granted and disbursed directly to the relevant Reference Debtor or on his/her behalf and there is no further obligation of the Originator in relation to the granting or disbursement of any further amount which can be referred to the same legal title;
- (x) the Originator has not subordinated its own rights to the rights of third party creditors;
- (y) the Reference Loan Agreements and the Salary Assignments provide that, in case of new employment relationship of one or more Reference Debtor, the relevant Reference Loan Agreement and Salary Assignment are notified to the new Employer and made enforceable towards the same;
- (z) having an original maturity not greater than 120 months;
- (aa) at least one instalment, including a principal component and an interest component, has been paid.

The Limited Recourse Loan Amount is equal to the 95% of the Mezzanine and Junior Tranche of the Reference Portfolio. Such Limited Recourse Loan will be granted by the Issuer to the Originator using the proceeds of the Notes in accordance with the terms and conditions set forth under the Limited Recourse Loan Agreement; in this way the exposure towards 95% of the Mezzanine and Junior Tranche is transferred to the Noteholders through the subscription of the Notes. The Originator will retain the Senior Tranche of the Reference Portfolio and a net economic interest in the Mezzanine and Junior Tranche of the Reference Portfolio of at least 5%.

#### **Characteristics of the Reference Portfolio**

As at the Selection Date, the Initial Reference Portfolio Amount amounts to Euro 1,778,705,147 and is made of 191,672 loans with an average current loan amount equal to Euro 9,280.

The tables set out below show the main features of the Reference Portfolio (amounts in Euro).

<b>Breakdown by Product Type</b>	<b>Outstanding Amount</b>	<b>% by Outstanding Amount</b>	<b>Number of Loans</b>	<b>% by Number of Loans</b>
Cessione del Quinto - Pension	1.480.957.542	83,3%	169.244	88,3%
Cessione del Quinto - Salary	247.923.695	13,9%	18.586	9,7%
Delegazione di Pagamento	49.823.909	2,8%	3.842	2,0%
<b>Total</b>	<b>1.778.705.147</b>	<b>100,0%</b>	<b>191.672</b>	<b>100,0%</b>

<b>Breakdown by Origination Channel</b>	<b>Outstanding Amount</b>	<b>% by Outstanding Amount</b>	<b>Number of Loans</b>	<b>% by Number of Loans</b>
BNL Finance	584.879.519	32,9%	47.143	24,6%
Poste Italiane	1.193.825.627	67,1%	144.529	75,4%
<b>Total</b>	<b>1.778.705.147</b>	<b>100,0%</b>	<b>191.672</b>	<b>100,0%</b>

<b>Breakdown Origination</b>	<b>by</b>	<b>Year</b>	<b>of</b>	<b>Outstanding Amount</b>	<b>% by Outstanding Amount</b>	<b>Number of Loans</b>	<b>% by Number of Loans</b>
2009				5.550	0,0%	10	0,0%
2010				1.368.842	0,1%	732	0,4%
2011				3.929.688	0,2%	974	0,5%
2012				5.900.520	0,3%	960	0,5%
2013				33.446.633	1,9%	4.837	2,5%
2014				64.975.359	3,7%	9.114	4,8%
2015				125.480.507	7,1%	15.856	8,3%
2016				271.883.817	15,3%	31.641	16,5%
2017				360.065.544	20,2%	37.770	19,7%
2018				484.766.079	27,3%	48.835	25,5%
2019				426.882.607	24,0%	40.943	21,4%
<b>Total</b>				<b>1.778.705.147</b>	<b>100,0%</b>	<b>191.672</b>	<b>100,0%</b>

<b>Breakdown Maturity</b>	<b>by</b>	<b>Year</b>	<b>of</b>	<b>Outstanding Amount</b>	<b>% by Outstanding Amount</b>	<b>Number of Loans</b>	<b>% by Number of Loans</b>
2020				15.168.502	0,9%	11.519	6,0%
2021				49.138.549	2,8%	15.593	8,1%
2022				91.376.011	5,1%	18.859	9,8%
2023				137.601.567	7,7%	20.197	10,5%
2024				187.215.740	10,5%	22.149	11,6%
2025				220.777.524	12,4%	21.423	11,2%
2026				305.704.302	17,2%	26.082	13,6%
2027				327.937.503	18,4%	24.516	12,8%
2028				284.233.293	16,0%	20.283	10,6%
2029				159.552.154	9,0%	11.051	5,8%
<b>Total</b>				<b>1.778.705.147</b>	<b>100,0%</b>	<b>191.672</b>	<b>100,0%</b>

<b>Breakdown by Life Insurer</b>	<b>Outstanding Amount</b>	<b>% by Outstanding Amount</b>	<b>Number of Loans</b>	<b>% by Number of Loans</b>
CARDIF	1.359.402.045	76,4%	160.790	83,9%
NET INSURANCE	257.079.478	14,5%	20.260	10,6%
AXA	162.223.624	9,1%	10.622	5,5%
<b>Total</b>	<b>1.778.705.147</b>	<b>100,0%</b>	<b>191.672</b>	<b>100,0%</b>

<b>Breakdown by Job Insurer</b>	<b>Outstanding Amount</b>	<b>% by Outstanding Amount</b>	<b>Number of Loans</b>	<b>% by Number of Loans</b>
NET INSURANCE	245.355.078	13,8%	19.069	9,9%
CARDIF	31.290.233	1,8%	2.443	1,3%
AXA	21.102.294	1,2%	916	0,5%
Not Insured	1.480.957.542	83,3%	169.244	88,3%
<b>Total</b>	<b>1.778.705.147</b>	<b>100,0%</b>	<b>191.672</b>	<b>100,0%</b>

#### **No independent investigation in relation to the Reference Portfolio**

None of the Issuer, the Arranger, nor any other party to the Transaction Documents (other than the Originator) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Reference Receivables (including, for the avoidance of doubt, the claims deriving from the Salary Assignment, the Payment Delegations and the Insurance Policies), nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Reference Debtors, Employer, Pension Authority and/or any Insurance Companies.



## THE ORIGINATOR

BNL Finance S.p.A., a company with a sole shareholder incorporated as a “società per azioni”, having its registered office at Viale Altiero Spinelli, 30, 00157, Rome, Italy, share capital of Euro 14,950,000 fully paid up, fiscal code and enrolment in the companies’ register of Rome under the number 01014411001, currently enrolled under number 59 in the register of the Intermediari Finanziari held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as “Gruppo Bancario BNL”, registered with the register of the banking group held by the Bank of Italy, company subject to the activity of direction and coordination (soggetta all’attività di direzione e coordinamento) pursuant to article 2497 of the Italian civil code of BNP Paribas S.A. - Parigi - and BNL S.p.A.

BNLF is currently one of the main Italian financial operators specialized in Salary/Pension Secured Loans, a type of loan classified as consumer credit given the nature of the borrowers (public or private-sector employees or pensioners). In particular Salary/Pension Secured Loan (CQS/P) is a particular Italian loan which benefits of:

- direct destination of one-fifth (1/5) of the salary or of the pension (directly transferred by the pension institution or by the employer to the lender) to cover the repayment of the loan;
- mandatory insurance guarantees according to Italian law (life and employment risk coverage), ensuring a very low cost of the risk.

BNL Finance is among one of the leading players in the market of CQS/P and Payment Delegation with a market share of 13,8% in volumes (figure of 2018). With about 230.000 customers it is leader in terms of number of provided loans reaching a total asset of about 2,5 B€. It has been granting credit to pensioners and employees, both public and private, for over 10 years, thanks to clear, safe and flexible financial solutions

***The information contained herein relates to BNL Finance S.p.A. and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of BNL Finance S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

**THE SERVICER, THE CORPORATE SERVICER, THE CALCULATION AGENT AND  
THE REPRESENTATIVE OF THE NOTEHOLDERS**

Securitisation Services S.p.A. is a company incorporated under the laws of the Republic of Italy as a società per azioni, share capital of Euro 2,000,000.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code, enrolment in the companies' register of Treviso – Belluno number 03546510268, VAT Group “Gruppo IVA FININT S.P.A.” – VAT number 04977190265, currently registered under number 50 in the register of Financial Intermediaries (Intermediari Finanziari) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as “Gruppo Banca Finanziaria Internazionale”, registered with the register of the banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under No. 3266, company subject to the activity of direction and coordination (soggetta all'attività di direzione e coordinamento) pursuant to article 2497 of the Italian civil code of Banca Finanziaria Internazionale S.p.A.

Securitisation Services S.p.A. is an independent financial services organization specialized in managing and monitoring securitisations, covered bonds and structured finance transactions; in particular, Securitisation Services S.p.A. acts as servicer, corporate servicer, calculation agent, programme administrator, cash manager, representative of the noteholders, back-up servicer, back-up servicer facilitator and back-up calculation agent in several structured finance deals.

In the context of this Transaction, Securitisation Services S.p.A. acts as Servicer, Calculation Agent, Corporate Servicer and Representative of the Noteholders.

Securitisation Services S.p.A. is subject to the auditing activity of Deloitte & Touche S.p.A.

***The information contained herein relates to Securitisation Services S.p.A. and has been obtained from it. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Securitisation Services S.p.A. since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.***

## THE ACCOUNT BANK AND THE PAYING AGENT

BNP Paribas Securities Services, a wholly-owned subsidiary of the BNP Paribas Group, is a leading global custodian and securities services provider backed by a strong universal bank. It provides integrated solutions to all participants in the investment cycle including the buy-side, sell-side, corporates and issuers.

BNP Paribas Securities Services has a local presence in 36 countries across five continents, effecting global coverage of more than 90 markets.

At At March 2019 BNP Paribas Securities Services has USD 11,213 billion of assets under custody, USD 2,805 billion assets under administration; 10,667 administered funds and 12,000 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of “A+” (negative) from S&P’s, “Aa3” (stable) from Moody’s and “A+” (stable) from Fitch Ratings.

Fitch	Moody's	S&P
Short term F1	Short term Prime-1	Short-term A-1
Long term senior debt A+	Long term senior debt Aa3	Long term senior debt A+
Outlook Stable	Outlook Stable	Outlook negative

For the purpose of this section, (a) “**Fitch**” means Fitch Ratings Limited; (b) “**Moody’s**” means Moody's France S.A.S; and (c) “**S&P**” means Standard & Poor’s Credit Market Services France S.A.S. Fitch, Moody’s and S&P are established in the European Union and were registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the “**CRA Regulation**”) and are included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority currently located at the following website address <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, (for the avoidance of doubt, such website does not constitute part of this Prospectus).

BNP Paribas Securities Services, Milan Branch shall act as Account Bank and Paying Agent.

*The information contained herein relates to and has been obtained from BNP Paribas Securities Services, Milan branch. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of BNP Paribas Securities Services, Milan branch since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.*

## THE ISSUER

### Introduction

The Issuer was incorporated in the Republic of Italy on 23 October 2019 as a limited liability company (*società a responsabilità limitata*) under the corporate name “Amalia SPV S.r.l”. The Issuer's by-laws provides for termination of the same on 31st December 2100. The registered office of the Issuer is at Via V. Alfieri, 1, Conegliano (TV), fiscal code and enrolment in the companies register of Treviso - Belluno number 05044860269. The Issuer is also enrolled with No. 35667.5 in the elenco delle società veicolo held by the Bank of Italy pursuant to the resolution of the Bank of Italy dated 7 June 2017.

The Issuer has no employees and no subsidiaries. The Issuer's telephone number is +39 0438 360963

The authorised and issued quota capital of the Issuer is Euro 10,000, fully paid up and fully held by Stichting Tavoliere, a Dutch foundation (*Stichting*) incorporated on 1 July 2019 under the laws of The Netherlands and having its registered office at Barbara Strozziilaan 101, 1083HN Amsterdam, The Netherlands and enrolled at the Chamber of Commerce in Amsterdam at the no. 75250659 with Italian fiscal code 97851680153 (the “**Quotaholder**”).

The Issuer has not declared or paid any dividends or, save as otherwise described in this Prospectus, incurred any indebtedness.

The Issuer is not indirectly owned or controlled by any entity other than the Quotaholder. Pursuant to the Quotaholder's Agreement, the Quotaholder has agreed, *inter alia*, not to amend the by-laws (*statuto*) of the Issuer (other than as otherwise required by any applicable law) and not to pledge, charge or dispose of the quota of the Issuer without the prior written consent of the Representative of the Noteholders.

The Issuer has been incorporated under Italian law as a special purpose vehicle for the purpose of issuing asset backed securities.

In accordance with the Securitisation Law, the sole corporate object of the Issuer is the realisation of securitisation transactions under the Securitisation Law.

### Issuer's principal activities

The corporate objectives of the Issuer, as set out in article 3 of its by-laws (*statuto*), are the acquisition of monetary receivables for the purposes of securitisation transactions (*operazioni di cartolarizzazione*) and the issuance of asset-backed securities.

The Issuer was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions and the requirements set forth in Condition 3 (*Covenants*).

Condition 3 (*Covenants*) provides that, so long as any of the Notes remains outstanding, the Issuer shall not carry out certain activities, unless with the consent of the Representative of the Noteholders and as provided in the Conditions and the Transaction Documents. For a full description of those covenants see Condition 3 (*Covenants*) in section “*Terms and Conditions of the Notes*”.

The Issuer has covenanted in the Intercreditor Agreement to observe, *inter alia*, those restrictions which are detailed in Condition 3 (*Covenants*).

Since the date of its incorporation, the Issuer has not commenced operations.

### Directors of the Issuer

The current sole director of the Issuer is Igor Rizzetto, born in Valdobbiadene (Treviso) on 3rd March 1981, Italian fiscal code RZZ GRI 81C03 L565X..

The domicile of Igor Rizzetto, for the purpose of this deed, is at Via V. Alfieri, 1, Conegliano (TV).

The Sole Director is not aware of any conflicts of interests or potential conflicts of interests between his duties as a director of the Issuer and his respective private interests or principal outside activities. There are no persons or entities, including the Originator or any of the other transaction parties connected with

the Notes (except for what specified in the previous paragraph), who can exercise control over the Sole Director.

### **Accounts of the Issuer and accounting treatment of the Portfolio**

Pursuant to Bank of Italy regulations, the accounting information relating to the securitisation of the Receivables will be contained in the explanatory notes to the Issuer's accounts (*Nota Integrativa*). The explanatory notes, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian limited liability companies (*società a responsabilità limitata*).

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year.

### **Capitalisation and indebtedness statement**

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes, is as follows:

Quota capital	Euro 10,000
Issued, authorised and fully paid up quota capital	
<b>Loan capital</b>	
Securitisation	Euro 278,811,000
Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029	
Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029	
Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029	
Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due October 2029	
Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029	
<b>Total loan capital (Euro)</b>	Euro 10,000
<b>Total capitalisation and indebtedness (Euro)</b>	Euro 278,821,000

Subject to the above, as at the date of this Prospectus, the Issuer has no indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

### **Financial statements and Issuer's auditors**

The Issuer's accounting reference date is 31 December in each year. The Issuer has been incorporated on 23 October 2019 and, since the date of incorporation, it has not prepared any accounts.

Each financial statement will be audited by independent auditors. As at the date of this Prospectus, no external auditors have been appointed by the Issuer.

Copies of the financial statements of the Issuer for each financial year since the Issuer's incorporation may be inspected and obtained free of charge during usual business hours at the specified offices of the Issuer and the Representative of the Noteholders.

**USE OF PROCEEDS**

The net proceeds of the Notes, equal to Euro 278,811,000 will be applied by the Issuer on the Issue Date to grant to the Originator the Limited Recourse Loan for an amount equal to the Limited Recourse Loan Amount in accordance with and subject to the provisions of the Limited Recourse Loan Agreement.

## THE ISSUER ACCOUNTS

The Notes are financial notes (*titoli*) issued in the context of a transaction carried out by the Issuer pursuant to the Securitisation Law. The Notes constitute direct and limited recourse obligations solely of the Issuer backed by the Portfolio and secured over certain other assets of the Issuer. In particular, the Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other parties to the Transaction Documents.

### The Issuer's Accounts

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following bank accounts:

## 2. THE TRANSACTION ACCOUNT

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has undertaken to instruct the Account Bank to:

- (a) credit the Transaction Account:
  - (i) on the Issue Date, with the proceeds of the Notes subscribed for by the Notes Subscriber;
  - (ii) on the LRL Payment Date immediately following the delivery of a Partial Early Termination Notice by the Originator to the Issuer in accordance with the Intercreditor Agreement, an amount equal to the amount set forth under clause 7.3 of the Limited Recourse Loan Agreement (as instructed by the Originator to the Originator Account Bank copying the Issuer, the Servicer and the Calculation Agent), to be credited from the Pledged Originator Account;
  - (iii) on the 4<sup>th</sup> Business Day prior to each Notes Payment Date, with an amount equal to any positive interest accrued on the Pledged Originator Account in accordance with clause 3.2 of the Deed of Pledge from the Pledged Originator Account;
  - (iv) on the LRL Payment Date immediately following the Early Termination Date, an amount equal to the amount set forth under clause 7.4 of the Limited Recourse Loan Agreement (as instructed by the Originator to the Originator Account Bank copying the Issuer, the Servicer and the Calculation Agent), to be credited from the Pledged Originator Account;
  - (v) on the Scheduled Maturity Date, an amount equal to the amount set forth under clause 7.5 of the Limited Recourse Loan Agreement (as instructed by the Originator to the Originator Account Bank copying the Issuer, the Servicer and the Calculation Agent), to be credited from the Pledged Originator Account;
  - (vi) on each LRL Payment Date, an amount equal to the amount set forth under clause 7.2 of the Limited Recourse Loan Agreement (as instructed by the Originator to the Originator Account Bank copying the Issuer, the Servicer and the Calculation Agent), to be credited from the Pledged Originator Account;
  - (vii) on the Final Settlement Date, an amount equal to the amount set forth under clause 7.5 of the Limited Recourse Loan Agreement (as instructed by the Originator to the Originator Account Bank copying the Issuer, the Servicer and the Calculation Agent), to be credited from the Pledged Originator Account;
  - (viii) on the Final Early Termination Date, an amount equal to the amount set forth

under clause 7.4 of the Limited Recourse Loan Agreement (as instructed by the Originator to the Originator Account Bank copying the Issuer, the Servicer and the Calculation Agent), to be credited from the Pledged Originator Account;

- (ix) on each Business Day from (and including) the Issue Date, with any amounts received by the Issuer under the Transaction Documents (including the Collections and Recoveries);
  - (x) on each LRL Payment Date the remuneration on the Limited Recourse Loan to be paid by the Originator in accordance with clause 8.1 of the Limited Recourse Loan Agreement;
  - (xi) on each Business Day, with any interest (if positive) accrued on such account in accordance with this Agreement;
- (b) debit the Transaction Account:
- (i) on the Issue Date, by an amount equal to the Limited Recourse Loan Amount to be credited on the Originator Loan Account in accordance with the Limited Recourse Loan Agreement;
  - (ii) on each Notes Payment Date, by any amounts payable by the Issuer pursuant to the applicable Priority of Payment.

### **3. THE EXPENSES ACCOUNT**

- 3.1 Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has undertaken to pay or cause to be paid or deposited, as the case may be, on the Expenses Account, on the Issue Date an amount equal to the Retention Amount.
- 3.2 Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has undertaken to instructs the Account Bank to credit the Expenses Account, on each Notes Payment Date, with an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) the Retention Amount in accordance with the applicable Priority of Payments.
- 2.3 Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has agreed to instructs the Account Bank, on any day during each Interest Period or after the redemption in full or cancellation of the Notes, as the case may be, to debit, in accordance with the instructions given through the Corporate Servicer in signed and written form or through a remote banking system, the Expenses Account by an amount equal to (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations, and (ii) all costs and taxes required to be paid to maintain the rating of the Mezzanine Notes (other than the M4 Notes) and in connection with the registration and deposit of the Notes, or any notice to be given to the Notes Subscriber or the other parties to the Transaction Documents.



**TERMS AND CONDITIONS OF THE NOTES**

**The Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029**  
**The Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029**  
**The Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029**  
**The Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due October 2029**  
**The Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029**

**GENERAL**

The Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029 (the **M1 Notes**), the Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029 (the **M2 Notes**), the Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029 (the **M3 Notes**), the Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due October 2029 (the **M4 Notes** and, together with the M1 Notes, the M2 Notes and the M3 Notes, the **Mezzanine Notes**) and the Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029 (the **Junior Notes** and, together with the Mezzanine Notes, the **Notes**) shall be issued on the Issue Date by the Issuer. The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law, whose registered office is at Via Vittorio Alfieri, 1 Conegliano (TV) Italy. The Issuer is enrolled in the companies register of Treviso - Belluno and, on or prior to the Issue Date, shall be enrolled in the register of special purpose vehicles (*Elenco delle Società Veicolo di Cartolarizzazione*) held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017. The Issuer shall issue the Notes pursuant to its by-laws for the purpose of financing the granting of the Limited Recourse Loan under the Limited Recourse Loan Agreement.

On or prior to the Issue Date, the Issuer shall publish the Prospectus, which shall constitute the *Prospetto Informativo* for the purposes of Article 2, paragraph 3 of the Securitisation Law in respect of the Notes. Copies of the Prospectus will be available, upon request, to the holder of any Note during normal business hours at the offices of the Issuer, the Representative of the Noteholders and the Corporate Servicer.

This section headed General shall constitute an essential part of, and shall have the same force and effect as if it was set out in, the terms and conditions of the Notes set out below. These Conditions contain summaries, and are subject to the detailed provisions, of the Transaction Documents.

The principal sources of the payment of interest and repayment of principal on the Notes will be the Collections and Recoveries made by the Issuer in respect of the Limited Recourse Loan and, therefore, pursuant to the Limited Recourse Agreement, the collections and recoveries in respect of the Reference Portfolio allocated to the Mezzanine and Junior Tranche.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection, upon request, to the holder of any Note during normal business hours at the offices of the Issuer and the Representative of the Noteholders. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. No amendment to the provisions of these Conditions shall constitute a novation (*novazione*) of the Notes within the meaning of Article 1230 of the Italian Civil Code.

The Noteholders are deemed to have notice of, are bound by and shall have the benefit of, *inter alia*, the Rules, which constitute an integral and essential part of these Conditions. The Rules are attached hereto as Schedule 1. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with these Conditions, the Rules and the Intercreditor Agreement.

Each Noteholder, by reason of holding one or more Notes, recognises the Representative of the Noteholders as its representative and agrees to be bound by the terms of the Transaction Documents to

which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto.

Headings used in these Conditions are for ease of reference only and shall not affect their interpretation.

For the purposes of these Conditions, the following capitalised terms shall, except where the context otherwise requires and save where defined therein, have the following meaning:

**Account Bank** means BNP Paribas Securities Services, Milan Branch or any other entity which may from time to time act as account bank pursuant to the Cash, Allocation, Management and Payments Agreement.

**Aggregate Interest Amount** has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Allocation Mechanism** means, indistinctively, each of the Pro-Rata Allocation Mechanism and the Sequential Allocation Mechanism.

**Amortisation Amount** means, in respect of a given Reporting Period, an amount equal to the sum of all Notional Reductions in respect of such Reporting Period.

**Arranger** means BNP Paribas SA.

**Business Day** means any day (other than a Saturday or Sunday) on which banks are open for business in Milan and on which TARGET 2 is open for the settlement of payments in Euro.

**Calculation Agent** means Securitisation Services S.p.A. or any other entity which may from time to time act as calculation agent pursuant to the Cash, Allocation, Management and Payments Agreement.

**Calculation Date** means the date falling on the 4<sup>th</sup> Business Day prior to each relevant Notes Payment Date.

**Class, Class of Notes or Class of Noteholders** will be a reference to the Mezzanine Notes or the Junior Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

**Cash, Allocation, Management and Payments Agreement** means the cash, allocation, management and payments agreement to be entered into on or prior the Issue Date between, inter alios, the Issuer, the Calculation Agent, the Servicer, the Account Bank and the Paying Agent, as amended and supplemented from time to time.

**Collateral Security** means with reference to each Reference Receivable, any pledge, security, indemnity or other agreement in support or as a guarantee of the recovery of such receivable including any Payment Delegation and/or Salary Assignment and/or Insurance Policy backing the relevant Reference Loan Agreement.

**Collection Period** means each period commencing on a LRL Payment Date (excluded) and ending on the following LRL Payment Date (included), provided that the first Collection Period will start on the Issue Date (excluded) and end on the first LRL Payment Date (included).

**Collections and Recoveries** means all amounts received by the Issuer in relation to the Receivables.

**Conditions** means the terms and conditions of the Notes and **Condition** means any article of the Conditions.

**Consolidated Banking Act** means the Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

**Corporate Servicer** means Securitisation Services S.p.A. or any other entity which may from time to time act as corporate servicer pursuant to the Corporate Services Agreement.

**Corporate Services Agreement** means the corporate services agreement to be entered into on or prior the Issue Date between the Issuer and the Corporate Servicer as amended and supplemented from time to time.

**Credit Event** means the qualification of the Reference Receivable as “*esposizione scaduta e/o sconfinante deteriorata*” (“past due”) or “*inadempienza probabile*” (“unlikely to pay”) or “*sofferenza*” (“bad loan”). Any of the above Credit Event shall apply at the level of an individual credit facility rather than in relation to the total obligations of a Reference Debtor.

**Credit Protection End Date** means the day falling 23 calendar days prior to the Scheduled Maturity Date, provided that if an Early Termination Date is designated under Clause 7.4 of the Limited Recourse Loan Agreement, the Credit Protection End Date shall be the day falling 23 calendar days prior to the Early Termination Date.

**Criteria** has the meaning ascribed to such term under Clause 2.3 of the Limited Recourse Loan Agreement.

**Cumulative Default Ratio** means the ratio, calculated on each Reporting Date, between:

- (a) the aggregate of (i) the Outstanding Amount of the Reference Receivables for which a Credit Event has occurred and (ii) the Outstanding Amount of the Reference Receivables for which a Potential Credit Event has occurred (and for which no Credit Event or Cured Potential Credit Event has occurred); and
- (b) 1,778,705,147.

**Cumulative Loss Ratio** means the ratio, calculated on each Reporting Date, between:

- (a) the aggregate of all the Losses on the Reference Receivables, and
- (b) 1,778,705,147.

**Cured Potential Credit Event** means, in respect of a Reference Receivable for which a Potential Credit Event has occurred, that either (i) the relevant Insurance Company has agreed to pay in full the Indemnity for such Reference Receivable, or (ii) the Work Out Cut-Off Date has occurred for such Reference Receivable and no Credit Event has occurred prior to the Work Out Cut-Off Date.

**Decree 239** means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

**Decree 239 Withholding** means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

**Deed of Pledge** means the deed of pledge to be entered into on or prior the Issue Date between the Issuer, the Originator and the Originator Account Bank, as amended and supplemented from time to time.

**Defaulted Reference Receivable** means, subject to clause 5.4 of the Limited Recourse Loan Agreement, a Reference Receivable in relation to which (1) a Credit Event has occurred after the Selection Date and until the Credit Protection End Date or (2) only for the Reference Receivables for which a Potential Credit Event (that has neither become a Credit Event nor a Cured Potential Credit Event before the Credit Protection End Date) has occurred before the Credit Protection End Date, a

Credit Event has occurred after the Credit Protection Date and until the Work Out Cut-Off Date for such Reference Receivable.

**Early Termination Date** has the meaning ascribed to such term under clause 7.4 of the Limited Recourse Loan Agreement.

**Early Termination Event** means the occurrence of any of the following events:

- (i) at any time from 31 August 2023; or
- (ii) at any time, after the occurrence of a Regulatory Change Event; or
- (iii) a Tax Event occurs in relation to any payment to be made by the Issuer and/or the Originator under the Limited Recourse Loan Agreement; or
- (iv) if on a Reporting Date, the Outstanding Amount of the Reference Receivables comprised under the Reference Portfolio falls below 10% of the Initial Reference Portfolio Amount; or
- (v) any obligation of the Issuer under the Limited Recourse Loan Agreement ceases to be legal, valid, binding and enforceable or such Agreement or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason.

**Early Termination Notice** means the notice served by the Originator to the Issuer, at its discretion, following the occurrence of an Early Termination Event, provided that, (1) with reference to the Early Termination Event set forth under point (i) of the relevant definition, the Originator may serve such Early Termination Notice to the Issuer only after having received the prior written consent to do so by the Regulatory Authority, and (2) any Early Termination Notice to be served upon the entry into force / application of a Regulatory Change Event may not be delivered more than 6 (six) months after the occurrence of the Regulatory Change Event to which it relates.

**Eligible Institution** means any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States having the following ratings:

- (i) with respect to S&P, at least “BBB” as a long-term issuer credit rating;
- (ii) if rated by Scope, whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least “BBB” by Scope, provided that a rating by Scope is (a) the public rating (**Issuer Credit-Strength Rating**) assigned by Scope or, if there is no public Scope rating, (b) the private rating assigned by Scope,

or such other rating as may comply with S&P’s and Scope’s criteria from time to time.

**Employer** means the relevant Reference Debtor’s public or private employer liable for the payments under any transfer agreement by virtue of the Payment Delegation and/or the Salary Assignment, or the Pension Authority or the different entity to which the Reference Debtor has transferred its TFR.

**End-Period Interest Rate** means 0%.

**Engagement Letter** has the meaning ascribed to it under the Limited Recourse Loan Agreement.

**Estimated Final Loss** means, in respect of a Defaulted Reference Receivable and a Work Out Cut-Off Date, an amount in respect of such Defaulted Reference Receivable determined by the Originator as its estimate of the Final Loss as at the Work Out Cut-Off Date in accordance with the supervisory regulations applicable to it and the Originator’s accounting procedures, and consistent with that recorded in its books and records.

**Euro, euro, EUR or €** means the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as

amended by the Treaty on the European Union.

**Execution Date** means means the date of execution of the amended and restated Limited Recourse Loan Agreement, it being the 20<sup>th</sup> of December 2019.

**Expenses** means:

- (a) any and all documented fees, costs, expenses and taxes, required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Transaction including those required to be paid in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and
- (b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Segregated Assets.

**Expenses Account** means the Euro-denominated account in the name of the Issuer designated as such and held with the Account Bank, and any replacement thereof.

**Final Early Termination Date** means, following an Early Termination Date, the LRL Payment Date falling after the day on which there are no further Work-Out Pending Reference Receivables.

**Final Loss** means, in relation to a Credit Event and the corresponding Defaulted Reference Receivable, the final amount of any loss debited to the profit and loss account of the Originator and directly attributable to such Credit Event and such Defaulted Reference Receivable. The amount of the Final Loss is determined by the Originator based on the supervisory regulations applicable to it and the originator's accounting procedures, and consistent with that recorded in its books and records. For the avoidance of doubt a Final Loss can only be determined after the end of any Recovery Procedure or pursuant to a waiver (in each case, in compliance with the Servicing Procedures) carried out in relation to such Defaulted Reference Receivable. It remains also understood that a Final Loss may refer also to a portion of a Defaulted Reference Receivable (e.g. a waiver by the Originator to collect a part of the relevant Outstanding Amount), provided that this is after the end of any Recovery Procedure or pursuant to a waiver (in each case, in compliance with the Servicing Procedures) in respect of that portion of the Defaulted Reference Receivable. In this latter case, notwithstanding the registration of a Final Loss, a further Loss may be registered on the same Defaulted Reference Receivable with respect to the remaining exposure. The aggregate of the Final Losses for any Defaulted Reference Receivable shall not exceed the Maximum Reference Receivable Loss for that Defaulted Reference Receivable.

**Final Loss Removal** means:

- (1) in respect of each Defaulted Reference Receivable for which a Final Loss has been determined and no further Final Loss will be determined, the Outstanding Amount of such Defaulted Reference Receivable as at the date of the occurrence of the Credit Event in respect of such Defaulted Reference Receivable minus the aggregate of all Final Losses determined in respect of such Defaulted Reference Receivable; and
- (2) in respect of each Reference Receivable that was a Work-Out Pending Reference Receivable on the Credit Protection End Date and for which an Initial Loss but no Final Loss has been determined on or before the Work Out Cut-Off Date for such Reference Receivable, the Outstanding Amount of such Defaulted Reference Receivable as at the date of the occurrence of the Credit Event in respect of such Defaulted Reference Receivable minus the Non Computed Loss in respect of such Defaulted Reference Receivable.

**First Notes Payment Date** means 6<sup>th</sup> April 2020.

**Final Reporting Date** means the date falling on the later of the Early Termination Date (or the Final Early Termination Date, if applicable) and the Scheduled Maturity Date (or the Final Settlement Date, if applicable), as the case may be, provided that if, as determined by the Originator, the Reference Receivables Recovery End Date in respect of all Defaulted Reference Receivables has occurred on a date prior to the Final Settlement Date, the Final Reporting Date shall be the date falling 30 days after the latest Reference Receivables Recovery End Date to occur in relation to all such Defaulted Reference Receivables.

**Final Reporting Delivery Date** means the date falling the 23rd day of the calendar month immediately after the Final Reporting Date, subject to the following business day convention.

**Final Settlement Date** means, following the Scheduled Maturity Date, the LRL Payment Date falling after the day on which there are no further Work-Out Pending Reference Receivables.

**Indemnity** means the amount due by the Insurance Company to the Originator upon occurrence of a Job Damage and/or a Life Damage, pursuant to the terms and conditions of the relevant Insurance Policy.

**Initial Loss** means, in relation to each Defaulted Reference Receivable, the amount of any loss (other than a Final Loss) estimated by the Originator after the occurrence of a Credit Event, provided that such amount shall be equal to:

- (a) for the qualification of the Reference Receivable as “*esposizione scaduta e/o sconfinante deteriorata*” (“past due”) or “*inadempienza probabile*” (“unlikely to pay”) or “*sofferenza*” (“bad loan”) other than the one under paragraph (b) below, the 2.3% of the Outstanding Amount of each relevant Defaulted Reference Receivable as of the date of occurrence of the respective Credit Event; and
- (b) for the qualification of the Reference Receivable as “*esposizione scaduta e/o sconfinante deteriorata*” (“past due”) or “*inadempienza probabile*” (“unlikely to pay”) or “*sofferenza*” (“bad loan”) that is made after the occurrence of a Job Damage or a Life Damage affecting the relevant Reference Debtor, the 2.3% of the Outstanding Amount of each relevant Defaulted Reference Receivable as of the date of the request by the Originator of the payment of the Indemnity to the relevant Insurance Company under the respective Insurance Policy, provided that such amount cannot be higher than the Outstanding Amount of each relevant Defaulted Reference Receivable as of the date of occurrence of the respective Credit Event.

**Initial Reference Portfolio Amount** means the aggregate Outstanding Amount of all Reference Receivables as at 30 November 2019, such amount being equal to Euro 1,778,705,147.

**Insolvency Proceedings** means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of-court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

**Insurance Company** means each insurance company having entered into an Insurance Master Agreement with the Originator and that, therefore, has issued an Insurance Policy for the benefit of the Originator, being: (a) Cardif Assurance Vie S.A.; (b) Cardif Assurance Risques Divers S.A.; (c) Net Insurance Life S.p.A.; (d) Net Insurance S.p.A.; (e) AXA France Vie S.A.; and (f) AXA France IARD

S.A.

**Insurance Master Agreement** means each agreement entered into between the Originator and an Insurance Company which regulates the terms and conditions for the issue of the relevant Insurance Policies for the benefit of the Originator.

**Insurance Policy** means, with respect to each Reference Loan Agreement, the relevant insurance policy issued by the relevant Insurance Company for the benefit of the Originator, pursuant to the relevant Insurance Master Agreement, to cover certain risks associated to the relevant Reference Debtor.

**Intercreditor Agreement** means the intercreditor agreement to be entered into on or prior the Issue Date between, *inter alios*, the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

**Interest Amount** has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount and Aggregate Interest Amount*).

**Interest Guarantor** means BNL S.p.A. pursuant to the Parent Company Guarantee.

**Interest Period** means the period from and including the Issue Date to, but excluding, the first Notes Payment Date, and each successive period from and including a Notes Payment Date to, but excluding, the next succeeding Notes Payment Date.

**Interest Rate** has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Notes Payment Dates and Interest Periods*).

**Investor Report** means the report required to be prepared and delivered by the Calculation Agent on a quarterly basis pursuant to the Cash Allocation, Management and Payment Agreement.

**Issue Date** means 23 December 2019.

**Issuer Accounts** means the accounts opened in the name of the Issuer in the context of the Transaction being the Transaction Account and the Expenses Account.

**Issuer** means Amalia SPV S.r.l.

**Issuer Available Funds** means aggregate of:

- (i) all the Collections and Recoveries received by the Issuer during the preceding Collection Period and credited into the Payments Account;
- (ii) any other amounts standing to the credit of the Payments Account as of the end of the immediately preceding Collection Period;
- (iii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights),

provided that on the earlier of the Final Settlement Date and the date on which all the Notes are redeemed in full or cancelled, the credit balance of the Transaction Account (net of the amounts deemed necessary to pay any possible closing expense and, if any, the liquidation of the Issuer) will be part of the Issuer Available Funds and the amount equal to such credit balance will be repaid on such date by the Issuer to the Originator.

**Issuer Creditors** means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Servicer, the Paying Agent, the Account Bank, the Corporate Servicer, the Stichting Corporate Services Provider, the Arranger, the Interest Guarantor and the Verification Agent (if appointed).

**Italian Bankruptcy Law** means the Italian legislative decree no. 267 of 16 March 1942, as amended and supplemented from time to time.

**Italian Civil Code** means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

**Italian Financial Act** means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

**Job Damage** means the communication to the relevant Insurance Company of each event related and/or connected to the employment relationship of a Reference Debtor (excluding a life event) and covered under the relevant Insurance Policy.

**Junior Notes** means the Euro 50,693,000 Junior Asset Backed Fixed Rate Notes due October 2029.

**Junior Noteholder** means any holder of the Junior Notes from time to time.

**Junior Notes Interest Amount** means the Interest Amount due on each Junior Note on each Notes Payment Date.

**Junior Notes Interest Rate** is equal to the Junior Tranche Interest Rate.

**Junior Notes Principal Outstanding Amount** means, on any Notes Payment Date, (i) the previous Junior Notes Principal Outstanding Amount (or the 95% of the Initial Junior Tranche Outstanding Amount with respect to the first Notes Payment Date), minus (ii) the 95% of the Observed Losses Variation Amount (if any) on such date allocated to the Junior Tranche plus (iii) the 95% of the Observed Recoveries Variation Amount (if any) on such date allocated to the Junior Tranche, less (iv) the 95% of the Amortisation Amount (if any) on such date allocated to the Junior Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date, and each of the amounts under (ii) and (iii) to be calculated without taking into account the Initial Losses occurred in the immediately preceding Reporting Period but only the Final Losses occurred in the immediately preceding Reporting Period.

**Junior Notes Repayment Amount** means, on each Notes Payment Date, the 95% of the Amortisation Amount allocated to the Junior Tranche pursuant to the Limited Recourse Loan Agreement.

**Junior Tranche** means the junior / most subordinated tranche of the Reference Portfolio in connection with the risk of losses thereof which initially, as at the 30 November 2019, is Euro 53,361,154, initially corresponding to 3.00% of the Initial Reference Portfolio Amount (such amount being, the **Initial Junior Tranche Outstanding Amount**).

**Junior Tranche Interest Amount** has the meaning ascribed to it under clause 8.2 of the Limited Recourse Loan Agreement.

**Junior Tranche Interest Rate** means 11.90 per cent. per annum.

**Junior Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous Junior Tranche Outstanding Amount (or the Initial Junior Tranche Outstanding Amount with respect to the first LRL Payment Date and first Notes Payment Date), minus (ii) the



Observed Losses Variation Amount (if any) on such date allocated to the Junior Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the Junior Tranche, less (iv) the Amortisation Amount (if any) on such date allocated to the Junior Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date.

**Liabilities** means in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including legal fees and any taxes and penalties incurred by that person, together with any value added or similar tax charged or chargeable in respect of any sum referred to in this definition.

**Life Damage** means the communication to the relevant Insurance Company of the death of a Reference Debtor to the relevant Insurance Company.

**Limited Recourse Loan** has the meaning ascribed to such term under Whereas (A) of the Limited Recourse Loan Agreement.

**Limited Recourse Loan Agreement** (or, also, the **LRL Agreement**) means the limited recourse agreement entered into between the Originator, as borrower, and the Issuer, as lender, on the Execution Date.

**Limited Recourse Loan Amount** has the meaning ascribed to such term under clause 2.1 of the Limited Recourse Loan Agreement.

**Limited Recourse Obligations** means the Originator's obligations to reimburse the relevant LRL Repayment Amount.

**Loss** means, indistinctively, either an Initial Loss or a Final Loss and **Losses** means, collectively, all Initial Losses and Final Losses.

**LRL Outstanding Amount** means, on any day, the LRL Tranche Outstanding Amount multiplied by 95%.

**LRL Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous LRL Tranche Outstanding Amount (or the Initial Mezzanine and Junior Tranche Outstanding Amount with respect to the first LRL Payment Date and the first Notes Payment Date), minus (ii) the Observed Losses Variation Amount (if any) on such date allocated to the Mezzanine and Junior Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the Mezzanine and Junior Tranche, less (iv) the Amortisation Amount (if any) on such date allocated to the Mezzanine and Junior Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date.

**LRL Payment Date** means each of 28 March, 28 June, 28 September and 28 December of each year (or in case any such date is not a Business Day, the immediately following Business Day), the first LRL Payment Date being 30 March 2020.

**LRL Repayment Amount** means, on each LRL Payment Date, an amount equal to the Amortisation Amount allocated to the Mezzanine and Junior Tranche as of the immediately preceding Reporting Date multiplied by 95%.

**Maximum Reference Receivable Loss** means in respect of each Defaulted Reference Receivable, the Outstanding Amount of such Defaulted Reference Receivables as of the date of occurrence of the relevant Credit Event.

**Mezzanine and Junior Tranche** means the aggregate of the Mezzanine Tranche and the Junior Tranche, as of 30 November 2019 such aggregate being Euro 293,486,349, initially corresponding to

16.50% of the Initial Reference Portfolio Amount (such amount being, the **Initial Mezzanine and Junior Tranche Outstanding Amount**).

**Mezzanine Noteholder** means any holder of the Mezzanine Notes from time to time.

**Mezzanine Notes** means M1 Notes, the M2 Notes, the M3 Notes and the M4 Notes.

**Mezzanine Tranche** means the aggregate of the M1 Tranche, M2 Tranche, the M3 Tranche and the M4 Tranche.

**M1 Notes** means the Euro 168,977,000 M1 Asset Backed Fixed Rate Notes due October 2029.

**M1 Notes Interest Amount** means the Interest Amount due on each M1 Note on each Notes Payment Date.

**M1 Notes Interest Rate** is equal to the M1 Tranche Interest Rate.

**M1 Notes Principal Outstanding Amount** means, on any Notes Payment Date, (i) the previous M1 Notes Principal Outstanding Amount (or the 95% of the Initial M1 Tranche Outstanding Amount with respect to the first Notes Payment Date), minus (ii) the 95% of the Observed Losses Variation Amount (if any) on such date allocated to the M1 Tranche plus (iii) the 95% of the Observed Recoveries Variation Amount (if any) on such date allocated to the M1 Tranche, less (iv) the 95% of the Amortisation Amount (if any) on such date allocated to the M1 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date, and each of the amounts under (ii) and (iii) to be calculated without taking into account the Initial Losses occurred in the immediately preceding Reporting Period but only the Final Losses occurred in the immediately preceding Reporting Period.

**M1 Notes Repayment Amount** means, on each Notes Payment Date, the 95% of the Amortisation Amount allocated to the M1 Tranche pursuant to the Limited Recourse Loan Agreement.

**M1 Tranche** means the M1 tranche of the Reference Portfolio in connection with the risk of losses thereof which initially, as at the 30 November 2019, is Euro 177,870,515, initially corresponding to 10.00% of the Initial Reference Portfolio Amount (such amount being, the **Initial M1 Tranche Outstanding Amount**).

**M1 Tranche Interest Amount** has the meaning ascribed to it under clause 8.2 of the Limited Recourse Loan Agreement..

**M1 Tranche Interest Rate** means 1.75 per cent. per annum.

**M1 Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous M1 Tranche Outstanding Amount (or the Initial M1 Tranche Outstanding Amount with respect to the first LRL Payment Date and on the first Notes Payment Date), minus (ii) the Observed Losses Variation Amount (if any) on such date allocated to the M1 Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the M1 Tranche, less (iv) the Amortisation Amount (if any) on such date allocated to the M1 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date.

**M2 Notes** means the Euro 19,432,000 M2 Asset Backed Fixed Rate Notes due October 2029.

**M2 Notes Interest Amount** means the Interest Amount due on each M2 Note on each Notes Payment Date.

**M2 Notes Interest Rate** is equal to the M2 Tranche Interest Rate.

**M2 Notes Principal Outstanding Amount** means, on any Notes Payment Date, (i) the previous M2 Notes Principal Outstanding Amount (or the 95% of the Initial M2 Tranche Outstanding Amount with respect to the first Notes Payment Date), minus (ii) the 95% of the Observed Losses Variation Amount (if any) on such date allocated to the M2 Tranche plus (iii) the 95% of the Observed Recoveries Variation Amount (if any) on such date allocated to the M2 Tranche, less (iv) the 95% of the Amortisation Amount (if any) on such date allocated to the M2 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date, and each of the amounts under (ii) and (iii) to be calculated without taking into account the Initial Losses occurred in the immediately preceding Reporting Period but only the Final Losses occurred in the immediately preceding Reporting Period.

**M2 Notes Repayment Amount** means, on each Notes Payment Date, the 95% of the Amortisation Amount allocated to the M2 Tranche pursuant to the Limited Recourse Loan Agreement.

**M2 Tranche** means the M2 tranche of the Reference Portfolio in connection with the risk of losses thereof which initially, as at 30 November 2019, is Euro 20,455,109, initially corresponding to 1.15% of the Initial Reference Portfolio Amount (such amount being, the **Initial M2 Tranche Outstanding Amount**).

**M2 Tranche Interest Amount** has the meaning ascribed to it under clause 8.2 of the Limited Recourse Loan.

**M2 Tranche Interest Rate** means 2.10 per cent. per annum.

**M2 Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous M2 Tranche Outstanding Amount (or the Initial M2 Tranche Outstanding Amount with respect to the first LRL Payment Date and on the first Notes Payment Date), minus (ii) the Observed Losses Variation Amount (if any) on such date allocated to the M2 Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the M2 Tranche, less (iv) the Amortisation Amount (if any) on such date allocated to the M2 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date.

**M3 Notes** means the Euro 19,432,000 M3 Asset Backed Fixed Rate Notes due October 2029.

**M3 Notes Interest Amount** means the Interest Amount due on each M3 Note on each Payment Date.

**M3 Notes Interest Rate** is equal to the M3 Tranche Interest Rate.

**M3 Notes Principal Outstanding Amount** means, on any Notes Payment Date, (i) the previous M3 Notes Principal Outstanding Amount (or the 95% of the Initial M3 Tranche Outstanding Amount with respect to the first Notes Payment Date), minus (ii) the 95% of the Observed Losses Variation Amount (if any) on such date allocated to the M3 Tranche plus (iii) the 95% of the Observed Recoveries Variation Amount (if any) on such date allocated to the M3 Tranche, less (iv) the 95% of the Amortisation Amount (if any) on such date allocated to the M3 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date, and each of the amounts under (ii) and (iii) to be calculated without taking into account the Initial Losses occurred in the immediately preceding Reporting Period but only the Final Losses occurred in the immediately preceding Reporting Period.

**M3 Notes Repayment Amount** means, on each Notes Payment Date, the 95% of the Amortisation Amount allocated to the M3 Tranche pursuant to the Limited Recourse Loan Agreement.

**M3 Tranche** means the M3 tranche of the Reference Portfolio in connection with the risk of losses thereof which initially, as at 30 November 2019, is Euro 20,455,109, initially corresponding to 1.15% of the Initial Reference Portfolio Amount (such amount being, the **Initial M3 Tranche Outstanding Amount**).

**M3 Tranche Interest Amount** has the meaning ascribed to it under clause 8.2 of the Limited Recourse Loan Agreement.

**M3 Tranche Interest Rate** means 3.10 per cent. per annum.

**M3 Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous M3 Tranche Outstanding Amount (or the Initial M1 Tranche Outstanding Amount with respect to the first LRL Payment Date and on the first Notes Payment Date), minus (ii) the Observed Losses Variation Amount (if any) on such date allocated to the M3 Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the M3 Tranche, less (iv) the Amortisation Amount (if any) on such date allocated to the M3 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date.

**M4 Notes** means the Euro 20,277,000 M4 Asset Backed Fixed Rate Notes due October 2029..

**M4 Notes Interest Amount** means the Interest Amount due on each M4 Note on each Payment Date.

**M4 Notes Interest Rate** is equal to the M4 Tranche Interest Rate.

**M4 Notes Principal Outstanding Amount** means, on any Notes Payment Date, (i) the previous M4 Notes Principal Outstanding Amount (or the 95% of the Initial M4 Tranche Outstanding Amount with respect to the first Notes Payment Date), minus (ii) the 95% of the Observed Losses Variation Amount (if any) on such date allocated to the M4 Tranche plus (iii) the 95% of the Observed Recoveries Variation Amount (if any) on such date allocated to the M4 Tranche, less (iv) the 95% of the Amortisation Amount (if any) on such date allocated to the M4 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date, and each of the amounts under (ii) and (iii) to be calculated without taking into account the Initial Losses occurred in the immediately preceding Reporting Period but only the Final Losses occurred in the immediately preceding Reporting Period.

**M4 Notes Repayment Amount** means, on each Notes Payment Date, the 95% of the Amortisation Amount allocated to the M4 Tranche pursuant to the Limited Recourse Loan Agreement.

**M4 Tranche** means the M4 tranche of the Reference Portfolio in connection with the risk of losses thereof which initially, as at 30 November 2019, is Euro 21,344,462, initially corresponding to 1.20% of the Initial Reference Portfolio Amount (such amount being, the **Initial M4 Tranche Outstanding Amount**).

**M4 Tranche Interest Amount** has the meaning ascribed to it under clause 8.2 of the Limited Recourse Loan Agreement.

**M4 Tranche Interest Rate** means 3.50 per cent. per annum.

**M4 Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous M4 Tranche Outstanding Amount (or the Initial M4 Tranche Outstanding Amount with respect to the first LRL Payment Date and on the first Notes Payment Date), minus (ii) the Observed Losses Variation Amount (if any) on such date allocated to the M4 Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the M4 Tranche, less (iv) the Amortisation Amount (if any) on such date allocated to the M4 Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date.

**Monte Titoli Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

**Monte Titoli** means Monte Titoli S.p.A..

**Most Senior Class of Notes** means:

- (a) if any M1 Notes are outstanding, the M1 Notes;
- (b) if any M2 Notes are outstanding and no M1 Notes are outstanding, the M2 Notes;
- (c) if any M3 Notes are outstanding and no M1 Notes and M2 Notes are outstanding, the M3 Notes;
- (d) if any M4 Notes are outstanding and no M1 Notes, M2 Notes and M3 Notes are outstanding, the M4 Notes;
- (e) if any Junior Notes are outstanding and no Mezzanine Notes are outstanding, the Junior Notes.

**Non Computed Loss** means, in relation to each Defaulted Reference Receivable for which a Credit Event and a Work Out Cut-Off Date has occurred and no Final Loss has been determined yet, the Estimated Final Loss of such Defaulted Reference Receivable on the Work Out Cut-Off Date.

**Non Computed Outstanding Amount** means on any day and in relation to each Defaulted Reference Receivable for which a Credit Event has occurred and no Final Loss has been determined prior to such day, an amount equal to the Maximum Reference Receivable Loss of such Defaulted Reference Receivable.

**Noteholder** means the Notes Subscriber or any holder, from time to time, of the Notes.

**Notes** means the M1 Notes, the M2 Notes, the M3 Notes, the M4 Notes and the Junior Notes, issued by the Issuer on the Issue Date in the context of the Transaction.

**Notes Payment Date** means each of 4 January, 4 April, 4 July and 4 October of each year (or in case any such date is not a Business Day, the immediately following Business Day), the first Notes Payment Date being 6<sup>th</sup> April 2020.

**Notes Subscriber** means each entity acting in such capacity under the Subscription Agreement.

**Notional Reductions** means, in respect of a given Reporting Period, an amount equal to the aggregate of all Repayments, Prepayments, Removals and Final Loss Removals of the Reference Receivables in respect of such Reporting Period.

**Observed Losses** means, in relation to each Reporting Period, the sum of (i) all Initial Losses determined on or prior to such Reporting Date in relation to which no Final Loss has been calculated and no Work Out Cut-Off Date has occurred, (ii) all Final Losses determined on or prior to such Reporting Date, and (iii) all Non Computed Losses in respect of Defaulted Reference Receivables for which a Work Out Cut-Off Date has occurred.

**Observed Losses Variation Amount** means an amount (which may be a positive or negative number), determined on each Reporting Date, equal to (i) the Observed Losses as calculated in respect of the Reporting Period immediately preceding such Reporting Date minus (ii) the Previous Observed Losses.

**Observed Recoveries Variation Amount** means, an amount (which may be a positive or negative number) equal to (i) minus (ii), where:

(i) is equal to (x) the sum of the Outstanding Amount of all the Defaulted Reference Receivables, as determined at that Reporting Date (the **Relevant Nominal Amount**) less (y) the Relevant Nominal Amount, as determined at the preceding Reporting Date; and

(ii) is equal to the Observed Losses Variation Amount.

**Originator** means BNL Finance S.p.A.

**Originator Account Bank** means the entity for the time being acting as Originator Account Bank in accordance with the Deed of Pledge and the other Transaction Documents.

**Originator EoD** means any of the following events:

- (i) default is made by the Originator in respect of any payment of interest to be paid by the Originator to the Issuer under the Limited Recourse Loan, which default or non-payment shall have continued for a period of 5 (five) calendar days; or
- (ii) default is made by the Originator in respect of any repayment of principal to be made by the Originator in favour of the Issuer under the Limited Recourse Loan, which default or non-payment shall have continued for a period of 5 (five) calendar days; or
- (iii) breach is made by the Originator of any material undertakings assumed by the Originator under the Limited Recourse Loan Agreement and/or the Deed of Pledge and such default remains unremedied for a period of 30 (thirty) calendar days after the date on which the Issuer has notified to the Originator the occurrence of the relevant breach.

**Originator EoD Notice** means the notice served to the Originator by the Issuer, acting upon the instructions of the Noteholders in accordance with the Conditions, following the occurrence of an Originator EoD.

**Originator Loan Account** means the euro denominated account with IBAN IT 56 D 03479 01600 000802340601 established in the name of the Originator where the Limited Recourse Loan Amount is credited by the Issuer on the Issue Date pursuant to and in accordance with the provisions set forth under the Limited Recourse Loan Agreement.

**Originator's Available Funds** means, on each date, an amount equal to LRL Outstanding Amount on such date and, upon enforcement of the Deed of Pledge, any sums standing to the credit of the Pledged Originator Account.

**Other Issuer Creditors** means the Issuer Creditors other than the Noteholders.

**Outstanding Amount** means, in respect of a Reference Receivable: (i) at any time prior to the occurrence of a Credit Event, the outstanding principal amount of such Reference Receivable and (ii) following the occurrence of a Credit Event, the outstanding principal amount of such Reference Receivables as of the date of occurrence of such Credit Event.

**Paying Agent** means BNP Paribas Securities Services, Milan Branch or any other entity which may from time to time act as paying agent pursuant to the Cash, Allocation, Management and Payments Agreement.

**Payment Delegation** means the payment delegation issued, pursuant to the relevant Reference Loan Agreement, by a Reference Debtor in favour of the Originator according to which the Reference Debtor (delegator) has delegated its Employer (delegate) to retain a fixed amount of the Reference Debtor's salary and to transfer it to the Originator (delegatee) in order to repay the Reference Receivable pursuant article 1269 and 1723 second paragraph of the Italian Civil Code and the further regulation applicable on the subject matter.

**Parent Company Guarantee** means the parent company guarantee executed between BNL S.p.A. and the Issuer, as guarantee by BNL S.p.A. for the timely and full payment of the interest due and payable by the Originator to the Issuer on the Limited Recourse Loan.

**Partial Early Termination Date** means the LRL Payment Date falling in June 2021 (included) and any LRL Payment Date thereafter.

**Partial Early Termination Notice** means the notice served by the Originator to the Issuer, at its discretion, pursuant to the Limited Recourse Loan Agreement on each Partial Early Termination Date, provided that the Originator may serve such Partial Early Termination Notice to the Issuer only after

having received the prior written consent to do so by the Regulatory Authority, it being understood that (subject to such prior written consent by the Regulatory Authority), the Originator may serve to the Issuer one or more Partial Early Terminations in accordance with clause 7.4 of the Limited Recourse Loan Agreement.

**Pension Authority** means the *Istituto Nazionale della Previdenza Sociale* or any other pension provider which is a transferred debtor of the receivables transferred by virtue of any Salary Assignment.

**Post Trigger Notice Priority of Payments** means the priority of payments under Condition 4.2.

**Potential Credit Event** means any of the following event:

- (a) the occurrence of a Life Damage affecting a Reference Debtor; or
- (b) the occurrence of a Job Damage affecting a Reference Debtor.

**Pledged Originator Account** means the bank account of the Originator, identified with IBAN IT 79 C 03479 01600 000802340600, established and maintained with the Originator Account Bank.

**Portfolio** means the portfolio of the Receivables.

**Pre Trigger Notice Priority of Payments** means the priority of payments under Condition 4.1.

**Prepayment** means any early repayment of principal received by the Originator in respect of any Reference Receivable or amount which has not been received by the Originator due to the set-off by the relevant Reference Debtor (other than a Defaulted Reference Receivable).

**Previous Observed Losses** means, on any Reporting Date, the Observed Losses as calculated to the Reporting Period ending on to the immediately preceding Reporting Date, provided that the Previous Observed Losses as of the first Reporting Date will be equal to zero.

**Principal Amount Outstanding** means, on any date the sum of the M1 Notes Principal Amount Outstanding, of the M2 Notes Principal Amount Outstanding, of the M3 Notes Principal Amount Outstanding, of the M4 Notes Principal Amount Outstanding and of the Junior Notes Principal Amount Outstanding.

**Priority of Payments** means each priority of payments under the Conditions.

**Pro-Rata Allocation Mechanism** means the pro-rata allocation of the Amortisation Amount to the Senior Tranche, the M1 Tranche, the M2 Tranche, the M3 Tranche, the M4 Tranche and the Junior Tranche (i.e. the Amortisation Amount will be allocated to each Tranche on the basis of the respective tranching percentage), provided that, for the periods comprised between the Issue Date and until the Notes Payment Date immediately following the LRL Payment Date falling in June 2021 (included), the pro-rata allocation of the Amortisation Amount will only apply to the Senior Tranche and the M1 Tranche).

The Pro-Rata Allocation Mechanism shall apply in the circumstances set forth under clause 7 the Limited Recourse Loan Agreement.

**Pro-Rata Amortisation Test** means that, on each Reporting Date:

- (1) the aggregate of
  - (a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of such Reporting Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and

- (b) the Outstanding Amount of any Reference Receivable for which a Potential Credit Event has occurred as of such Reporting Date (and for which no Credit Event or Cured Potential Credit Event has occurred);

is lower than the Junior Tranche Outstanding Amount as of such Reporting Date; and

- (2) both the Cumulative Default Ratio and the Cumulative Loss Ratio are lower than the following levels:

Reporting period			Cumulative Default Ratio	Cumulative Loss Ratio
NR	Quarter	Year		
7	3	2021	4,00%	0,70%
8	4	2021	4,50%	0,80%
9	1	2022	5,00%	0,90%
10	2	2022	5,30%	1,00%
11	3	2022	5,50%	1,10%
12	4	2022	5,65%	1,20%
13	1	2023	5,90%	1,30%
14	2	2023	6,00%	1,40%
15	3	2023	6,00%	1,50%
16	4	2023	6,00%	1,50%
AFTER			6,00%	1,50%

**Prospectus** means the prospectus to be dated on or prior the Issue Date that will be prepared by the Issuer in connection with the issuance of the Notes pursuant to the Securitisation Law.

**Quarterly Reference Portfolio Report** means the report delivered by the Originator on each Reporting Delivery Date pursuant to Clause 4.2(d) of the Limited Recourse Loan Agreement.

**Quarterly Servicer's Report Date** means the date falling 1 (one) Business Day after each LRL Payment Date.

**Quota** means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

**Quotaholder** means the holder of the Quota, being, as at the Issue Date, Stichting Tavoliere.

**Quotaholder's Agreement** means the quotaholder's agreement to be entered into on or prior the Issue Date between the Issuer and the Quotaholder, as amended and supplemented from time to time.

**Rating Agencies** means Scope Ratings GmbH (or "Scope") and S&P Global Ratings Europe Limited, Italy Branch (or "S&P").

**Receivables** means all the monetary claims as well as all the rights, interests and benefits to which the Issuer is entitled under the Limited Recourse Loan Agreement, and any right ancillary to the exercise of such monetary claims, rights, interests and benefits arising from, *inter alia*, the Deed of Pledge, including, but not limited to:

- (i) all rights in relation to all outstanding principal amounts of the Limited Recourse Loan Agreement;
- (ii) all rights in relation to interest to be paid under the Limited Recourse Loan Agreement;



- (iii) all rights in relation to the reimbursement of expenses, and in relation to any losses, costs, indemnities and damages, as well as any other amounts due to the Issuer with respect to or in connection with the Limited Recourse Loan Agreement, the Deed of Pledge and the Parent Company Guarantee;
- (iv) all rights and claims provided under the Limited Recourse Loan Agreement for the benefit of the Issuer,

together with the security interest and guarantees, all pledges and all privileges and priority rights supporting such rights and claims, and all other ancillary rights (*accessori*) pertaining thereto, as well as any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to such rights and claims and to the exercise thereof in accordance with the provisions of the Limited Recourse Loan Agreement and agreements connected to it and/or pursuant to the applicable law, including, but not limited to, the contractual right of termination by reason of failure to perform (*diritto di risoluzione contrattuale per inadempimento*) or other reason and the right to accelerate the obligations of the Originator (*diritto di dichiarare il debitore decaduto dal beneficio del termine*), if any.

**Regulation 13 August 2018** means the resolution issued by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time.

**Recovery Procedures** means the recovery procedures carried out by or on behalf of the Originator in accordance with its Servicing Procedures with the aim of recovering any due amounts under the Defaulted Reference Receivables and/or to reduce the Losses occurred with reference to the same.

**Reference Debtor** means any individual person who entered into a Reference Loan Agreement as principal debtor or guarantor or who is obliged for the payment or repayment of amounts due in respect of a Reference Receivable or who has assumed the Reference Debtor's obligation under an *accollo*, or otherwise.

**Reference Loan** means each personal loan granted by the Originator to a Reference Debtor, on the basis of a Reference Loan Agreement to be reimbursed through a Payment Delegation and/or Salary Assignment.

**Reference Loan Agreement** means each written agreement, from which a Reference Receivable is originated, entered into between the Originator and a Reference Debtor.

**Reference Portfolio** means the portfolio of Reference Receivables identified under the Limited Recourse Loan Agreement.

**Reference Portfolio Performance Event** means the occurrence of any of the following events at any date:

- (a) Losses exceed 6% of the Initial Reference Portfolio Amount; or
- (b) the Pro-Rata Amortisation Test not being satisfied; or
- (c) the delivery of a Trigger Notice.

**Reference Receivables** means the receivables owned by the Originator vis-à-vis the Reference Debtors and deriving from the Reference Loan Agreements, as identified under the Limited Recourse Loan Agreement.

**Reference Receivables Recovery End Date** means, in respect of a Defaulted Reference Receivable, the date on which the Originator determines, in accordance with its own internal procedures, that it has

terminated its Recovery Procedure (also pursuant to a waiver to the relevant Recovery Procedure) in respect of such Defaulted Reference Receivable following the relevant Credit Event.

**Regulatory Authority** means any competent international, European or national body (including the European Central Bank, the Prudential Regulation Authority, the Bank of Italy or any other competent international, European or national regulatory or supervisory authority).

**Regulatory Change Event** means (a) any change in or (b) a ruling, decision (also concerning recognition of SRT with respect to this Transaction) or other official interpretation issued by any Regulatory Authority in respect of or (c) any other change as a result of formal action by any Regulatory Authority or (d) the application of, or an obligation to comply with, any law, rule, instruction or regulation, in each case occurring after the Issue Date in a way that affects in a material and negative way the Originator's regulatory capital requirements and that substantially eliminates or reduces the regulatory benefits that the Transaction is intended to provide, as certified by two heads of departments of the Originator, one of which must be in a department that is a control function and not in a front office role, it being understood that the entry into force of new risk weighting regime for CQS Loans set forth under Article 1, point 59) of the Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, for credit institutions and/or the application of such new risk weighting regime to the Originator, shall not constitute a Regulatory Change Event.

**Removal** means the Outstanding Amount of any Reference Receivable in respect of which (1) there has been a breach of the representation and warranty given by the Originator to the Issuer on such Reference Receivable under clause 9.1(B)(a) of the Limited Recourse Agreement; and/or (2) a Credit Event or a Potential Credit Event has occurred on or prior the Selection Date.

**Repayment** means any repayment of principal (other than a Prepayment) received by the Originator in respect of any Reference Receivable (other than a Defaulted Reference Receivable).

**Reporting Date** means the date falling on the 28 February (or 29 February, as the case may be), 31 May, 31 August and 30 November of each calendar year until (and including) the Final Reporting Date subject to the following business day convention; the first Reporting Date means 29 February 2020.

**Reporting Delivery Date** means the date falling on the 23rd day of each of March, June, September and December of each calendar year until (and including) the Final Reporting Delivery Date subject to the following business day convention; the first Reporting Delivery Date means 23 March 2020.

**Reporting Entity** means the Originator appointed as such under the Intercreditor Agreement pursuant to the Securitisation Regulation.

**Reporting Period** means each period from (and including) a Reporting Date to (but excluding) the next following Reporting Date.

**Representative of the Noteholders** means Securitisation Services S.p.A. or any other entity which may from time to time act as representative of the Noteholders, appointed in accordance with the Conditions.

**Retention Amount** means Euro 30,000.

**Rules or Rules of Organization of the Noteholders** means the rules of the organisation of Noteholders set out in Schedule 1 of the Conditions.

**Sanctioned Person** means any person who is a designated target of Sanctions or is otherwise a subject of Sanctions (including without limitation as a result of being (a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions, or (b) organised under the laws of, or a citizen or resident of, any country that is subject to general or country-wide Sanctions).

**Sanctions** means any economic or financial sanctions, trade embargoes or similar measures enacted, administered or enforced by any of the following (or by any agency of any of the following):

- (a) the United Nations;
- (b) the United States of America; or
- (c) the European Union or any present or future member state thereof.

**Salary Assignment** means the assignment of up to one-fifth of the salary and/or pension with reference to the relevant Reference Loan Agreement, made by the Reference Debtor in favour of the Originator, pursuant to the Presidential Decree No. 180/1950, as amended and supplemented, and implementing regulation.

**Scheduled Maturity Date** means October 2029.

**Securitisation Assets** has the meaning ascribed to such term in Condition 2 (*Status, segregation and ranking*).

**Securitisation Law** means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*), as amended and supplemented from time to time.

**Securitisation Regulation** means the 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. 648/2012, together with the relevant technical standards each as subsequently amended and supplemented from time to time.

**Security Interest** means any mortgage, charge, pledge, lien, encumbrance, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

**Selection Date** means 30 November 2019.

**Senior Tranche** means the most senior tranche of the Reference Portfolio in connection with the risk of losses thereof which initially, as at 30 November 2019, is Euro 1,485,218,798, initially corresponding to 83.50% of the Initial Reference Portfolio Amount (such amount being, the **Initial Senior Tranche Outstanding Amount**).

**Senior Tranche Outstanding Amount** means, on any LRL Payment Date and on any Notes Payment Date, (i) the previous Senior Tranche Outstanding Amount (or the Initial Senior Tranche Outstanding Amount on the first LRL Payment Date and on the first Notes Payment Date), minus (ii) the Observed Losses Variation Amount (if any) on such date allocated to the Senior Tranche plus (iii) the Observed Recoveries Variation Amount (if any) on such date allocated to the Senior Tranche, less (iii) the Amortisation Amount (if any) on such date allocated to the Senior Tranche, each of the amounts under (ii), (iii) and (iv) calculated as of the immediately preceding Reporting Date, provided that upon partial redemption of the LRL Tranche Outstanding Amount in accordance with Clause 7.3 of the Limited Recourse Loan Agreement, the Senior Tranche Outstanding Amount as at the date of such partial redemption shall be increased with an amount corresponding to the partial redemption of the LRL Tranche Outstanding Amount made on such date under Clause 7.3 of the Limited Recourse Loan Agreement.

**Sequential Allocation Mechanism** means the allocation of the Amortisation Amount on the basis of the following order of priority:

- (i) first, to the Senior Tranche until when the Senior Tranche is reduced to zero; and
- (ii) second, only after the Senior Tranche is reduced to zero, to the Mezzanine and Junior Tranche in the following order:
  - to the M1 Tranche;
  - only after the M1 Tranche is reduced to zero, to the M2 Tranche;
  - only after the M2 Tranche is reduced to zero, to the M3 Tranche;
  - only after the M3 Tranche is reduced to zero, to the M4 Tranche;
  - only after the M4 Tranche is reduced to zero, to the Junior Tranche,

provided that if conditions (a) and (c) of the Reference Portfolio Performance Event definition are not breached, the Senior Tranche and the M1 Tranche will continue to be repaid on the basis of the Pro-Rata Allocation Mechanism.

The Sequential Allocation Mechanism shall apply in the circumstances set forth under clause 7 of the Limited Recourse Loan Agreement.

**Sequential Notice** means the written notice that is delivered by the Originator to the Issuer following the occurrence of the Reference Portfolio Performance Event in accordance with the Intercreditor Agreement.

**Servicer** means Securitisation Services S.p.A. or any other entity which may from time to time act as servicer of the Receivables pursuant to the Servicing Agreement.

**Servicing Agreement** means the servicing agreement to be entered into on or prior the Issue Date between the Issuer and the Servicer, as amended and supplemented from time to time.

**Servicing Procedures** means the internal collection and recovery policies of the Originator from time to time, provided that these shall always be in accordance with the Servicing Standard.

**Servicing Standard** means the standard of a reasonable and prudent lending bank, disregarding for such purposes the effect of the Limited Recourse Loan Agreement, but taking into account any security allocable to the relevant Reference Receivable, all as provided in the collection and recovery policies of the Originator applicable to unhedged exposures of the same nature as the Reference Receivables.

**Stichting Corporate Services Agreement** means the stichting corporate services agreement to be entered into on or prior the Issue Date between, *inter alios*, the Issuer and the Stichting Corporate Services Provider, as amended and supplemented from time to time.

**Stichting Corporate Services Provider** means Wilmington Trust SP Services (London) Limited or any other entity which may from time to time act as Stichting Corporate Services Provider pursuant to the Stichting Corporate Services Agreement.

**Stock Exchange** (or, also, **ExtraMOTPRO**) means the professional segment of the multilateral trading facility “ExtraMOTPRO”, which is a multilateral system for the purposes of the Market and Financial Instruments Directive 2014/65/EC managed by Borsa Italiana S.p.A.

**Subscription Agreement** means the subscription agreement to be entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Originator, the Representative of the Noteholders and the Notes Subscriber, as amended and supplemented from time to time.

**Tax** includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

**Tranche** means any of the Senior Tranche, the M1 Tranche, the M2 Tranche, the M3 Tranche, the M4 Tranche or the Junior Tranche, as the case may be.

**Transaction** means the securitisation transaction effected by the Issuer through the issuance of the Notes.

**Transaction Account** means the account bank of the Issuer identified/defined as such under the Cash Allocation Management and Payment Agreement.

**Transaction Documents** means, collectively, the Limited Recourse Loan Agreement, the Servicing Agreement, the Corporate Services Agreement, the Deed of Pledge, the Parent Company Guarantee, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Subscription Agreement, the Conditions, the Engagement Letter and the Prospectus.

**Transaction Party** means any party to the Transaction Documents.

**Trigger Event** means any of the events set out under Condition 10 (*Trigger Events*).

**Trigger Notice** means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

**Verification Agent** means the verification agent that will be appointed by the Issuer in accordance with Clause 13.1 of the Limited Recourse Loan Agreement.

**Winding-Up** means a procedure of dissolution (*scioglimento*) of a company, as provided for under Article 2484 of the Italian Civil Code.

**Work Out Cut-Off Date** means, in respect of a Reference Receivable that was a Work-Out Pending Reference Receivable on the Credit Protection End Date, the LRL Payment Date falling 6 months after the Credit Protection End Date, with the exception of:

- (i) the Defaulted Reference Receivables for which the Credit Event has occurred less than 6 months prior to the Credit Protection End Date, for which the Work Out Cut-Off Date will be the day falling 12 months following the occurrence of such Credit Event; and
- (ii) the Reference Receivables for which a Potential Credit Event has occurred as at the Credit Protection End Date (and for which no Credit Event or Cured Potential Credit Event had occurred at the Credit Protection End Date), for which the Work Out Cut-Off Date will be the day falling 12 months following the Credit Protection End Date.

**Work-Out Pending Reference Receivables** means the Reference Receivables for which a Potential Credit Event has occurred (and for which no Credit Event or Cured Potential Credit Event has occurred) and the Defaulted Reference Receivables for which no Final Loss or Non Computed Loss has been determined yet.

## 1. FORM, DENOMINATION, TITLE

- 1.1 The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act.
- 1.2 The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.
- 1.3 Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the Notes.
- 1.4 Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent shall (to the fullest extent permitted by applicable laws) be entitled to treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for all purposes (whether or not such Note shall be overdue and notwithstanding any notice to the contrary, any notice of ownership or writing thereon or notice of any previous loss or theft thereof or any interest therein) and shall not be liable for doing so.
- 1.5 Ownership of the Notes by a United States person may be subject to United States tax law restrictions. Any United States person who holds this obligation will be subject to limitations under United States income tax laws.

## 2. STATUS, SEGREGATION AND RANKING

- 2.1 The Notes constitute direct and limited recourse obligations of the Issuer. Payments of interest, principal and any other amounts under the Notes will be funded solely from the collections, recoveries and other proceeds under or in respect of the Receivables, together with such other amounts as the Issuer may derive from and in accordance with the Transaction Documents (together, the **Securitisation Assets**).
- 2.2 The Notes benefit of the provisions of the Securitisation Law pursuant to which the Receivables, the Collections and Recoveries, the other Securitisation Assets and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Transaction are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors.
- 2.3 Both prior and following the delivery of a Trigger Notice, the Notes of each Class shall rank *pari passu* without preference or priority amongst themselves, provided that, as regards the Notes of each Class with respect to the Notes of each other Class, in respect of both interest/remuneration and principal:
- (vi) the M1 Notes shall rank *pari passu* among themselves and in priority to the M2 Notes, the M3 Notes, the M4 Notes and the Junior Notes;
  - (vii) the M2 Notes shall rank *pari passu* among themselves and in priority to the M3 Notes, the M4 Notes and the Junior Notes but subordinated to the M1 Notes;

- (viii) the M3 Notes shall rank *pari passu* among themselves and in priority to the M4 Notes and the Junior Notes but subordinated to the M1 Notes and the M2 Notes;
- (ix) the M4 Notes shall rank *pari passu* among themselves and in priority to the Junior Notes but subordinated to the M1 Notes, the M2 Notes and the M3 Notes;
- (x) the Junior Notes shall rank *pari passu* among themselves but subordinated to the Mezzanine Notes of each Class,

in all circumstances in accordance with the applicable Priority of Payments.

- 2.4 The rights, claims and remedies of the Noteholders of each Class and of each Other Issuer Creditor in respect of the obligations owed by the Issuer to the Noteholders of such Class and each such Other Issuer Creditor, as the case may be, in respect of the Receivables and other Securitisation Assets shall at all times (whether before or after the service of a Trigger Event Notice) be subordinated to the rights, claims and remedies of all the Noteholders and all Other Issuer Creditors whose rights, claims and remedies in respect of (i) the obligations owed by the Issuer to such creditor(s) and/or (ii) the Receivables and/or (iii) the other Securitisation Assets rank by operation of law or are expressed pursuant to these Conditions or the Intercreditor Agreement to rank in priority to the rights, claims and remedies of the Noteholders of such Class and/or of such Other Issuer Creditor, as the case may be. Furthermore, each Noteholder and each Other Issuer Creditor agrees and acknowledges that until all sums required by these Conditions and the terms of the Intercreditor Agreement to be paid in priority thereto have been paid or discharged in full (and then if and only to the extent that the Issuer shall have funds available to pay such amounts and shall be permitted to pay such amounts in accordance with these Conditions and the terms of the Intercreditor Agreement together with all other amounts payable *pari passu* therewith), no amount payable by the Issuer to any Noteholder or any Other Issuer Creditor under these Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it.
- 2.5 The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other parties to the Transaction Documents.

### 3. COVENANTS

Subject to the provisions below, for so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in these Conditions or in any of the Transaction Documents, and prior notification to the Rating Agencies shall not, nor shall cause or permit (to the extent permitted by Italian law) quotaholder's meetings to be convened in order to:

(a) *Negative pledge and non-disposal*

create or permit to subsist any Security Interest of any kind (unless arising by operation of law) over any of its property, assets or undertakings, present or future, or the Securitisation Assets or sell, lend, or otherwise dispose of all or any part of its property, assets or undertakings, present or future, or the Securitisation Assets;

(b) *Use of property*

use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property, assets or undertakings, present or future, or the Securitisation Assets or any interest, right or benefit in respect

of any thereof or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;

(c) *Restrictions on activities*

- (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide for, or envisage that the Issuer may engage in, or any other activity necessary in connection therewith or incidental thereto, or enter into any agreement or document, including any derivative contracts;
- (ii) have any subsidiary or affiliate (*società controllata* or *società collegata* within the meaning of Article 2359 of the Italian Civil Code), participations in other companies or subsidiary undertakings of any other nature or have any employees or premises; or
- (iii) at any time approve or agree or consent to any act or thing whatsoever which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Notes or the Transaction Documents or do, or permit to be done, any act or thing in relation thereto which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Transaction Documents;
- (iv) become the owner of any real estate asset;

(d) *Dividends and distributions*

pay any dividend or make any other distribution or repayment to its quotaholders, issue any further shares or otherwise increase its share capital other than when so required by applicable law;

(e) *Borrowings*

create, incur or permit to subsist any indebtedness whatsoever in respect of borrowed money whatsoever or give any guarantee or indemnity or become obliged in respect of indebtedness or of any obligation of any person;

(f) *De-registration*

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017, unless in order to comply with the provisions of law applicable to it;

(g) *Merger*

amalgamate, consolidate or merge with any other person or convey or transfer its properties or assets substantially or in their entirety to any other person;

(h) *No variation or waiver*

permit (i) any of the Transaction Documents to which it is a party to become invalid or ineffective; or (ii) permit any party to any of such Transaction Documents to be released from its obligations;

(i) *Bank accounts*



with the exception of the account where the quota capital of the Issuer has been deposited, open or have an interest in any bank account other than the Issuer Accounts;

(j) *Corporate records, financial statements and book of account*

cease to maintain corporate records, financial statements and book of account separate from those of any other person or entity;

(k) *Statutory documents*

amend, supplement or otherwise modify its deed of incorporation (*atto costitutivo*) and/or by-laws (*statuto*) other than when so required by applicable law or by any regulatory authority having jurisdiction over it;

(l) *Separateness*

permit or consent to any of the following occurring:

- (i) its books and records relating to the Transaction being maintained with or co-mingled with those of any other person or entity;
- (ii) its bank accounts relating to the Transaction and the debts represented thereby being co-mingled with those of any other person or entity;
- (iii) its assets or revenues relating to the Transaction being co-mingled with those of any other person or entity; or
- (iv) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

- (A) separate financial statements in relation to its financial affairs and the Transaction are maintained;
- (B) all corporate formalities with respect to its affairs are observed in compliance with the Securitisation Law;
- (C) separate stationery, invoices and cheques are used in respect of the Transaction;
- (D) it always holds itself out as a separate entity and constantly ensure distinction and separateness between the Transaction and its other financial affairs; and
- (E) any known misunderstandings regarding its separate identity and the distinction between the Transaction and its other financial affairs are corrected as soon as possible;

(m) *Compliance with applicable law*

cease to comply with any applicable law or any necessary corporate formality;

(n) *Residency and centre of main interests*

become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have

its centre of main interests in Italy; or

(o) *Further securitisations*

enter into further securitisations in addition to the Transaction,

*provided that* nothing in this Condition 3 shall prevent or restrict the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it or order of any competent authority.

#### 4. PRIORITY OF PAYMENTS

##### 4.1 Pre Trigger Notice Priority of Payments

Prior to the delivery of a Trigger Notice and prior to the occurrence of the other circumstances where the Sequential Amortisation Mechanism applies under clause 7 of the Limited Recourse Loan Agreement, the Issuer Available Funds shall be applied on each Notes Payment Date in making the following payments in the following order of priority, in each case, only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account:

- (a) *First*, (a) to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such cost during the immediately preceding Collection Period; and (b) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (b) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable in account of remuneration, indemnities or proper costs and expenses (including *VAT*, in applicable, and other applicable taxes) incurred by the relevant agent during the immediately preceding Interest Period to the Calculation Agent, the Paying Agent, the Account Bank, the Servicer, the Corporate Servicer, the Stichting Corporate Services Provider, the Verification Agent (if appointed) and the Representative of the Noteholders;
- (c) *Third*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M1 Notes;
- (d) *Fourth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M2 Notes;
- (e) *Fifth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M3 Notes;
- (f) *Sixth*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M1 Notes Repayment Amount;; and (B) if a Partial Early Termination Notice has been delivered by the Originator to the Issuer under the Limited Recourse Loan Agreement, on the immediately following Notes Payment Date, to pay the M1 Notes Principal Amount Outstanding in accordance with Condition 6.3;
- (g) *Seventh*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M2 Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the M2 Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding has been repaid

in full; and (B) if a Partial Early Termination Notice has been delivered by the Originator to the Issuer under the Limited Recourse Loan Agreement, on the immediately following Notes Payment Date, to pay the M2 Notes Principal Amount Outstanding (if so elected by the Originator in the Partial Early Termination Notice) in accordance with Condition 6.3;

- (h) *Eighth*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M3 Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the M3 Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding and the M2 Notes Principal Amount Outstanding have been repaid in full; and (B) if a Partial Early Termination Notice has been delivered by the Originator to the Issuer under the Limited Recourse Loan Agreement, on the immediately following Notes Payment Date, to pay the M3 Notes Principal Amount Outstanding (if so elected by the Originator in the Partial Early Termination Notice) in accordance with Condition 6.3;
- (i) *Ninth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M4 Notes;
- (j) *Tenth*, on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the M4 Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the M4 Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding, the M2 Notes Principal Amount Outstanding and the M3 Notes Principal Amount Outstanding have been repaid in full;
- (k) *Eleventh*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Junior Notes;
- (l) *Twelfth*, (A) on each Notes Payment Date, to pay, *pari passu* and *pro rata*, the Junior Notes Repayment Amount, provided that if the Reference Portfolio Performance Event under paragraph (b) of the relevant definition has not been cured on such Notes Payment Date, no repayment of principal on the Junior Notes will be made until the Notes Payment Date on which the M1 Notes Principal Amount Outstanding, the M2 Notes Principal Amount Outstanding, the M3 Notes Principal Amount Outstanding and the M4 Notes Principal Amount Outstanding have been repaid in full;
- (m) *Thirteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Pre Trigger Notice Priority of Payments,

provided that on the earlier of the Final Settlement Date and the date on which all the Notes are redeemed in full or cancelled, the credit balance of the Transaction Account (net of the amounts deemed necessary to pay any possible closing expense and, if any, the liquidation of the Issuer) will be repaid on such date by the Issuer to the Originator.

#### 4.2 Post Trigger Notice Priority of Payments

Following the delivery of a Trigger Notice and following the occurrence of the other circumstances where the Sequential Amortisation Mechanism applies under clause 7 of the Limited Recourse Loan Agreement, or following the delivery of an Early Termination Notice or the delivery of an Originator EoD Notice, the Issuer Available Funds shall be applied on each Notes Payment Date, in making the following payments in the following order of priority, in

each case, only if and to the extent that payments of a higher priority have been made in full or retained into the relevant account:

- (a) *First*, (a) to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such cost during the immediately preceding Collection Period; and (b) (other than the Notes Early Termination Date (or the Notes Final Early Termination Date, if applicable) or the Scheduled Maturity Date (or the Final Settlement Date, if applicable), if the relevant Trigger Event does not consist in the opening of an Insolvency Proceeding in relation to the Issuer, to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;
- (b) *Second*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any amount due and payable in account of remuneration, indemnities or proper costs and expenses (including VAT, in applicable, and other applicable taxes) incurred by the relevant agent during the immediately preceding Interest Period to the Calculation Agent, the Paying Agent, the Account Bank, the Servicer, the Corporate Servicer, the Stichting Corporate Services Provider, the Verification Agent (if appointed) and the Representative of the Noteholders;
- (c) *Third*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M1 Notes;
- (d) *Fourth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M2 Notes;
- (e) *Fifth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the M3 Notes;
- (f) *Sixth*, to pay, *pari passu* and *pro rata*, the M1 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M1 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M1 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (g) *Seventh*, upon payment in full of any amount to be paid under item *Sixth* above, to pay, *pari passu* and *pro rata*, the M2 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M2 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M2 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (h) *Eighth*, upon payment in full of any amount to be paid under item *Seventh* above, to pay, *pari passu* and *pro rata*, the M3 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M3 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M3 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;

- (i) *Ninth*, to pay, *pari passu* and *pro rata*, upon payment in full of any amount to be paid under item *Eighth* above, any amount of interest due and payable on the M4 Notes;
- (j) *Tenth*, upon payment in full of any amount to be paid under item *Ninth* above, to pay, *pari passu* and *pro rata*, the M4 Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the M4 Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the M4 Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (k) *Eleventh*, to pay, *pari passu* and *pro rata*, upon payment in full of any amount to be paid under item *Tenth* above, any amount of interest due and payable on the Junior Notes;
- (l) *Twelfth*, upon payment in full of any amount to be paid under item *Eleventh* above, to pay, *pari passu* and *pro rata*, the Junior Notes Principal Amount Outstanding, provided that (A) if an Early Termination Notice or an Originator EoD Notice has been delivered, the repayment of principal of the Junior Notes will be made in accordance with the provisions of Condition 6.4 and (B) on the Scheduled Maturity Date, and on each Notes Payment thereafter until the Notes Payment Date following the Final Settlement Date (if applicable), the Junior Notes Principal Amount Outstanding will be paid in accordance with Condition 6.2;
- (m) *Thirteenth*, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any other amount due and payable under the Transaction Documents to any Transaction Party, to the extent not already paid or payable under other items of this Post Trigger Notice Priority of Payments,

provided that on the earlier of the Final Settlement Date and the date on which all the Notes are redeemed in full or cancelled, the credit balance of the Transaction Account (net of the amounts deemed necessary to pay any possible closing expense and, if any, the liquidation of the Issuer) will be repaid on such date by the Issuer to the Originator.

#### 4.3 Deferral under the applicable Priority of Payments

Without prejudice to the provisions contained in these Conditions relating to payments in respect of the Notes (including Condition 5.7 (*Interest Deferral*) and Condition 10 (*Trigger Events*)), in the event and to the extent that the aggregate funds available to the Issuer in accordance with the provisions of the applicable Priority of Payments are insufficient to pay any amount due and payable on any Notes Payment Date in accordance with such Priority of Payments, such shortfall will not be payable on that Notes Payment Date but will be deferred and become payable on the succeeding Notes Payment Dates if and to the extent that the aggregate funds then available to the Issuer in accordance with the applicable Priority of Payments are sufficient to pay such amount. No interest will be payable on any amount so deferred.

## 5. RIGHT TO INTEREST

### 5.1 Right to interest, Notes Payment Dates and Interest Periods

- (a) Each Note bears interest, for each Interest Period, on the outstanding amount as follows:
  - (i) for the M1 Notes, on the M1 Notes Interest Determination Outstanding Amount;

- (ii) for the M2 Notes, on the M2 Notes Interest Determination Outstanding Amount;
- (iii) for the M3 Notes, on the M3 Notes Interest Determination Outstanding Amount;
- (iv) for the M4 Notes, on the M4 Notes Interest Determination Outstanding Amount; and
- (v) for the Junior Notes, on the Junior Notes Interest Determination Outstanding Amount.

For the purpose of this Condition 5:

**M1 Notes Interest Determination Outstanding Amount** means, for each Interest Period, an amount equal to 95% of the M1 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M1 Tranche Outstanding Amount).

**M2 Notes Interest Determination Outstanding Amount** means, for each Interest Period, an amount equal to 95% of the M2 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M2 Tranche Outstanding Amount).

**M3 Notes Interest Determination Outstanding Amount** means, for each Interest Period, an amount equal to 95% of the M3 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M3 Tranche Outstanding Amount).

**M4 Notes Interest Determination Outstanding Amount** means, for each Interest Period, an amount equal to 95% of the M4 Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial M4 Tranche Outstanding Amount).

**Junior Notes Interest Determination Outstanding Amount** means, for each Interest Period, an amount equal to 95% of the Junior Tranche Outstanding Amount as of the Notes Payment Date on which such Interest Period starts (or, with reference to first Interest Period, the Initial Junior Tranche Outstanding Amount).

**Notes Interest Determination Outstanding Amount** means, indistinctively, each of the M1 Notes Interest Determination Outstanding Amount, the M2 Notes Interest Determination Outstanding Amount, the M3 Notes Interest Determination Outstanding Amount, the M4 Notes Interest Determination Outstanding Amount and the Junior Notes Interest Determination Outstanding Amount.

- (b) In these Conditions, **Interest Period** shall mean the period from (and including) the Issue Date to (but excluding) the first Notes Payment Date (the **First Interest Period**) and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date.
- (c) Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360-day year and will be paid by the Issuer, in respect of each Interest Period, on the immediately following Notes Payment Date.

## 5.2 Interest Rate

- (a) The M1 Notes Interest Rate for each Interest Period will be equal to 1.75 per cent. per annum.
- (b) The M2 Notes Interest Rate for each Interest Period will be equal to 2.10 per cent. per annum.

- (c) The M3 Notes Interest Rate for each Interest Period will be equal to 3.10 per cent. per annum.
- (d) The M4 Notes Interest Rate for each Interest Period will be equal to 3.50 per cent. per annum.
- (e) The Junior Notes Interest Rate for each Interest Period will be equal to 11.90 per cent. per annum,

(each of the M1 Notes Interest Rate, the M2 Notes Interest Rate, the M3 Notes Interest Rate, the M4 Notes Interest Rate and the Junior Notes Interest Rate, the **Interest Rate**),

provided that the End-Period Interest Rate shall apply to all Classes of Notes in accordance with Condition 6.2 and Condition 6.4.

### 5.3 Calculation of Interest Amount and Aggregate Interest Amount

- (a) On each Calculation Date, the Calculation Agent shall calculate the amount of interest in Euro payable on each Note of each Class (the **Interest Amount**) and on the aggregate number of Notes of each Class (the **Aggregate Interest Amount**) in respect of each relevant Interest Period.
- (b) The Interest Amount payable on each such Note in respect of any Interest Period shall be calculated by (A) applying the applicable Interest Rate to the relevant Notes Interest Determination Outstanding Amount of the corresponding Class on the immediately preceding Notes Payment Date (or, in the case of the First Interest Period, the Issue Date) at the commencement of such Interest Period (after deducting therefrom the payments which have been made on the relevant Notes Payment Date); (B) multiplying the product of such calculation by the actual number of days in the relevant Interest Period; (C) dividing that amount by 360; and (D) rounding the resulting amount downward to the nearest cent. The Aggregate Interest Amount shall be calculated by multiplying the Interest Amount of each Note of each such Class by the actual number of Notes of that Class.
- (c) The calculation of Interest Amount and Aggregate Interest Amount made by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

### 5.4 Notification of Interest Amount and Notes Payment Date

- (a) The Calculation Agent will cause (A) the Interest Amount, (B) the Aggregate Interest Amount and (C) the relevant Notes Payment Date to be notified, on each Calculation Date, to the Issuer, the Originator, the Representative of the Noteholders and the Paying Agent and the Paying Agent will cause (i) the Interest Amount and the Aggregate Interest Amount in respect of the Notes and (B) the relevant Notes Payment Date to be published in accordance with Condition 13 (*Notices*) as soon as possible after notification to the Paying Agent thereof.
- (b) The Interest Amount and the Notes Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.
- (c) If the Notes become due and payable under Condition 10 (*Trigger Events*), the Interest Amount and the Aggregate Interest Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 5, but no notification of the Interest Amount and the Aggregate Interest Amount so calculated need be made to Monte Titoli, unless the Representative of the Noteholders otherwise require.

### 5.5 Determination or calculation by Representative of the Noteholders

- (a) If the Calculation Agent does not at any time for any reason determine the Interest Amount for one or more Classes of Notes in accordance with the foregoing provisions of this Condition 5, the Representative of the Noteholders shall determine the Interest Amount for the relevant Class of Notes in the manner specified in Condition 5.3 (*Right to Interest – Calculation of Interest Amount and Aggregate Interest Amount*) and notify, as required, the amounts specified in accordance with Condition 5.4 (*Right to Interest – Notification of Interest Amount and Notes Payment Date*).
- (b) The Representative of the Noteholders shall not be liable, save in case of gross negligence and wilful default, for any such determination and/or calculation and/or notification which shall be deemed to have been made by the Calculation Agent.

## 5.6 Paying Agent

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may resign in accordance with the provisions of the Cash Allocation, Management and Payment Agreement. The Issuer shall be obliged to appoint a relevant replacement prior to such resignation becoming effective. The appointment of any replacement shall be subject to the prior approval of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents). The Issuer shall procure that any change in the identity of the Paying Agent will be published as soon as reasonably practicable in accordance with Condition 13 (*Notices*).

## 5.7 Interest Deferral

- (a) Payments of interest on the Notes (other than the Most Senior Class of Notes) then outstanding will be subject to deferral to the extent that there are insufficient funds available to the Issuer for those purposes on any Notes Payment Date in accordance with the applicable Priority of Payments to pay in full the amount of interest which would otherwise be payable on the Notes (other than the Most Senior Class of Notes) then outstanding. The amount by which the aggregate amount of interest paid on each Class of Notes on any Notes Payment Date in accordance with this Condition 5 falls short of the aggregate amount of interest which otherwise would be payable on the relevant Notes on that date shall be aggregated with the amount of, and treated for the purposes of, this Condition 5, as if it were interest due on each such Class of Notes and, subject as provided below, payable on the next succeeding Notes Payment Date. No interest will be payable on any amount so deferred.
- (b) If, on the Final Settlement Date or the Notes Final Early Termination Date, or on any earlier date of redemption of the relevant Class of Notes in full, there remains any such shortfall of interest, the amount of such shortfall will be no longer due and cancelled.

## 6. REDEMPTION, PURCHASE AND CANCELLATION

### 6.1 Mandatory Redemption on each Notes Payment Date

- (a) On the first Notes Payment Date and on each Notes Payment Date thereafter on which there are Issuer Available Funds available for payments of principal in respect of the Notes in accordance with the applicable Priority of Payment, the Issuer will cause:
  - (vi) each M1 Notes to be redeemed on such Notes Payment Date in an amount equal to the M1 Notes Repayment Amount determined on the immediately preceding Calculation Date;
  - (vii) each M2 Notes to be redeemed on such Notes Payment Date in an amount equal to the M2 Notes Repayment Amount determined on the immediately preceding



Calculation Date;

- (viii) each M3 Notes to be redeemed on such Notes Payment Date in an amount equal to the M3 Notes Repayment Amount determined on the immediately preceding Calculation Date;
  - (ix) each M4 Notes to be redeemed on such Notes Payment Date in an amount equal to the M4 Notes Repayment Amount determined on the immediately preceding Calculation Date;
  - (x) each Junior Notes to be redeemed on such Notes Payment Date in an amount equal to the Junior Notes Repayment Amount determined on the immediately preceding Calculation Date.
- (b) The Issuer shall give or cause to be given by the Paying Agent, not less than 4 (four) Business Days prior to the relevant Notes Payment Date, notice of any redemption under this Condition 6.1(a) (*Redemption, Purchase and Cancellation – Mandatory Redemption on each Notes Payment Date*) above and the *pro rata* amount thereof to the Representative of the Noteholders and the Noteholders in accordance with Condition 13 (*Notices*).

## 6.2 Redemption after the Scheduled Maturity Date

Unless previously redeemed in full or cancelled as provided under this Conditions, the Issuer shall, on the 5<sup>th</sup> Business Day after the Scheduled Maturity Date, redeem the Notes on a sequential basis for an amount equal to the difference between:

- (i) the LRL Tranche Outstanding Amount as of the Credit Protection End Date; and
- (ii) the aggregate of:
  - (a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of the Credit Protection End Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and
  - (b) the Outstanding Amount of any Reference Receivable for which a Potential Credit Event has occurred as of the Credit Protection End Date (and for which no Credit Event or Cured Potential Credit Event has occurred),

allocated to the Mezzanine and Junior Tranche,

multiplied by 95%,

If on the Credit Protection End Date there are Work-Out Pending Reference Receivables that are outstanding, any residual amount of the Principal Outstanding Amount shall be repaid by Issuer in accordance with Condition 6.1(a) (*Redemption, Purchase and Cancellation – Mandatory Redemption on each Notes Payment Date*) on each following Notes Payment Date until the Notes Payment Date falling immediately after the Final Settlement Date within the limits of the amounts received by the Issuer under the Limited Recourse Loan Agreement, provided that such residual amount of the Principal Outstanding Amount shall accrue interest at the End-Period Interest Rate for all Classes of Notes.

If the Issuer has insufficient Issuer Available Funds to repay the Notes in full on the 5<sup>th</sup> Business Days immediately following the Scheduled Maturity Date or, if applicable, the Notes Payment Date immediately after the Final Settlement Date, then the Notes shall be deemed to be discharged in full and any amount in respect of interest, principal or any other amounts due and

payable in respect of the Notes and unpaid on that date shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

### 6.3 Partial Early redemption of the Notes

Promptly upon the delivery of a Partial Early Termination Notice by the Originator to the Issuer under the Limited Recourse Loan Agreement (the delivery of any such Partial Early Termination Notice being an option for the Originator), the Issuer shall, on the immediately following Notes Payment Date, partially redeem the Notes, upon the election made by the Originator in the Partial Early Termination Notice under the Limited Recourse Loan Agreement, as follows:

- (i) to redeem (in whole but not in part) the M1 Notes for an amount equal to the 95% of the M1 Tranche Outstanding Amount, together with the interest accrued thereon on such Notes Payment Date, provided that upon payment in full of such relevant amount, all the M1 Notes will be cancelled; and/or
- (ii) to redeem (in whole but not in part) the M2 Notes for an amount equal to the 95% of the M2 Tranche Outstanding Amount, together with the interest accrued thereon on such Notes Payment Date, provided that upon payment in full of such relevant amount, all the M2 Notes will be cancelled; and/or
- (iii) to redeem (in whole but not in part) the M3 Notes for an amount equal to the 95% of the M3 Tranche Outstanding Amount, together with the interest accrued thereon on such Notes Payment Date, provided that upon payment in full of such relevant amount, all the M3 Notes will be cancelled,

provided that the Issuer shall redeem one or several Classes of the Mezzanine Notes listed under (i), (ii) and (iii) above, in sequential order starting from the most senior Class of Mezzanine Notes then outstanding, as elected by the Originator in each relevant Partial Early Termination Notice served by it to the Issuer under the Limited Recourse Loan Agreement.

### 6.4 Early Redemption of the Notes

Upon the delivery of an Early Termination Notice by the Originator to the Issuer (the delivery of such notice being an option for the Originator) under the Limited Recourse Loan Agreement or upon delivery of an Originator EoD Notice by the Issuer to the Originator under the LRL Agreement, the Issuer shall, on the Notes Payment Date immediately following the Early Termination Date (such date, the **Notes Early Termination Date**), redeem the Notes on a sequential basis for an amount equal to the difference between:

- (i) the LRL Tranche Outstanding Amount as of the Credit Protection End Date; and
- (ii) the aggregate of:
  - a) the Non Computed Outstanding Amount of all the Defaulted Reference Receivables as of the Credit Protection End Date, less the Initial Losses in respect of such Defaulted Reference Receivables; and
  - b) the Outstanding Amount of any Reference Receivable for which a Potential Credit Event has occurred as of the Credit Protection End Date (and for which no Credit Event or Cured Potential Credit Event has occurred),

allocated to the Mezzanine and Junior Tranche,

multiplied by 95%,

together with the interest accrued thereon until the Notes Early Termination Date.

If on the Credit Protection End Date there are Work-Out Pending Reference Receivables that are outstanding, any residual amount of the Principal Outstanding Amount shall be repaid by Issuer in accordance with Condition 6.1(a) (*Redemption, Purchase and Cancellation – Mandatory Redemption on each Notes Payment Date*) on each following Notes Payment Date until the Notes Payment Date falling immediately after the Final Early Termination Date (the **Notes Final Early Termination Date**) within the limits of the amounts received by the Issuer under the Limited Recourse Loan Agreement, provided that such residual amount of the Principal Outstanding Amount shall accrue interest at the End-Period Interest Rate for all Classes of Notes.

If the Issuer has insufficient Available Funds to repay the Notes in full on the 5<sup>th</sup> Business Days immediately following the Notes Payment Date immediately following the Notes Early Termination Date or, if applicable, the Notes Final Early Termination Date, then the Notes shall be deemed to be discharged in full and any amount in respect of interest, principal or other amounts due and payable in respect of the Notes and not paid on that date, shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

#### 6.5 **Notice of redemption**

Any such notice as is referred to in Conditions 6.1, 6.2, 6.3 and 6.4 above shall (i) be published in accordance with Condition 13 (*Notices*); (ii) be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes of the relevant Class at amounts specified in this Condition 6; and (iii) notified by the Issuer to the Stock Exchange at least 15 calendar days prior to the Notes Payment Date in which the relevant Class of Notes will be redeemed.

#### 6.6 **No purchase by Issuer**

The Issuer may not purchase any of the Notes.

#### 6.7 **Cancellation**

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

### 7. **PAYMENTS**

- (a) Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.
- (b) Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other applicable laws, regulations and directives in the place of payment or other laws to which the Issuer or its agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 8 (*Taxation*).

- (c) If the due date for payment of any amount of interest or principal in respect of any Note is not a local business day in a relevant jurisdiction, then the relevant Noteholder will not be entitled to payment until the immediately succeeding local business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.
- (d) The Issuer may at any time (with the prior written approval, not to be unreasonably withheld, of the Representative of the Noteholders), vary or terminate the appointment of the Paying Agent and appoint a substitute subject to the terms of the Cash Allocation, Management and Payment Agreement. Notice of any such termination or appointment will be given to the Noteholders in accordance with Condition 13 (*Notices*).

In this Condition 7, the expression **local business day** means a day (other than a Saturday or a Sunday or a public holiday) (i) on which banks are generally open for business to the public in the place where the registered office of any Monte Titoli Account Holder is located and, in the case of payment by transfer to an account maintained by the payee in a different place, in such place; and (ii) which is a Business Day.

## 8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Withholding or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

## 9. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the appropriate Relevant Date. In this Condition 9, **Relevant Date** in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all Notes due on or before that date has not been duly received by the Paying Agent on or prior to such date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

## 10. TRIGGER EVENTS

10.1 The occurrence of any of the following events shall constitute a **Trigger Event**:

- (a) **Non payment of interest:** default is made by the Issuer in respect of any payment of Interest Amount on the Mezzanine Notes (other than the M4 Notes), which default or non-payment shall have continued unremedied for a period of 5 (five) calendar days; or
- (b) **Non payment of principal:** default is made in respect of any repayment of principal due and payable on the Notes (provided that the Issuer has sufficient Issuer Available Funds available to it to make such payment in accordance with the applicable Priority of Payments), which default or non-payment shall have continued unremedied for a period of 5 (five) calendar days; or
- (c) **Breach of Obligations:** breach is made by the Issuer of a covenant, undertaking, financial obligation (other than a payment default pursuant to paragraphs (a) and (b) above) or other material obligation as set out in any of the Transaction Documents and such default remains unremedied for a period of 30 (thirty) calendar days after the

earlier of the Issuer (A) becoming aware of such breach and (B) having received notice by the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) specifying such breach; or

- (d) **Breach of Representations and Warranties:** any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 30 (thirty) Business Days after the earlier of the Issuer (A) becoming aware of such breach and (B) having received notice by the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) specifying such breach; or
- (e) **Insolvency Proceedings:** the Issuer institutes or has instituted against it Insolvency Proceedings under applicable laws; or
- (f) **Arrangement of indebtedness:** other than in respect of the Issuer Creditors, the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
- (g) **Unlawfulness:** it is or will become unlawful in any respect for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document to which it is a party, any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason.

10.2 Following the occurrence of a Trigger Event, the Representative of the Noteholders may, in its absolute discretion, or shall, if so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class, deliver a Trigger Notice to the Issuer declaring the Notes to be due and repayable, whereupon the Notes shall become immediately due and repayable at their Principal Amount Outstanding and all payments due to be made by the Issuer will be made in accordance with the Post Trigger Notice Priority of Payments.

10.3 The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on the date on which the Notes shall become due and payable following the service of a Trigger Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes shall become due and payable and all payments due to be made by the Issuer will be made in accordance with the Post Trigger Notice Priority of Payments.

## 11. ENFORCEMENT

At any time after the Notes have become due and repayable following the service of a Trigger Notice, the Representative of the Noteholders may, at its discretion and without further notice, (in accordance with the terms of the Transaction Documents) take such steps and/or institute such proceedings against the Issuer as it thinks fit to direct the Issuer to take any action in relation to the Receivables and to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer, but it shall not be bound to take any such proceedings or steps unless it shall have been directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or so requested in writing by the

holders of at least 75 per cent. of the aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes and, in all cases, it shall have been indemnified and/or secured to its satisfaction.

## **12. REPRESENTATIVE OF THE NOTEHOLDERS**

- 12.1 The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules and the other Transaction Documents.
- 12.2 Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules. However, the initial Representative of the Noteholders has been appointed at the time of issue of the Notes by the initial Notes Subscribers under the Subscription Agreement. Each Noteholder is deemed to accept such appointment.
- 12.3 All powers, consents, discretions and approvals to be exercised or given by the Noteholders pursuant to these Conditions and the other Transaction Documents, shall be exercised or given by the Representative of the Noteholders, acting on the instructions of the Noteholders in accordance with the Rules of the Organisation of the Noteholders.

## **13. NOTICES**

- 13.1 So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.
- 13.2 So long as the Mezzanine Notes (other than the M4 Notes) are admitted to trading on the ExtraMOTPRO, any notice to the Noteholders shall to be given also to Borsa Italiana S.p.A.
- 13.3 The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

## **14. AMENDMENTS, WAIVERS AND CONSENTS**

The Rules contain provisions relating to the powers of the Representative of the Noteholders to make amendment or modification to these Conditions or any of the Transaction Documents or authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, it being understood that unless the Representative of the Noteholders agrees otherwise, any such amendment, modification, waiver or authorisation shall be notified to the Noteholders, in accordance with Condition 13 (*Notices*), as soon as practicable after it has been made.

## **15. DETERMINATIONS CONCLUSIVE**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders shall,

in the absence of manifest error, be binding on the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders and on all the Noteholders and the Other Issuer Creditors and (in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*)) no liability to the Noteholders shall attach to the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

## 16. NON PETITION AND LIMITED RECOURSE

- 16.1 Without prejudice to the right of the Representative of the Noteholders to exercise any of its other rights or remedies under the Transaction Documents, none of the Noteholders shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, Insolvency Proceedings or similar proceedings until two years and one day has elapsed since the later of the day on which the Notes have been paid (or cancelled) in full.
- 16.2 None of the Noteholders or any Other Issuer Creditor will have any right or entitlement to the Issuer's assets other than such of the Securitisation Assets as are available to the Issuer for this purpose in accordance with these Conditions and the other Transaction Documents. Each Noteholder and each Other Issuer Creditor further acknowledges that the limited recourse nature of the Notes produces the effect under Italian law of a *contratto aleatorio* and accepts the consequences thereof, including the consequences of Article 1469 of the Italian Civil Code.
- 16.3 If:
- (a) following the service of a Trigger Notice and following the exercise by the Representative of the Noteholders or any other person so entitled of its rights to direct the Issuer and/or to take any action in respect of the Receivables and any asset or amount derived therefrom; or
  - (b) on the Final Settlement Date the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application in or towards any payment obligation (for the purposes of this Condition 16, the **Relevant Obligation**) on the Notes of any Class (for the purposes of this Condition 16, the **Relevant Notes**) or in respect of any obligation owed to any Transaction Party under any Transaction Document (for the purposes of this Condition 16, the **Relevant Document**), which, but for the operation of this Condition 16, would be due and payable, are not sufficient to pay in full the aggregate amount which, but for the operation of this Condition 16, would be due and payable on the Relevant Notes or under the Relevant Document in respect of the Relevant Obligations on the relevant date, then, notwithstanding any other provision in these Conditions or of any Transaction Document, only a *pro rata* share of the funds which are available to make payments in respect of the Relevant Obligation on the Relevant Notes or under the Relevant Document, as the case may be, shall be due and payable on any Relevant Note or under the Relevant Document, respectively, on the relevant date subject to and in accordance with the applicable Priority of Payments and the balance of the amount outstanding in respect of the Relevant Obligation on the Relevant Notes or under the Relevant Document which, but for the operation of this Condition 16, would be due and payable, shall cease to be due and payable and shall be definitively cancelled.
- 16.4 The *pro rata* amount due and payable in respect of any Relevant Obligation under the Relevant Notes shall be calculated by multiplying the amounts available to make payments in respect of the Relevant Obligation on the Relevant Note by a fraction, the numerator of which is the Principal Amount Outstanding of such Relevant Note and the denominator of which is the aggregate Principal Amount Outstanding of all the Relevant Notes of the relevant Class,

rounding down the resultant figure to the nearest Euro cent.

## **17. CIRCULATION REGIME OF THE NOTES**

- 17.1 Without prejudice to Condition 17.2 and Condition 17.3 below, the Notes may not be offered, sold or delivered in the Republic of Italy, except to qualified investors (*investitori qualificati*), as defined pursuant to article 100 of the Italian Financial Act and article 34-*ter*, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time.
- 17.2 The Notes shall not be transferred to entities that belong from the BNP Paribas Group.
- 17.3 In the event that any Noteholder transfers all or some of the Notes held by it to a third party, the Originator shall be informed of the identity of the transferee, provided that such provision shall only apply to the transfer of the M4 Notes and the Junior Notes.

## **18. GOVERNING LAW AND JURISDICTION**

### **18.1 Governing law**

The Notes, these Conditions, the Rules and the other Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

### **18.2 Jurisdiction**

The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, the Notes, these Conditions, the Rules and the Transaction Documents, and any non-contractual obligation arising out or in connection therewith, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, and any non-contractual obligation arising out or in connection therewith, may be brought in such courts. The Issuer has in each of the Transaction Documents irrevocably submitted to the jurisdiction of such courts.



## SCHEDULE 1

## RULES OF THE ORGANISATION OF NOTEHOLDERS

## PART I

## GENERAL PROVISIONS

## 1. GENERAL

The organisation of the Noteholders is created concurrently with the issue and the subscription of the Notes, it is governed by these Rules of the Organisation of Noteholders (the **Rules**), and it shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these Rules are deemed to form part of each Note issued by the Issuer.

## 2. DEFINITIONS

In these Rules, the following terms shall have the following meanings:

**24 Hours** means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in the place where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until there is included all or part of a day upon which banks are open for business, as above;

**48 Hours** means two consecutive periods of 24 Hours;

**Basic Terms Modification** means:

- (a) a modification of the Scheduled Maturity Date or the Final Settlement Date;
- (b) a modification which would have the effect of cancelling or postponing any date for payment of interest on the Notes;
- (c) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of any Class of Notes or the interest rate applicable in respect of any Class of Notes;
- (d) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable to the holders of any Class of Notes;
- (e) a modification which would have the effect of altering the majority required to pass a Resolution provided for under paragraph 12 (*Passing of Ordinary resolution or Extraordinary Resolution*) below or the quorum required at any Meeting provided for under paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) below;
- (f) a modification which would have the effect of altering the currency of payment in respect of any Class of Notes or any alteration of the date or priority of payment or redemption of any Class of Notes;
- (g) the appointment and removal of the Representative of the Noteholders; and
- (h) listing of the Mezzanine Notes (other than the M4 Notes) on any stock exchange

different from ExtraMOTPRO;

- (i) a modification which results in altering the priority of payments of interest or principal in respect of any Class of Notes;
- (j) a modification which results in altering the authorisation or consent by the Noteholders to applications of funds as provided for in the Transaction Documents; and
- (k) a change in the manner of allocation of the Issuer Available Funds among any of the Classes of Notes or any Other Issuer Creditors;
- (l) an amendment of this definition.

**Blocked Notes** means the Notes which have been blocked in an account with the Monte Titoli Account Holder for the purposes of obtaining (i) a Voting Certificate or (ii) if applicable, a Blocked Voting Instruction and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

**Blocked Voting Instruction** means, in relation to any Meeting, a document issued by the Paying Agent:

- (m) confirming that, on the basis of the Voting Certificate shown by the relevant Noteholder, the Blocked Notes have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);
- (n) stating that, on the basis of the Voting Certificate shown by the relevant Noteholder, the relevant holder of each Blocked Note has requested that (i) the votes attributable to such Blocked Note are to be cast in a particular way on each Resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked and (ii) one or more Proxies named therein are authorised to vote on its behalf in respect of the Blocked Notes in accordance with such instructions; and
- (o) attaching the relevant Voting Certificate;

**Chairman** means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*Chairman of the Meeting*);

**Class of Notes** means (a) the Mezzanine Notes; or (b) the Junior Notes, as the context requires;

**Extraordinary Resolution** means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 18 (*Powers exercisable by an Extraordinary Resolution*) of Part 2 of these Rules;

**Issuer's Rights** means the Issuer's right, title and interest in and to the Receivables, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Representative of the Noteholders and any Other Issuer Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the Transaction;

**Meeting** means a meeting of the Relevant Class of Noteholders (whether originally convened or resumed following an adjournment);

**Monte Titoli Account Holder** means any authorised financial intermediary institution entitled

to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream and Euroclear;

**Ordinary Resolution** means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 17 (*Powers Exercisable by an Ordinary Resolution*);

**Proxy** means, in relation to any Meeting, a person (who need not to be a Noteholder) indicated under a Blocked Voting Instruction as the person entitled to vote in a Meeting in accordance with the instructions reproduced in such Blocked Voting Instruction;

**Relevant Class of Noteholders** means (a) the Mezzanine Noteholders; and/or (b) the Junior Noteholders or a combination of the Mezzanine Noteholders and the Junior Noteholders, as the context requires;

**Relevant Fraction** means:

- (a) for voting on any Ordinary Resolution, (i) one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);
- (b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and
- (c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

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

- (a) for voting on any Ordinary Resolution or any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) one-twentieth of the Principal Amount Outstanding of the Notes of that Class of Notes (in case of a Meeting of a particular Class of Notes), or (ii) one-twentieth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and
- (b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), one-third of the Principal Amount Outstanding of the relevant Class of Notes;

**Resolution** means each of the Ordinary Resolution and the Extraordinary Resolution, as the context may require;

**Voter** means, in relation to any Meeting, the holder of a Blocked Note;

**Voting Certificate** means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder under the Monte Titoli system pursuant to the Regulation 13 August 2018:

- (a) stating that, on the date thereof, on request of the relevant Noteholder the Blocked Notes have been blocked in an account with a clearing system or the depository Monte Titoli Account Holders (under the Monte Titoli system in accordance with the Regulation 13 August 2018) and will not be released until the conclusion of the Meeting specified in such Voting Certificate or any adjournment of such Meeting (if any);
- (b) listing the ISIN code or other suffix or identification number of the Blocked Notes;
- (c) stating the principal outstanding amount of the Blocked Notes; and
- (d) stating that the bearer of such certificate (named therein) is entitled to attend and vote at the Meeting or to request the issue of a Blocked Voting Instruction in respect of the Blocked Notes;

**Written Resolution** means a Resolution in writing signed by or on behalf of all Noteholders who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

Capitalised terms not defined in these Rules shall have the meanings attributed to them in the Conditions.

### 3. ORGANISATION PURPOSE

Each holder of the Notes becomes a member of the organisation of the Noteholders upon subscription or purchase of the relevant Notes.

The purpose of the organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these Rules, any reference to **Noteholders** shall be considered as a reference to the Mezzanine Noteholders and/or the Junior Noteholders, as the case may be.

## PART 2

### THE MEETING OF NOTEHOLDERS

#### 1. GENERAL

Any resolution passed at a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with these Rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

The following provisions shall apply while Notes of two or more Classes of Notes are outstanding:

- (a) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of the Notes of such Class of Notes;
- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes shall be transacted either at separate Meetings of the holders of each such Class of Notes or at a single Meeting of the holders of each of such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion, provided however that (i) each time that in the opinion of the Representative of the Noteholders there is an actual or potential conflict of interest between the holders

of one Class of Notes and the holders of any other Class of Notes, or (ii) an Extraordinary Resolution relating to Basic Terms Modifications shall be taken, the relevant Resolution shall be transacted, proposed and adopted at separate Meetings of the holders of each Class of Notes, provided that each Extraordinary Resolution that relates to a Basic Terms Modification can be adopted only upon the written consent of the Originator.

In this subparagraph **business** includes (without limitation) the passing or rejection of any Resolution.

In relation to each Class of Notes:

- (i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless (i) it is sanctioned by an Extraordinary Resolution of the holders of the other Class of Notes (if any); and (ii) the prior written consent of the Originator has been obtained;
- (ii) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Mezzanine Notes shall be binding on the Junior Notes, irrespective of the effect thereof on their interests;
- (iii) no Resolution involving any matter that is passed by the holders of the Junior Notes shall be effective on the holders of the Mezzanine Notes unless it is sanctioned by an Extraordinary Resolution of the holders of the Mezzanine Notes.

## 2. ISSUE OF VOTING CERTIFICATES AND BLOCKED VOTING INSTRUCTIONS

In order to provide evidence of its entitlement to attend a Meeting and/or vote in that Meeting (also by way of a Written Resolution or through a Proxy), any Noteholder shall request to the Monte Titoli Account Holder the issue of Voting Certificates. Should the Noteholder want that the vote is casted in a particular way and that a Proxy votes on its behalf on the relevant Meeting, shall require the Paying Agent (providing it with the relevant Voting Certificate) to issue a Blocked Voting Instruction instructing how the vote shall be casted and the appointed Proxy, in each case by arranging for their Notes to be blocked in an account with a clearing system not later than 48 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders.

A Voting Certificate or a Blocked Voting Instruction shall be valid until the conclusion of the Meeting or any adjournment of such Meeting (if any), when the Blocked Notes to which it relates shall be released.

So long as a Voting Certificate or a Blocked Voting Instruction is valid, the bearer of it (in the case of a Voting Certificate) or any Proxy named in it (in the case of a Blocked Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting.

## 3. VALIDITY OF BLOCKED VOTING INSTRUCTIONS

A Blocked Voting Instruction shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at some other place approved by the Paying Agent, at least 24 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders and, if not deposited before such deadline, the Blocked Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Paying Agent so requires, a notarised copy of each Blocked Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Paying Agent shall not be obliged to investigate the validity of any Blocked Voting Instruction or the authority of any Proxy.

#### 4. CONVENING OF MEETING

The Representative of the Noteholders may convene a Meeting at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing of:

- (a) Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes; or
- (b) the Issuer's board of directors or the sole director (as the case may be),

subject in each case to being indemnified and/or secured to its satisfaction.

Every Meeting convened by the Representative of the Noteholders shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in an EU Member State.

If any of the Noteholders or the Issuer has requested the Representative of the Noteholders to convene the Meeting, they or it shall send a communication in writing to that effect to the Representative of the Noteholders suggesting the day, time and location of the Meeting, and specifying the items to be included in the agenda and the full text of any Resolution to be proposed.

Meetings may be held via audio-conference or video-conference where Voters are located at different places, provided that:

- (i) the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;
- (ii) the person drawing up the minutes may hear well the meeting events being the subjectmatter of the minutes;
- (iii) each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;
- (iv) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and
- (v) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes are located (such place being in a EU Member State).

#### 5. NOTICE

At least 21 days' notice, but not more than 45 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time, the relevant quorum determined in accordance with paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). Any notice to Noteholders shall be given in accordance with Condition 13 (*Notices*). The notice shall set out the full text of any Resolutions to be proposed (unless the Representative of the Noteholders determines - in its absolute discretion - that the notice shall instead specify the nature of the Resolution to be proposed at such Meeting without specifying the full text) and shall state that the Notes must be blocked in an account with a clearing system for the purpose of obtaining Voting Certificates or appointing

Proxies (in accordance with the terms of these Rules) not later than 48 Hours before the time fixed for the Meeting.

## 6. CHAIRMAN OF THE MEETING

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

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

## 7. QUORUM FOR CONDUCTING BUSINESS AT MEETINGS AND PASSING RESOLUTIONS

The quorum for conducting business (*quorum constitutivo*) (relating either to an Ordinary Resolution or an Extraordinary Resolution) at any Meeting convened by due notice shall be at least one or more Voters representing or holding not less than the Relevant Fraction relative to (a) that Class of Notes (in case of a Meeting of one Class of Notes) or (b) all relevant Classes of Notes (in case of a joint Meeting).

The quorum for passing an Ordinary Resolution and an Extraordinary Resolution (*quorum deliberativo*) at any Meeting is provided for under paragraph 12 (*Passing of Ordinary resolution or Extraordinary Resolution*).

## 8. ADJOURNMENT FOR WANT OF QUORUM

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

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

## 9. ADJOURNED MEETING

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

## 10. NOTICE FOLLOWING ADJOURNMENT

Paragraph 5 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

- (a) at least ten days' notice (exclusive of the day on which the notice is given and of the

day on which the Meeting is to be resumed) shall be given unless the notice of the original Meeting set the date for a second call, in which case no such notice shall be necessary;

- (b) the notice shall specifically set out the quorum determined in accordance with paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) which will apply when the Meeting resumes; and
- (c) it shall not be necessary to give notice of the convening of a Meeting which has been adjourned for any other reason.

## 11. PARTICIPATION

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) the Issuer or its representative and the Paying Agent;
- (c) the directors, internal auditors (*sindaci*) (if appointed) and external auditors (*revisori*) of the Issuer;
- (d) the financial advisers to the Issuer;
- (e) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Paying Agent;
- (f) the Representative of the Noteholders; and
- (g) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

## 12. PASSING OF ORDINARY RESOLUTION OR EXTRAORDINARY RESOLUTION

An Ordinary Resolution is validly passed when the majority of votes cast by one or more Voters attending the relevant Meeting have been cast in favour of it.

An Extraordinary Resolution is validly passed when the seventy-five (75) per cent. of the votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

## 13. VOTING BY SHOW OF HANDS

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded pursuant to paragraph 14 (*Voting By Poll*) before or at the time that the result of the show of hands is declared, the Chairman's declaration that on a show of hands a Resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the Resolution.

## 14. VOTING BY POLL

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters who represent or hold at least one-twentieth of the Principal Amount Outstanding of the relevant Class of Notes.

If at any Meeting a poll is so demanded, it shall be taken in such manner and either at once or



after such adjournment as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll. Notwithstanding the foregoing, the demand for a poll shall not prevent the continuance of the Meeting for the transaction of any business other than the question on which the poll has been demanded.

Any poll demanded at any Meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

## **15. VOTES**

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or a Proxy.

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

## **16. VOTING BY PROXIES**

Any vote by a Proxy in accordance with the relevant Blocked Voting Instruction shall be valid even if such Blocked Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Paying Agent has not been notified in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Blocked Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment except for any appointment of a Proxy in relation to a Meeting which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Blocked Voting Instruction to vote at the Meeting when it is resumed.

## **17. POWERS EXERCISABLE BY AN ORDINARY RESOLUTION**

The Meeting shall have exclusive powers on the following matters:

- (a) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (b) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute a Trigger Event;
- (d) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any

resolution of the Noteholders;

- (e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any receivables on which a charge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents.

## 18. POWERS EXERCISABLE BY AN EXTRAORDINARY RESOLUTION

Without limitation to the exclusive powers of the Meeting listed in paragraph 17 (Powers Exercisable by an Ordinary Resolution), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

- (a) approval of any Basic Terms Modification;
- (b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Rules, the Notes, the Conditions or otherwise;
- (c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (d) without prejudice to the Conditions, approval of any alteration of the provisions contained in these Rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;
- (e) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these Rules, the Notes, the Conditions or any other Transaction Document;
- (f) giving any direction or granting any authority or sanction which, under the provisions of these Rules, the Conditions or the Notes, is required to be given by Extraordinary Resolution (including, without limitation, (i) the sanctioning of each of the events described in paragraphs (iii) and (iv) of Condition 10.1 (*Trigger Events*); (ii) the service of a Trigger Event Notice pursuant to Condition 10.2 (*Trigger Events*); (iii) the taking of any steps and/or instituting any proceedings, to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document in accordance with Condition 11 (*Enforcement*); and (iv) the approval of individual action or remedy to be taken or sought by a Noteholder to enforce his or her rights under the Notes pursuant to Condition 17 (*Non Petition and Limited Recourse*);
- (g) authorisation and sanctioning of actions of the Representative of the Noteholders under these Rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer from its obligations by the Representative of the Noteholders;

- (h) to appoint and remove the Representative of the Noteholders;
- (i) deliver an Originator EoD Notice.

## **19. CHALLENGE OF RESOLUTION**

Any Noteholder can challenge a Resolution which is not passed in conformity with the provisions of these Rules.

## **20. MINUTES**

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

## **21. WRITTEN RESOLUTION**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by an Ordinary Resolution, as if it were an Ordinary Resolution.

## **22. INDIVIDUAL ACTIONS AND REMEDIES**

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;
- (b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class of Notes or, as the case may be, of all of the Classes of Notes, in accordance with these Rules at the expense of such Noteholder;
- (c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and
- (d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has resolved to authorise such action or remedy and in accordance with the provisions of this paragraph 22.

## **PART 3**

## THE REPRESENTATIVE OF THE NOTEHOLDERS

### 1. APPOINTMENT, REMOVAL AND REMUNERATION

#### 1.1 Appointment

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of this paragraph 1, save in respect of the appointment of the first Representative of the Noteholders which, in accordance with the Intercreditor Agreement, will be Securitisation Services S.p.A.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

#### 1.2 Identity of the Representative of the Noteholders

The Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or
- (b) a financial institution registered under Article 106 of the Italian Banking Act; or
- (c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as the Representative of the Noteholders.

#### 1.3 Duration of appointment

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) under clause 1.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 (sixty) days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Noteholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

#### 1.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for

any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph 1.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

## **1.5 Remuneration**

The Issuer shall pay to the Representative of the Noteholders an annual fee, which will be paid in equal instalments quarterly in arrears on each Notes Payment Date, for its services as Representative of the Noteholders as from the date hereof and as agreed under a separate fee letter. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priorities of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

In the event of the Representative of the Noteholders considering it necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the duties of the Representative of the Noteholders set out in the Conditions or in the Rules, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them. In the event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon the amount of such additional remuneration, then such matter shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a third merchant bank (the expenses involved in such nomination and the fees of such merchant banks being payable by the Issuer) and the determination of any such nominated merchant bank shall be final and binding upon the Representative of the Noteholders and the Issuer.

## **2. DUTIES AND POWERS**

### **2.1 Legal Representative**

The Representative of the Noteholders is the legal representative of the organisation of the Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the **Relevant Provisions**).

### **2.2 Meetings**

The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders. The Representative of the Noteholders has the right to attend Meetings. Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders of a Class of Notes vis-à-vis the Issuer.

### **2.3 Conflict of interests**

Each of the Noteholders acknowledges and agrees that the Representative of the Noteholders

shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Mezzanine Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class, as the case may be, and the interests of any Other Issuer Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Creditor to whom any amounts are owed appearing highest in the Post Trigger Notice Priority of Payments.

#### **2.4 Delegation of powers by the Representative of the Noteholders**

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any of such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate appointed by it in good faith and with reasonable care and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

#### **2.5 Insurance**

The Representative of the Noteholders shall have the power (but not the obligation) to insure against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it:

- (a) as a result of the Representative of the Noteholders acting or failing to act in a certain way (otherwise than by reason of its breach of trust, wilful default, gross negligence or fraud);
- (b) as a result of any act or failure to act by any person to whom the Representative of the Noteholders has delegated any of its trusts, powers, authorities, duties, discretions and obligations or appointed as its agent,

and the Issuer shall, to the extent such insurance does not form part of the normal insurance cover carried by the Representative of the Noteholders for its business activities, pay all insurance premiums and expenses which the Representative of the Noteholders may properly incur in relation to such insurance, subject to the applicable Priority of Payments.

#### **2.6 Representation in Insolvency Proceedings**

The Representative of the Noteholders shall be authorised to represent the Noteholders in judicial proceedings, including enforcement proceedings and Insolvency Proceedings against the Issuer in so far as they relate to the Notes and the other Transaction Documents.

## 2.7 Minor amendments or modifications

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making:

- (a) any amendment or modification to the Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be economically reasonable to make and will not be materially prejudicial to the interests of the holders of the Mezzanine Notes; and
- (b) any amendment or modification to these Conditions or to any of the Transaction Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification,

provided that the Representative of the Noteholders shall give written notice of any amendment or modification made by it under this Article 2.7 to the Noteholders in accordance with the Conditions.

## 2.8 Waiver or authorisation of breach

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditor (other than those which are parties to the relevant Transaction Documents) and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Mezzanine Notes will not be materially prejudiced by such authorisation or waiver, provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Mezzanine Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification, and further provided that the Representative of the Noteholders shall give written notice of any authorisation or waiver give by it under this Article 2.8 to the Noteholders in accordance with the Conditions.

## 2.9 Advice from experts

The Representative of the Noteholders shall be entitled to act on the advice, certificate or opinion of or on any information obtained from any lawyer, accountant, banker, rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, provided that, where such lawyer, accountant, banker, rating agency or other expert is appointed by the Representative of the Noteholders, such appointment is made with due care in all the circumstances, and, subject to the aforesaid, the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*), be liable for any damages, losses, liabilities or expenses incurred by any party as a result of the Representative of the Noteholders so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, email, facsimile transmission or cable and, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be

liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, email, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same.

#### **2.10 Certificates of Issuer as sufficient evidence**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate.

#### **2.11 Certificates of Other Issuer Creditors as sufficient evidence**

The Representative of the Noteholders shall be entitled to call for, and to rely upon, a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine of any party to the Intercreditor Agreement, any Other Issuer Creditor in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so.

#### **2.12 Certificate from Monte Titoli Account Holder or common depository as sufficient evidence**

The Representative of the Noteholders may call for, and shall be at liberty to accept and place full reliance on, as suitable evidence of the facts stated therein, a certificate or letter of confirmation as true and accurate and signed on behalf of any Monte Titoli Account Holder or common depository, as the case may be, as the Representative of the Noteholders considers appropriate, or any form of record made by any of them to the effect that at any particular time, or throughout any particular period, any party hereto is, was or will be shown in its records as entitled to a determined number of Notes.

#### **2.13 Discretion in exercise of rights and powers**

The Representative of the Noteholders, save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by the Conditions, these Rules or any other Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful default (*dolo*).

#### **2.14 Instructions in respect of discretionary matters**

In relation to the matters in respect of which the Representative of the Noteholders is entitled to exercise any of its rights and discretions hereunder, the Representative of the Noteholders is entitled to convene a Meeting of the Noteholders in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such right or discretion. The Representative of the Noteholders shall not be obliged to take any action in respect of the Conditions, these Rules or any other Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action.



**2.15 Full reliance on resolutions of Noteholders**

In connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders.

**2.16 Trigger Event**

Subject as provided in Condition 10, the Representative of the Noteholders may determine whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such determination shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to any of the Transaction Documents.

**2.17 Default of the Issuer capable of remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Conditions or contained in the Notes or any other Transaction Documents is capable of remedy and, if the Representative of the Noteholders certifies that any such default is not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party hereto.

**2.18 No Notes held by the Issuer**

The Representative of the Noteholders may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer.

**2.19 Acknowledgement of role and functions of the Representative of the Noteholders**

Each Noteholder, by acquiring title to a Note, is deemed to acknowledge and accept the provisions of the Transaction Documents and agree and acknowledge that:

- (a) the Representative of the Noteholders has agreed to become a party to each of the Transaction Documents to which the Issuer is a party only for the purpose of taking the benefit of such Transaction Document and regulating the agreement of amendments to it;
- (b) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders the right to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder, all of that Noteholder's rights under the Securitisation Law in respect of the Receivables and all amounts and/or other assets of the Issuer arising from the Receivables and the Transaction Documents;
- (c) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the Noteholders under the Notes of each Class and recovering any amounts owing under the Notes or under the Transaction Documents;

- (d) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under the Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Italian Banking Act or otherwise, unless a Trigger Event Notice shall have been served or an Issuer Insolvency Proceeding shall have been commenced and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;
- (e) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code; and
- (f) the provisions of this paragraph 2 shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

### 3. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefore and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders provided that if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to paragraph 1.2 above.

### 4. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders, in its capacity as such, shall not assume any other obligations related to the Transaction in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

- (a) *No ascertainment of events*

shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any

Noteholder under these Rules, the Notes, the Conditions or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

(b) *No monitoring duties*

shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other Transaction Party of the provisions of, and their obligations under, these Rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) *Collection and payment services*

shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of Article 2, paragraph 6 of the Securitisation Law and the relevant Supervisory Regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy;

(d) *No notices related to the Transaction*

except as expressly required under the Transaction Documents, shall not be under any obligation to give notice to any person of the execution of these Rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(e) *No investigation duties*

shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other Transaction Party; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent or any other person in respect of the Receivables; or (vi) any matter which is the subject of any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders contained herein or in any Transaction Document;

(f) *Use of proceeds*

shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled

thereto;

(g) *Maintenance of rating*

shall have no responsibility for the maintenance of the rating of the Mezzanine Notes (other than the M4 Notes) by the Rating Agencies or any other credit or rating agency or any other person;

(h) *Rights and title to the Receivables*

shall not be bound or concerned to examine, or enquire into, or be liable for any defect or failure in the right or title of the Issuer to the Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) *No registration duties*

shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting, these Rules, the Notes or any Transaction Document;

(j) *No insurance obligations*

shall not be under any obligation to insure the Loans, the Receivables or any part thereof;

(k) *No responsibility for calculations and payments*

shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priorities of Payments;

(l) *No regard of domicile of Noteholders*

shall not have regard to the consequences of any modification or waiver of these Rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) *Effect of amendments*

shall not be under any obligation to consider the effect of any amendment of these Rules, the Conditions or any of the Transaction Documents on the financial condition of individual Noteholders or any other Transaction Party;

(n) *No disclosure of information*

shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take

any action to obtain from the Representative of the Noteholders any such information;

(o) *Rating Agencies*

shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions that such exercise will not be prejudicial to the interests of the Noteholders if the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected by such exercise. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend to the Rating Agencies any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise.

Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

## 5. INDEMNITY

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) all costs, liabilities, losses, charges, expenses (provided, in each case, that supporting documents are delivered), damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any person to whom the Representative of the Noteholders has delegated any power, authority or discretion or any appointee thereof, in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these Rules, the Conditions or any other Transaction Document, including but not limited to properly incurred legal expenses, reasonable travelling expenses and any reasonable attorney's fees, stamp, issue, registration, documentary and other taxes or duties due to be paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought against or contemplated by the Representative of the Noteholders pursuant to these Rules, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these Rules, the Notes or the Transaction Documents, other than as a result of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders.

## PART 4

**THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A TRIGGER NOTICE AND/OR COMMENCEMENT OF AN ISSUER INSOLVENCY PROCEEDING****1. POWERS**

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise that, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, has been irrevocably appointed as from the date of execution of the Intercreditor Agreement and with effect on the date on which the Notes will become due and payable following the service of a Trigger Notice or the occurrence of an Issuer Insolvency Proceeding, as exclusive, true and lawful agent (*mandatario esclusivo con rappresentanza*), of the Noteholders and the Other Issuer Creditors to, including without limitation, receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the applicable Priority of Payments.

In particular, the Representative of the Noteholders shall be authorised to:

- (a) exercise all and any of their rights under the Securitisation Law in respect of the Receivables and the available Collections and Recoveries and all amounts and/or other assets of the Issuer deriving from the Receivables;
- (b) receive on their behalf all moneys resulting from the action under (a) above or otherwise payable by the Issuer to the Noteholders and the Other Issuer Creditors, such moneys to be applied by the Representative of the Noteholders in accordance with the applicable Priority of Payments;
- (c) following the commencement of an Issuer Insolvency Proceeding only, deal with the insolvency procedure (including the filing of any claim for payment) and to receive on their behalf from the procedure any and all monies payable by the insolvency receiver to any of the Issuer Creditors and to apply such monies in accordance with the applicable Priority of Payments; and
- (d) do any act, matter or thing which it considers necessary to exercise or protect the Noteholders and the Other Issuer Creditors' rights under any of the Transaction Documents.

In addition, the Representative of the Noteholders, in its capacity as true and lawful agent (*mandatario con rappresentanza*) of the Issuer in the interest, and for the benefit of, the Noteholders and the Other Issuer Creditors pursuant to Article 1723, second paragraph of the Italian Civil Code, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, upon service of a Trigger Notice, in the name and on behalf of the Issuer any and all of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In particular, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

- (i) to request the Account Bank to transfer all monies standing to the credit of each of the Issuer Accounts to replacement accounts opened for such purpose by the Representative of the Noteholders with the same or a replacement Account Bank;
- (ii) to require performance by any Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party, to bring any legal

actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Receivables, the Securitisation Assets and the Issuer's Rights;

- (iii) to instruct the Servicer in respect of the recovery of any amounts due under the Receivables or in relation to any other Securitisation Asset and/or the Issuer's Rights;
- (iv) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all available Collections and Recoveries (by way of a power of attorney granted under the terms of the Intercreditor Agreement) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post Trigger Notice Priority of Payments; and
- (v) to distribute the monies from time to time standing to the credit of the Issuer Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraph (i) above to the Noteholders and the Other Issuer Creditors in accordance with the applicable Priority of Payments.

## **PART 5**

### **GOVERNING LAW AND JURISDICTION**

#### **Governing Law and Jurisdiction**

These Rules and any non-contractual obligations arising out of or in connection with these Rules are governed by, and will be construed and interpreted in accordance with, the laws of Italy.

All disputes arising out of or in connection with these Rules and any non-contractual obligations arising out of or in connection with these Rules, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

## ITALIAN TAXATION

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules.*

*This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.*

*Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.*

## INTEREST AND OTHER PROCEEDS FROM THE NOTES

### *Italian resident noteholders*

Pursuant to Art. 6, paragraph 1, of Securitisation Law, Decree 239 sets out the applicable tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “**Interest**”) deriving from notes issued by a special purpose vehicle in a context of a securitisation transaction according to Securitisation Law.

Pursuant to Decree 239, where the Italian resident holder of Notes, who is the beneficial owner of such Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association; or
- (c) a private or public entity (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Notes are subject to a tax deduction, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). All the above categories are qualified as “net recipients” (unless the noteholders referred to under (a), (b) and (c) above have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called “*regime del risparmio gestito*” (the “**Asset Management Regime**”) according to article 7 of Legislative Decree No. 461 of 21 November 1997, as amended (“**Decree 461**”).

Where the resident holders of the Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner’s Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Pursuant to Decree 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called “**SIMs**”), fiduciary companies, *società di gestione del risparmio* (“**SGRs**”), stock brokers and other qualified entities identified by a decree of the Ministry of Finance (“**Intermediaries**” and each an “**Intermediary**”). An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident Intermediary, and (b) intervene, in any way,



in the collection of Interest or, also as transferees, in transfers or disposals of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer.

Payments of Interest in respect of Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected;
- (ii) Italian resident partnerships carrying out commercial activities (*'società in nome collettivo'* or *'società in accomandita semplice'*);
- (iii) Italian resident open-ended or closed-ended collective investment funds, SICAVs, SICAFs (**"UCIs"**) Italian resident real estate investment funds subject to the regime provided for by Law Decree No. 351 of 25 September 2001 and real estate SICAFs Legislative Decree No. 44 of 4 March 2014, all as amended (**"Real Estate UCIs"**) and Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (**"Decree 252"**); and
- (iv) Italian resident holders of the Notes included in the abovementioned "net recipients" categories who have entrusted the management of their financial assets, including the Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must: (a) be the beneficial owners of payments of Interest on the Notes and (b) deposit the Notes in due course, together with the coupons relating to such Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Notes and the relevant coupons are not deposited with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Notes or, absent that, by the Issuer. Gross recipients that are Italian resident corporations or partnerships or permanent establishments in Italy of foreign entities to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the noteholder, also in the net value of production for purposes of regional tax on productive activities – **"IRAP"**) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected, subject to taxation in Italy in accordance with ordinary tax rules.

Italian resident investors who have opted for the Asset Management Regime are subject to a 26 per cent. annual substitute tax (the **"Asset Management Tax"**) on the increase in value of the managed assets accrued at the end of each tax year (which would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is an UCI and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the UCI. The UCI will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **"Collective Investment Fund Tax"**).

Where a noteholder is a Real Estate UCI, Interest accrued on the Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon

distribution or redemption or disposal of the units/shares.

Where a noteholder is an Italian resident pension fund subject to the regime provided for by article 17 of Decree 252 and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva* but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes).

#### ***Non-Italian resident noteholders***

According to Decree 239, payments of Interest in respect of the Notes issued by the Issuer will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that:

- (a) such beneficial owners are resident for tax purposes in a state or territory which allows for an adequate exchange of information with the Italian tax authorities and listed in the Ministerial Decree dated 4 September 1996 as amended and supplemented from time to time (last amendment being made by Italian Ministerial Decree dated 23 March, 2017) (the “**White List**”). According to article 11, par. 4, let. c) of Decree 239, the White List will be updated every six months; and
- (b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due course.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, not subject to tax, established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Notes;
- (b) deposit the Notes in due course together with coupons relating to such Notes directly or indirectly with an Italian Intermediary, or a permanent establishment in Italy of a non-Italian Intermediary, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due course stating, *inter alia*, that he or she is resident, for tax purposes, in one of the aforementioned White List states. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set out in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non-resident holder of the Notes.

Non-resident holders of the Notes who are subject to *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

## CAPITAL GAIN TAX

### *Italian resident noteholders*

Pursuant to Decree 461, a 26 per cent. capital gains tax (referred to as “*imposta sostitutiva*”) is applicable to capital gains realised by:

- (a) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;
- (b) an Italian resident partnership not carrying out commercial activities;
- (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the so called “*regime della dichiarazione*” (the “**Tax Declaration Regime**”), which is the standard regime for holders of the Notes under (a) to (c) above, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

As an alternative to the Tax Declaration Regime, holders of the Notes under (a) to (c) above may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes under the so called “*regime del risparmio amministrato*” (the “**Administrative Savings Regime**”). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due course by the relevant holder of the Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at the revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Notes. Where a sale or transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the noteholder.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the noteholder.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to taxation in Italy according to the relevant ordinary tax rules.

In the case of Notes held by UCIs, capital gains on Notes contribute to determine the increase in value of the managed assets of the UCIs accrued at the end of each tax year. The UCIs will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances,

to distributions made in favour of unitholders or shareholders.

Where a noteholder is an Italian resident Real Estate UCI, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Any capital gains realised by a noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of Decree 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax.

#### ***Non-Italian resident noteholders***

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to article 23 of Presidential Decree No. 917 of 22 December 1986, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree 461 non Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* on any capital gains realised upon sale for consideration or redemption of the Notes if they are resident, for tax purposes: (a) in a state or territory listed in the White List as defined above, and (b) all the requirements and procedures set out in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon the condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, not subject to tax, established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes.

Under these circumstances, if non-Italian resident noteholders without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon the condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Please note that for a non-Italian resident, the Administrative Savings Regime shall automatically apply,

unless it is expressly waived, where the Notes are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

### **ANTI - ABUSE PROVISIONS AND GENERAL ABUSE OF LAW DOCTRINE**

Italian tax legislation provided a general anti-abuse provision within the Art. 10 bis of the Law No. 212 of 27 July 2000 as amended from time to time. Under this provision, abuse of law occurs when one or more transactions, formally compliant with tax law, are lacking economic substance and are essentially aimed at obtaining undue tax advantages. No abuse of law should be detected when a transaction is supported by grounded non-tax reasons, including managerial and organizational ones, aimed at improving the structure or the functionality of the business. As for the above, it is not possible to exclude – if the Italian tax authority succeeded in demonstrating the existence of an abusive purpose and parties involved are not able to demonstrate that the envisaged securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial reasons that are not of a merely marginal or theoretical character – that the tax regime of the securitisation as herein outlined may be disallowed by the Italian tax authority. In such a case, it may cause, amongst other, the recharacterization of the Notes as securities not having the legal nature of a bond.

### **INHERITANCE AND GIFT TAXES**

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006 effective from 29 November 2006, and Law No. 296 of 27 December 2006, the transfers of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding EUR 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding EUR 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1,500,000.

If the donee sells the Notes for consideration from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

### **TRANSFER TAX**

Contracts relating to the transfer of securities are subject to a registration tax as follows: (a) public deeds and notarized deeds are subject to fixed registration tax at a rate of EUR 200; (b) private deeds are subject to registration tax only in case of use or voluntary registration.

### **TAX MONITORING**

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, not being the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed of deposits and/or bank accounts and their aggregate value does not exceed EUR 15,000 throughout the

year.

## **STAMP DUTY**

Pursuant to article 13 par. 2 *ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 (“**Stamp Duty Law**”), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed EUR 14,000 for taxpayers who are not individuals. This stamp duty is determined on the basis of the market value or, if no market value is available, on the face value or redemption value, or where the face or redemption values cannot be determined, on the purchase value of the financial assets (including *obbligazioni*) held.

The Italian Ministerial Decree dated May 24, 2012 stated that the stamp duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an “*ente gestore*” (managing entity). Such “*ente gestore*”, according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer should not fall within the list of the obligors, as set out in the Stamp Duty Law, nor in the definition of “*ente gestore*”. However, the lack of an official interpretation by the Italian tax authority with respect to securitisation transactions and the broad scope of the Stamp Duty Law could lead the Italian tax authority to a different interpretation and may induce the authority to include the Issuer among the obligors.

## **WEALTH TAX ON FINANCIAL ASSETS DEPOSITED ABROAD**

According to article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or, if no market value is available, on the nominal value or redemption value, or where the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

### General

The Notes Subscriber undertakes to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession, distributes or publishes such offering material, or in each case purports to do so, in all cases at its own expense. Furthermore, the Notes Subscriber undertakes that it will not, directly or indirectly, carry out, or purport to carry out, any offer, sale or delivery of any Notes or distribution or publication of any prospectus, form of application, offering circular (including the Prospectus), advertisement or other offering material in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, the Notes Subscriber undertakes that it will not take any action to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

### Prohibition of sale to EEA Retail Investors

The Notes Subscriber represents, warrants and undertakes that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus to any retail investor in the European Economic Area (EEA).

For the purposes of this provision:

- (e) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive (UE) 2016/97 (as amended, **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;
- (f) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In relation to each Member State of the EEA, the Notes Subscriber represents and warrants and agrees that that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- (A) the expression **an offer of Notes to the public** in relation to any Notes in any Member State

means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- (B) the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

### United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person except in accordance with Regulation S under the Securities Act or in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder. The Notes Subscriber represents, warrants and agrees that it has not offered or sold the Notes and will not offer or sell any Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act.

The Notes Subscriber hereby represents and agrees that neither it, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it has and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, the Notes Subscriber represents and agrees that it has not offered, sold or distributed, and will not offer, sell or distribute, any Notes or any copy of the Prospectus or any other offer document in the Republic of Italy by means of an offer to the public of financial products under the meaning of article 1, paragraph 1, letter t) of the Italian Financial Law, unless an exemption applies. Accordingly, the Notes shall only be offered, sold or delivered and copies of the Prospectus or any other offering material relating to the Notes may only be distributed in Italy:

- (a) to “qualified investors” (*investitori qualificati*), pursuant to Article 100 of the Italian Financial Law and article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **CONSOB Regulation**); or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Italian Financial Law and article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:



- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Law, CONSOB Regulation No. 20307 of 15 February 2018 and the Italian Banking Act; and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

## France

The Notes Subscriber represents and agrees that:

- (a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Notes to the public in the Republic of France;
- (b) offers, sales and transfers of the Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*), other than individuals, provided that such investors are acting for their own account and/or to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Article L. 411-2 and Article D. 411-1 of the French Monetary and Financial Code; and
- (c) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of the Notes in France may be made as described above.

In accordance with the provisions of Article L. 214-170 of the French Monetary and Financial Code, the Notes may not be sold by way of unsolicited calls (*démarchage*) save with qualified investors within the meaning of Article L. 411-2 of the French Monetary and Financial Code.

## United Kingdom

The Notes Subscriber represents and agrees that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, the **FSMA**) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes, as applicable in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Issuer's LEI number

The Issuer's LEI number is 81560096C790B6AA5507.

### Consents and Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes and the execution of the Transaction Documents have been authorised by a quotaholder's resolution of the Issuer dated 29 November 2019.

### Listing and admission to trading

As of the date of this Prospectus, the Notes are not listed on any regulated market or multilateral trading facility or equivalent in any jurisdiction. The Issuer has filed with Borsa Italiana S.p.A. a request for the Mezzanine Notes (other than the M4 Notes) to be admitted to trading on the professional segment ("ExtraMOT PRO") of the multilateral trading facility ExtraMOT PRO. The Issuer does not have any intention to file any request for the listing or admission to trading of the Mezzanine Notes (other than the M4 Notes) or any other market or multilateral trading facility, other than the ExtraMOT PRO. No application has been made by the Issuer to list the M4 Notes or the Junior Notes on any regulated market or to admit the M4 Notes or the Junior Notes to trading on any multilateral trading facility.

### Funds Available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be the Collections and Recoveries made in respect of the Receivables thereunder.

### No Material Adverse Change

There has been no material adverse change in the financial position or financial performance or prospects of the Issuer since the date of its incorporation.

### Litigations

The Issuer is not (and was not, since the date of its incorporation) involved in any litigation, arbitration or administrative or governmental proceedings which may have, or have had, during such period, a significant effect on its financial position or profitability nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

### Indebtedness

The Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

### Clearing systems

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream with the following ISIN and Common Codes:

- Class M1 Notes: ISIN: IT0005395147; Common Code: 209677431;
- Class M2 Notes: ISIN: IT0005395717; Common Code: 209676958;
- Class M3 Notes: ISIN: IT0005395725; Common Code: 209677750;
- Class M4 Notes: ISIN: IT0005395865; Common Code: 209825449;
- Junior Notes: ISIN: IT0005395733; Common Code: 209678071.

The Notes shall be freely transferable, subject to the selling restrictions described in the section headed "*Subscription, Sale and Selling Restrictions*" above and to further restrictions set forth under Condition 17 (*Circulation Regime of the Notes*).

### Documents

Copies of the following documents in electronic form may be inspected during usual office hours on any weekday at the registered office of the Issuer and of the Representative of the Noteholders and at the Specified Office of the Paying Agent:

- (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;
- (b) the annual financial statements of the Issuer and relevant audit;
- (c) the Investor Report, which has a quarterly frequency, setting forth the performance of the Receivables and the amounts paid, payable and/or unpaid on the Notes in respect to each Notes Payment Date prepared by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement;
- (d) the following documents:
  - (i) the Limited Recourse Loan Agreement;
  - (ii) the Servicing Agreement;
  - (iii) the Corporate Services Agreement;
  - (iv) the Deed of Pledge;
  - (v) the Parent Company Guarantee;
  - (vi) the Intercreditor Agreement;
  - (vii) the Cash Allocation, Management and Payments Agreement;
  - (viii) the Quotaholder's Agreement;
  - (ix) the Stichting Corporate Services Agreement;
  - (x) the Subscription Agreement;
  - (xi) this Prospectus;

and any amendment or ancillary agreement entered in connection with any of the documents above and any financial statements prepared from time to time by the Issuer together with the relevant auditor's reports.

### **Financial Statements**

As at the date of this Prospectus, no external auditors have been appointed by the Issuer. However, independent auditors will be appointed by the Issuer upon the issuance of the Notes in accordance with applicable law and regulation. Notice of such appointment will be given to the Noteholders in accordance with Condition 13 (*Notices*).

The Issuer's accounting reference date is 31 December of each year. The Issuer was incorporated on 23 October 2019, with the first financial year ending on 31 December 2020. No interim financial statements will be produced by the Issuer. The financial statements of the Issuer as at 31 December 2020 will be available no later than 30 June 2021.

### **Estimated annual fees and expenses**

The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 180,000 per annum (excluding any VAT, if applicable).

### **Websites and webpages**

The websites referred to in this Prospectus and the information contained in such websites do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this Prospectus take responsibility for the further information available in the websites referred to in this Prospectus.

**ISSUER**

**AMALIA SPV S.r.l.**  
Via Vittorio Alfieri, 1  
31015, Conegliano (TV)  
Italy

**ORIGINATOR**

**BNL FINANCE S.p.A.**  
Viale Altiero Spinelli, 30  
00157, Rome  
Italy

**INTEREST GUARANTOR**

**BNL S.p.A.**  
Viale Altiero Spinelli, 30  
00157, Rome  
Italy

**SERVICER, CALCULATION AGENT, REPRESENTATIVE OF THE NOTEHOLDERS AND CORPORATE SERVICER  
SECURITISATION SERVICES S.p.A.**

Via Vittorio Alfieri, 1  
31015, Conegliano (TV)  
Italy

**ACCOUNT BANK AND PAYING AGENT  
BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH**

Piazza Lina Bo Bardi, 3  
20124, Milan  
Italy

**ARRANGER**

**BNP PARIBAS**  
16, boulevard des Italiens  
75009 Paris  
France

**NOTES SUBSCRIBER**

**CRC CF (LUX) S.À R.L.**, acting in  
respect and on behalf of its compartment  
“Amalia”  
8-10, avenue de la Gare,  
L-1610 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISERS**

*to the Arranger*

**Jones Day**  
Via Turati 16/18  
20121 Milan  
Italy

*to the Originator*

**Studio Legale RCCD**  
Via Boschetti, 1  
20121, Milan,  
Italy

*to the Notes Subscriber*

**Studio Legale Associato  
In associazione con Simmons &  
Simmons LLP**  
Via Tommaso Grossi, 2  
20121 Milan  
Italy