

**Alba 11 WH S.r.l.**

*(incorporated with limited liability under the laws of the Republic of Italy)*

**up to € 1,050,000,000.00 Class A Asset-Backed Floating Rate Notes due July 2039**  
**(ISIN code IT0005387854)**

**up to € 465,000,000.00 Class J Asset-Backed Floating Rate Notes due July 2039**  
**(ISIN code IT0005387862)**

This prospectus (the "**Prospectus**") contains information relating to the issue by Alba 11 WH S.r.l. (the "**Issuer**") of the up to Euro 1,050,000,000.00 Class A Asset Backed Floating Rate Notes due July 2039 (the "**Class A Notes**") and the up to Euro 465,000,000.00 Class J Asset Backed Floating Rate Notes due July 2039 (the "**Class J Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

The Notes will be issued and regulated pursuant to the terms provided in the terms and conditions of the Notes set out in this Prospectus under the section headed "*The Terms and Conditions of the Notes*" (the "**Terms and Conditions**").

The Issuer is a limited liability company incorporated under the laws of the Republic of Italy pursuant to article 3 of Italian law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "**Securitisation Law**") having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy. The Issuer is enrolled in the register of the "*società veicolo*" held by the Bank of Italy pursuant to article 4 of the regulation issued by the Bank of Italy on 7 June 2017 under number 35636.0 and in the Companies Register of Treviso – Belluno under No. 05021510267.

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections received in respect of an initial portfolio and subsequent portfolios (if any) of monetary claims and other connected rights (the "**Receivables**") arising out of lease contracts (the "**Lease Contracts**") entered into between Alba Leasing S.p.A. (the "**Originator**" or "**Alba Leasing**"), as lessor, and the lessees (the "**Lessees**").

Pursuant to the terms of a transfer agreement entered into on 2 October 2019, (hereinafter, the "**Transfer Agreement**") the Issuer has purchased on a without recourse basis (*pro soluto*), from the Seller, an initial portfolio of monetary claims arising out of the Lease Contracts (the "**Initial Portfolio**") and has undertaken to purchase, subject to the terms and conditions indicated therein, during the Ramp-Up Period, subsequent portfolios of Receivables (the "**Subsequent Portfolios**" and each of the Initial Portfolio and any Subsequent Portfolio, a "**Portfolio**" and, collectively, the "**Portfolios**"), pursuant to deeds of transfer to be entered into from time to time between the Issuer and the Originator in compliance with the terms of the Transfer Agreement (the "**Deeds of Transfer**" and each a "**Deed of Transfer**").

Before the Final Maturity Date, the Notes will be subject to mandatory redemption in whole or in part on each Payment Date under Conditions 9.2 (*Mandatory Redemption*) subject to there being sufficient Issuer Available Funds, in accordance with the applicable Priority of Payments. Payment Dates will be the 27th day of each of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day. The first payment of interest in respect of the Notes will be due on the Payment Date falling on 27 January 2020. Unless previously redeemed in accordance with the Terms and Conditions, the Notes will be redeemed on the Final Maturity Date. Before the Final Maturity Date, the Notes of each Class may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Conditions 9.3 *Redemption, Purchase and Cancellation – Optional redemption*) or 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

If the Notes cannot be redeemed in full on the Payment Date falling in July 2039 (the "**Final Maturity Date**") following the application in full of all funds available for such purpose, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus.

If any amounts remain outstanding in respect of the Notes upon expiry of the Final Maturity Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled on the Cancellation Date. The amount and timing of repayment of principal under

the Receivables will affect also the yield to maturity of the Notes which cannot be predicted.

This Prospectus is issued pursuant to article 2, paragraph 3 of the Securitisation Law and constitutes a *prospetto informativo* for all the Notes in accordance with the Securitisation Law. Application has been made for the Senior Notes to be traded on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT.

Capitalised words and expressions in this Prospectus shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein and in the section entitled "*Glossary*" below.

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".

#### JOINT ARRANGERS

Banca IMI S.p.A.

Société Générale  
Corporate & Investment Banking

Banca Akros S.p.A.

*Dated 16 October 2019*

The purchase price of the Aggregate Portfolio will be funded through the net proceeds of the issue of the Notes.

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 Aggregate Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation in priority to the Issuer's obligations to any other creditors.

Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments in respect of the Interest Period ending on such Payment Date. 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. The rate of interest applicable from time to time in respect of the Notes for each Interest Period shall be:

- (i) in respect of the Class A Notes, the aggregate of: (a) the EURIBOR and (b) the following margin: 0.65 per cent. *per annum*;
- (ii) in respect of the Class J Notes, the aggregate of: (a) the EURIBOR and (b) the following margin: 1.75 per cent. *per annum*.

(the margin set out, with reference to the Class A Notes, under paragraph (i) above and the Class J Notes, under paragraph (ii) above, the "**Relevant Margin**").

In the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

All payments in respect of the Notes will be made without any present or future Tax Deduction (as defined below) other than a Decree 239 Deduction (as defined below), or any other Tax Deduction required to be made pursuant to any Applicable Law (as defined below). The Issuer shall not be obliged to pay any additional amount to any Noteholder as a consequence of any Tax Deduction required to be made pursuant to any Applicable Law, including Decree 239 Deduction.

The Notes will be direct, secured and limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity.

The Notes will be held in dematerialised form on behalf of the beneficial owners as of the relevant Issue Date until redemption or cancellation thereof by Monte Titoli S.p.A. ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders (as defined below). The expression "**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes any depository banks appointed by Clearstream Banking S. A. ("**Clearstream**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"). Monte Titoli shall act as depository for Clearstream and Euroclear. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83 *-bis* of Italian Legislative Decree No. 58 of 24 February 1998 and with Resolution jointly issued by *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") and the Bank of Italy on 13 August 2018, as amended from time to time. No physical document of title will be issued in respect of the Notes. The Senior Notes and the Junior Notes will be issued in the denomination of Euro 100,000 and integral multiples of Euro 100,000 in excess thereof.

Alba Leasing, in its capacity as Originator, will (i) retain with effect from the Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% in the Securitisation in accordance with option (3)(d) of Article 6 of the Securitisation Regulation ("**Article 6**") or any permitted alternative method thereafter and (ii)(a) comply with the requirements from time to time applicable to originators set forth in articles 7 and 9 of the Securitisation Regulation and (b) provide (or cause to be provided) all information to the Noteholders that is required to enable the Noteholders to comply with article 5 of the Securitisation Regulation.

### **The Issuer**

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

### **The Originator, the Servicer and the Cash Manager**

*Alba Leasing accepts responsibility for the information included in this Prospectus in the sections headed "The Originator, the Servicer and the Cash Manager", "Collection Policies and Recovery Procedures" and "The Portfolio" and any other information contained in this Prospectus relating to itself and the Portfolio. To the best of the knowledge and belief of Alba Leasing (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

### **The Calculation Agent**

*Securitisation Services S.p.A. accepts responsibility for the information included in this Prospectus in the section headed "The Calculation Agent". 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 in accordance with the facts and does not omit anything likely to affect the import of such information.*

### **The Account Bank and the Paying Agents**

*Each of Citibank N.A., London Branch and Citibank N.A., Milan Branch accepts responsibility for the information included in this Prospectus in the section headed "The Account Bank and the Paying Agents". To the best of the knowledge and belief of each of Citibank N.A., London Branch and Citibank N.A., Milan Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Arrangers, by the Class A Notes Underwriter as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution.*

*Neither the Issuer, the Joint Arrangers, the Class A Notes Underwriter nor any other party to any of the Transaction Documents, other than the Originator, has undertaken nor will undertake any investigations, searches or other actions to verify the details of the Receivables sold, or to be sold, by the Originator to the Issuer, nor has the Issuer nor any other party to any of the Transaction Documents, other than the Originator, undertaken, nor will they undertake, any investigations, searches or other actions to establish the existence of the Receivables and the creditworthiness of any debtor in respect of the Receivables. In the Transfer Agreement and in any Deed of Transfer, the Originator shall give certain representations and warranties in relation to itself and the Receivables and shall agree, subject to certain conditions, to indemnify the Issuer for the non-existence of the Receivables.*

*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, Alba Leasing (in any capacity), the Joint Arrangers, the Class A Notes Underwriter or any other party to the Securitisation. Neither the delivery of this Prospectus nor the offering, sale or delivery of any of the Notes shall, under any circumstances, constitute a representation or create any*

*implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or Alba Leasing or the information and data contained herein since the date of this Prospectus or that the information and data contained herein are correct as at any time subsequent to the date of this Prospectus.*

*The distribution of this Prospectus and the offering, 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 to inform themselves about, and to observe any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, and may not 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.*

*Neither the Issuer, the Originator, the Joint Arrangers, the Class A Notes Underwriter nor the Representative of Noteholders accepts responsibility to investors for the regulatory treatment of their investment in the Notes (including (but not limited to) whether any transaction or transactions pursuant to which the Notes are issued from time to time is or will be regarded as constituting a "securitisation" for the purposes of articles 5 to 9 of the Securitisation Regulation and the domestic implementing regulations and the application of such articles to any such transaction) in any jurisdiction or by any regulatory authority. If the regulatory treatment of an investment in the Notes is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to the "Risk factors – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes" and "Regulatory Disclosure" section of this Prospectus for further information on Article 5 to 9 of the Securitisation Regulation.*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act). The Notes may not be offered or sold directly or indirectly, and neither this document nor any other offering circular or any prospectus, 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, France and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. This document may not be used for any purpose other than that for which it is being published. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see the section headed "Subscription and Sale".*

*The Issuer will be relying on an exclusion or exemption from the definition of "investment company" under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(5) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for the purposes of the Volcker Rule under the Dodd–Frank Act.*

*The transaction is not intended to involve the retention by a sponsor for purposes of compliance with the final rules promulgated under Section 15C of the Securities Exchange Act of 1934, as amended (the "**U.S. Risk Retention Rules**"), but rather it is intended to rely on an exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non U.S. transactions. Except with the prior written consent of the Originator and where such sale falls within the exemption provided by Rule 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any Risk Retention U.S.*

*Person.*

*The Notes may not be offered, sold or exchanged in the Republic of Italy (a) to/with persons or entities who are not qualified investors (investitori qualificati) as referred to in the Consolidated Financial Act on the basis of the relevant criteria set out by the Prospectus Regulation or (b) in circumstances which are not expressly exempted from compliance with the rules relating to public offers of financial products (offerta al pubblico di prodotti finanziari) provided for by the Consolidated Financial Act and the relevant implementing regulations. No application has been or will be made and no other action has or will be taken by any person to obtain an authorisation from CONSOB for the public offering (offerta al pubblico) of the Notes in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulation which would allow an offering of the Notes to the public in the Republic of Italy (offerta al pubblico) unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations. Accordingly, the Notes may not be offered, sold or delivered, and neither this document nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy other than in the circumstances and to the extent set forth in section entitled "Subscription and Sale". 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.*

*Certain monetary amounts and currency translations 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 that preceded them.*

*In this Prospectus, references to "€", "Euro" 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, the Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995, and lawful currency on the Republic of Italy since 1 January 2002.*

*Neither this Prospectus 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 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.*

### **PRIIPs / 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 Directive 2014/65/EU (as amended or superseded, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, 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.*

### **MIFID II product governance / Professional investors and ECPs only target market**

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

### **Benchmark Regulation (Regulation (EU) 2016/1011)**

*Amounts payable in relation to the Notes which bear a floating interest rate will be calculated by reference to EURIBOR. As at the date of this Prospectus, the European Money Market Institution, as administrator of EURIBOR is included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR").*

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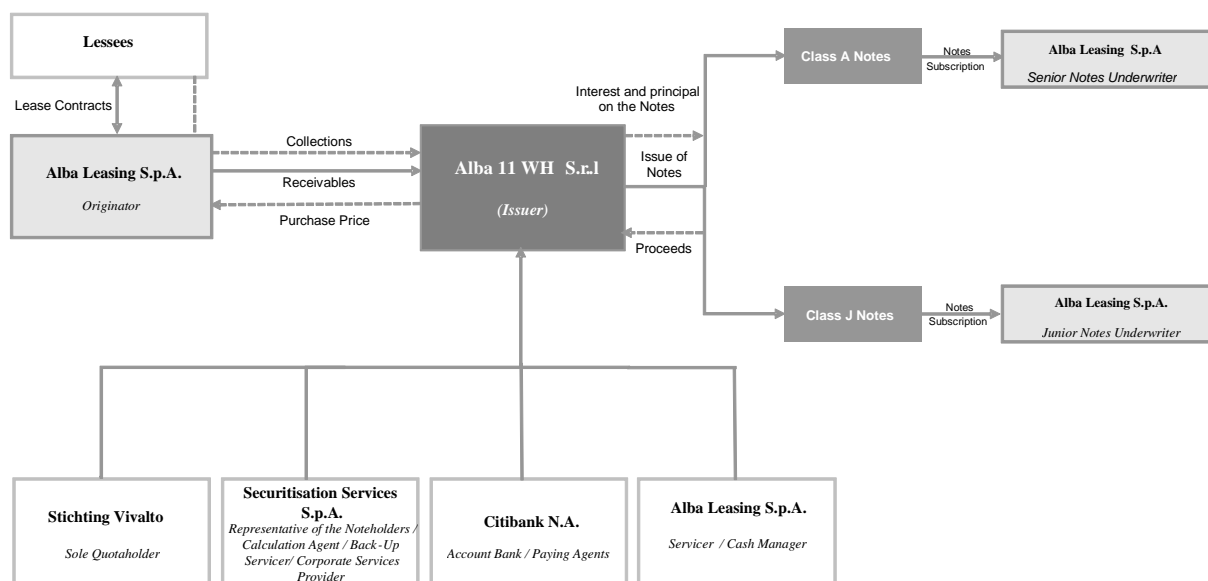
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## OVERVIEW OF THE TRANSACTION

The following information is a summary of certain aspects of the Securitisation, the parties thereto, the assets underlying the Notes and the related documents and does not purport to be complete. Therefore, it should be read in conjunction with and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. Prospective investors should base their decisions on this Prospectus as a whole.

### 1. TRANSACTION DIAGRAM



### 2. PRINCIPAL PARTIES

#### Issuer

Alba 11 WH S.r.l., a limited liability company (*società a responsabilità limitata*) with a sole quotaholder incorporated under the laws of the Republic of Italy, whose registered office is at Via Vittorio Alfieri No. 1, 31015 Conegliano (TV), Italy, Fiscal Code and registration with the Companies Register of Treviso – Belluno No. 05021510267, registered under No. 35636.0 in the register of the *società veicolo* held by Bank of Italy pursuant to article 4 of the Bank of Italy's Regulation dated 7 June 2017, and having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law ("**Alba 11 WH**" or the "**Issuer**"). The Issuer has an issued quota capital of Euro 10,000, which is entirely held by the Sole Quotaholder.

#### Originator

Alba Leasing S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, whose registered office is at Via Sile No. 18, 20139 Milano – Monza –

Brianza – Lodi, Italy, with fully paid-up share capital of Euro 357,953,058.13 with Fiscal Code and registration with the Companies Register of Milan No. 06707270960, registered with No. 32 in the register held by the Bank of Italy pursuant to article 106 of the Legislative Decree No. 385 of 1 September 1993 (the "**Consolidated Banking Act**") ("**Alba Leasing**").

#### **Servicer**

Alba Leasing. The Servicer will act as such pursuant to the Servicing Agreement.

#### **Joint Arrangers**

Banca IMI S.p.A., a bank organised as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, whose registered office is at Largo Mattioli No. 3, 20121 Milan, Italy, Fiscal Code, VAT and registration with the Companies Register of Milan – Monza – Brianza – Lodi No. 04377700150, and registered with the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under No. 5570, and with ABI Code No. 3249.0, of the Intesa Sanpaolo Group, member of the *Fondo Interbancario di Tutela dei Depositi* and the *Fondo Nazionale di Garanzia* ("**Banca IMI**").

Société Générale, a French limited liability company (*société anonyme*), whose registered office is at 29 Boulevard Haussman, 75009 Paris, France, and whose head office is at 17 cours Valmy, 97972 Paris-La-Défense Cedex, France, registered in France with the Commercial Register under No. 552120222 ("**Société Générale**").

**Banca Akros S.p.A.**, a bank organised as a joint stock company under the laws of the Republic of Italy and registered with the Bank of Italy pursuant to article 13 of the Banking Law under number 5328 whose registered office is at Viale Eginardo 29, 20149, Milan, Italy incorporated with Fiscal Code number, Vat number and registration number with the Register of Enterprises of Milan – Monza – Brianza – Lodi 10537050964, ABI Code no. 03045, part of the Gruppo Bancario Banco BPM agreed into the Fondo Interbancario di Tutela dei Depositi and into the Fondo Nazionale di Garanzia ("**Banca Akros**").

#### **Back-Up Servicer**

**Securitisation Services S.p.A.**, a company with a sole shareholder incorporated as a "*società per azioni unipersonale*", 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 *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, 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**”). The Back-Up Servicer will act as back-up servicer under the Back-Up Servicing Agreement.

#### **Sub-Back-Up Servicers**

Agenzia Italia S.p.A., a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, having its registered office in Via Vittorio Alfieri No. 1, 31015 Conegliano (TV), Italy, share capital of Euro 100.000,00, fully paid-up, registered with the Companies Register of Treviso – Belluno under No. 01932080268.

Trebi Generalconsult S.r.l., a limited liability company (*società a responsabilità limitata*) incorporated under the laws of the Republic of Italy, having its registered office in Via Lombardini No. 13, 20143 Milan, Italy, with a quota capital of EUR 50.000,00, fully paid-up, registered with the Companies Register of Milan – Monza – Brianza – Lodi under No. 315315, VAT No. 09762420157.

The Sub-Back-Up Servicers will act as sub-back-up servicers under the Back-Up Servicing Agreement.

#### **Calculation Agent**

Securitisation Services. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

#### **Account Bank**

Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60<sup>th</sup> Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan – Monza – Brianza – Lodi number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy (“**Citibank, Milan Branch**”). The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.

#### **Principal Paying Agent**

Citibank N.A., London Branch, a bank incorporated under the laws of United States of America, acting through its London branch, registered in the United Kingdom under number BR001018, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United

	Kingdom in its capacity as principal paying agent (" <b>Citibank, London Branch</b> "). The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Italian Paying Agent</b>	Citibank, Milan Branch, in its capacity as Italian paying agent (the " <b>Italian Paying Agent</b> " and, together with the Principal Paying Agent, the " <b>Paying Agents</b> "). The Italian Paying Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Paying Agents</b>	The Italian Paying Agent and the Principal Paying Agent.
<b>Cash Manager</b>	Alba Leasing. The Cash Manager will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
<b>Corporate Services Provider</b>	Securitisation Services. The Corporate Services Provider will act as such pursuant to the Corporate Services Agreement.
<b>Representative of the Noteholders</b>	Securitisation Services. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements.
<b>Sole Quotaholder</b>	Stichting Vivalto, a foundation ( <i>Stichting</i> ) incorporated under the laws of The Netherlands and having its registered office at Barbara Strozzi laan 101, 1083HN Amsterdam, The Netherlands and registered in the Chamber of Commerce in Amsterdam with No. 74821067, Fiscal Code No. 97846470157. The Sole Quotaholder will act as sole quotaholder of the Issuer under the Quotaholder Agreement.
<b>Stichting Corporate Services Provider</b>	Wilmington Trust SP Services (London) Limited, 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, and registered in England and Wales at no. 02548079. The Stichting Corporate Services Provider will act as such pursuant to the Stichting Corporate Services Agreement.
<b>Class A Notes Underwriter</b>	Alba Leasing. The Class A Notes Underwriter will act as such pursuant to the Senior Notes Subscription Agreement.
<b>Class J Notes Underwriter</b>	Alba Leasing. The Junior Notes Underwriter will act as such pursuant to the Junior Notes Subscription Agreement.
<b>Rating Agency</b>	Scope Ratings GmbH.
<b>Reporting Entity</b>	Alba Leasing will act as Reporting Entity pursuant to the Intercreditor Agreement and the Senior Notes Subscription Agreement.

### 3. PRINCIPAL FEATURES OF THE NOTES

#### The Notes

On the Issue Date the Issuer will issue the following partly-paid Notes:

- up to Euro 1,050,000,000.00 Class A Asset Backed Floating Rate Notes due July 2039 ("**Class A Notes**" or the "**Senior Notes**"),
- up Euro 465,000,000.00 Class J Asset Backed Floating Rate Notes due July 2039 ("**Class J Notes**" or the "**Junior Notes**") and, together with the Class A Notes, the "**Notes**").

#### Issue Date

17 October 2019.

#### Issuance of the Notes

On the Issue Date, the Class A Notes Underwriter will pay an initial portion of the Issue Price (the "**Senior Notes Initial Instalment Payment**") equal to 666,624,084.00 being 63.49% of the Senior Notes Nominal Amount (the "**Senior Notes Initial Instalment Payment**"). According to the above, as of the Issue Date, the Senior Notes are subscribed for a nominal amount equal to the Senior Notes Nominal Amount but paid up for an amount equal to the Senior Notes Initial Instalment Payment.

On the Issue Date, the Class J Notes Underwriter will pay an initial portion of the Issue Price (the "**Junior Notes Initial Instalment Payment**") equal to 295,219,237.20 being 63.49% of the Junior Notes Nominal Amount (the "**Junior Notes Initial Instalment Payment**"). According to the above, as of the Issue Date, the Junior Notes are subscribed for a nominal amount equal to the Junior Notes Nominal Amount but paid up for an amount equal to the Junior Notes Initial Instalment Payment

#### Issue Price

The Senior Notes will be issued at 100% of Senior Notes Nominal Amount.

The Junior Notes will be issued at 100% of the Junior Notes Nominal Amount.

On the Issue Date the following initial amounts in relation to the relevant Issue Price will be paid by the relevant Underwriters, also by way of set-off in accordance with the Transaction Documents:

Senior Notes: Euro 666,624,084.00 with reference to the Senior Notes subscribed by Alba Leasing.

(the "**Senior Notes Initial Instalment Payment**")

Junior Notes: Euro 295,219,237.20 (the "**Junior Notes Initial**")

### **Instalment Payment")**

The Notes will be issued on a partly paid basis, pursuant to the terms provided in Condition 3 (*Partly Paid Notes*). On the Issue Date, the Senior Notes Initial Instalment Payments will be paid by the Class A Notes Underwriter and the Junior Notes Initial Instalment Payment will be paid by the Junior Notes Underwriter, in accordance with, respectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement the proceeds of which will be used by the Issuer to pay the Purchase Price of the Initial Portfolio and, with reference to only the Junior Notes Initial Instalment Payment, to credit the Debt Servicer Reserve Initial Amount. Subject to and in accordance with the procedures set forth in Condition 3 (*Partly Paid Notes*), during the Ramp-Up Period the Issuer, also through the Calculation Agent, may request the Junior Noteholder and the Senior Noteholder, by making a request of irrevocable order of payment (the "**Notes Further Instalment Request**"), to pay the relevant Notes Further Instalment Payments.

Each Notes Further Instalment Request shall be sent by the Issuer (or the Calculation Agent on its behalf) to the Junior Noteholder(s) and the Senior Noteholder not later than the Payments Report Date immediately prior to the Payment Date falling after the execution of the relevant Deed of Transfer (a "**Notes Further Instalment Request Date**") and shall include the information specified in Condition 3 (*Partly Paid Notes*).

### **Senior Notes Further Instalment**

During the Ramp-Up Period the Originator will, not later than 32 (thirty-two) calendar days prior to any Payment Date, send a written notice to the Issuer, the Senior Noteholder and the Junior Noteholder(s) with copy to the Calculation Agent, by e-mail the Purchase Notice, to inform them of its intention to sell a Subsequent Portfolio and that, for purchasing such Subsequent Portfolio, the Issuer shall request (i) Senior Notes Further Instalment Payments, in accordance with the provisions set out under the Senior Notes Subscription Agreement and (ii) Junior Notes Further Instalment Payments in accordance with the Junior Notes Subscription Agreement.

### **Junior Notes Further Instalment**

During the Ramp-Up Period the Originator will, not later than 32 (thirty-two) calendar days prior to any Payment Date, send the Purchase Notice to the Issuer, the Senior Noteholder(s) and the Junior Noteholder(s), by e-mail, to inform them of its intention to sell a Subsequent Portfolio and that, for purchasing such Subsequent Portfolio, the Issuer shall request (i) Junior Notes Further Instalment Payments in accordance

with the provisions set out under the Junior Notes Subscription Agreement and (ii) the Senior Notes Further Instalment Payments in accordance with the Senior Notes Subscription Agreement.

## Interest on the Notes

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the EURIBOR plus the following Relevant Margin in respect of each Class of Notes:

- Class A Notes: 0.65 per cent. *per annum*;
- Class J Notes: 1.75 per cent. *per annum*.

In the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments.

The first payment of interest in respect of the Notes will be due on the Payment Date falling on 27 January 2020, in respect of the period from (and including) the Issue Date to (but excluding) such date (the "**First Payment Date**").

## Form and denomination of the Notes

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83 *bis* of the Consolidated Financial Act; and (ii) Regulation 22 February 2008, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

The Senior Notes and the Junior Notes will be issued in the denomination of Euro 100,000 and integral multiples of Euro 100,000 in excess thereof; the Junior Notes will be issued in the denomination of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

The Issuer will elect Italy as Home Member State for the purpose of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency**

Directive").

#### Status and subordination

In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Terms and Conditions provide that:

- (A) prior to delivery of a Trigger Notice:
  - (i) Interest Amounts on the Class A Notes will rank *pari passu* and *pro-rata* among themselves and in priority to Interest Amounts and Principal Amounts on the Class J Notes and to the Principal Amounts on the Class A Notes;
  - (ii) Principal Amounts on the Class A Notes will rank in priority to the Interest Amounts and Principal Amounts on the Class J Notes but subordinated to the Interest Amounts on the Class A Notes;
- (B) after the delivery of a Trigger Notice:
  - (i) Interest Amounts on the Class A Notes will rank *pari passu* and *pro-rata* among themselves and in priority to Interest Amounts and Principal Amounts on the Class J Notes and to the Principal Amounts on the Class A Notes;
  - (ii) Principal Amounts on the Class A Notes will rank in priority to the Interest Amount and Principal Amounts on the Class J Notes but subordinated to the Interest Amounts on the Class A Notes.

#### Withholding on the Notes

All payments in respect of the Notes will be made without any present or future Tax Deduction other than a Decree 239 Deduction or any other Tax Deduction required to be made pursuant to any Applicable Law. The Issuer shall not be obliged to pay any additional amount to any Noteholder as a consequence of any Tax Deduction required to be made pursuant to any Applicable Law, including Decree 239 Deduction.

#### Mandatory Redemption

Unless previously redeemed in accordance with Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) or Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*), the Notes will be subject to mandatory redemption in full (or in part *pro rata*), in accordance with Condition 9 (*Redemption, Purchase and Cancellation*) if and to the extent that, on such dates, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the



Pre-Enforcement Priority of Payments. On each Payment Date during the Amortisation Period, the amount of principal due and payable on each Class of Notes in accordance with the Pre-Enforcement Priority of Payments shall be equal to:

- (i) the Class A Principal Payment, in respect of the Class A Notes,
- (ii) the Class J Principal Payment, in respect of the Class J Notes.

Following the delivery of a Trigger Notice, the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but which has not been paid on any preceding Payment Date, without further action, notice or formality and the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments.

Relevant notice shall be delivered by the Paying Agent to Borsa Italiana at least 3 Business Days prior to the relevant Payment Date.

#### **Optional Redemption**

Pursuant to Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*), if no Trigger Event has occurred, unless previously redeemed in full, the Issuer may redeem all the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the prior consent of the Junior Noteholders, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to the date fixed for redemption:

- (i) on each Payment Date if one of the following events occurred: (x) the Outstanding Amount of the Aggregate Portfolio on the Quarterly Settlement Date falling immediately before the date of exercise of the Portfolio Call Option is equal to or less than 10% of the aggregate amount of the Initial Purchase Price of the Receivables included in the Aggregate Portfolio, (y) the Senior Notes can be repaid in full at their Principal Amount Outstanding being sufficient Issuer Available Funds for such purpose (therefore, without the Issuer being required to sell the Portfolio and using the proceeds deriving therefrom for such purpose);
- (ii) on each date after the First Payment Date, provided that in this case the Originator shall be entitled to direct the Issuer to sell the Aggregate Portfolio (in whole or in part) to a securitisation vehicle incorporated under the Securitisation Law (the “SPV”). Should the SPV purchase only part of the

outstanding Receivables, the residual part of the Receivables will be repurchased by the Originator in accordance with and subject to the terms and conditions provided for by the Transfer Agreement.

Any such redemption shall be effected by the Issuer on giving not less than 10 Local Business Days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 18 (*Notices*) and provided that the Issuer has, prior to giving such notice, certified to the Representative of the Noteholders and produced satisfactory evidence to the Representative of the Noteholders that it will have the necessary funds, not subject to the interests of any person (other than the Noteholders and/or the Other Issuer Creditors), to discharge all its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with such Notes. Any such redemption shall be previously notified by the Issuer to the Rating Agency.

The Issuer may obtain the necessary funds in order to effect the early redemption of the Notes in accordance with Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) point (i) above, through the sale of all or part of the Portfolio. In this respect, pursuant to the Transfer Agreement, the Originator has been granted with an option right to purchase the Portfolio in accordance with the terms and conditions provided thereunder. The relevant sale proceeds deriving from any disposal of the Portfolio shall form part of the Issuer Available Funds.

## **Redemption for Taxation**

If no Trigger Event has occurred, if the Issuer at any time satisfies the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

- (a) amounts payable in respect of the Senior Notes by the Issuer and/or amounts payable to the Issuer in respect of the Receivables included in any Portfolio would be subject to withholding or deduction (other than a Decree 239 Deduction or a FATCA Withholding) for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or

therein (hereinafter, the "**Tax Event**"); and

- (b) the Issuer will have the necessary funds (not subject to the interests of any person (other than the Noteholders and/or the Other Issuer Creditors)) to discharge all its outstanding liabilities in respect of (i) all the Notes to be redeemed and any amounts required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with such Notes or (ii) all the Senior Notes to be redeemed and any amounts required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with such Senior Notes but not the Junior Notes and the Junior Noteholders have consented to such partial redemption,

then the Issuer may, on any such Payment Date at its option having given not less than 15 Business Days' prior notice in writing to the Representative of the Noteholders, to the Noteholders in accordance with Condition 18 (*Notices*), redeem, in accordance with the Post-Enforcement Priority of Payments, the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the prior consent of the Junior Noteholders, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to and including the relevant Payment Date fixed for redemption, in accordance with Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

Following the occurrence of a Tax Event and in accordance with the Terms and Conditions, the Issuer may, or the Representative of the Noteholders (subject to the provisions of the Intercreditor Agreement) may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Notes) direct the Issuer to dispose of the Portfolio or any part thereof to finance the early redemption of the relevant Notes under Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*). In this respect, pursuant to the Intercreditor Agreement, the Originator has been granted with a pre-emption right for the purchase of the Portfolio in accordance with the terms and conditions provided thereunder. The relevant sale proceeds deriving from any disposal of the Portfolio shall form part of the Issuer Available Funds. Any such redemption shall be previously notified by the Issuer to the Rating Agency.

## **Source of Payment of the Notes**

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 the Receivables arising out of Lease Contracts entered into between the Originator, as lessor, and the Lessees, purchased and to be purchased by the Issuer from the Originator pursuant to the Transfer Agreement and the relevant Deed of Transfer.

## **Segregation of the Portfolio**

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 Portfolio, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation in priority to the Issuer's obligations to any other creditors.

The Portfolios, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased through such collections may not be seized or attached in any form by creditors of the Issuer (including for avoidance of doubts, noteholders and the Issuer's other creditors in respect of any other securitisation transactions carried out by the Issuer) other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes.

Pursuant to the terms of the Intercreditor Agreement, the Issuer has empowered the Representative of the Noteholders, following the service of a Trigger Notice or upon failure by the Issuer to promptly exercise its rights under the Transaction Documents, to exercise all the Issuer's Rights, powers and discretion under the Transaction Documents taking 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 Portfolio and the Issuer's Rights. Italian law governs the delegation of such power.

## **Security**

Pursuant to the Deed of Pledge, in addition and without prejudice to the segregation provided by the Securitisation

Law, the Issuer has pledged, in favour of the Representative of the Noteholders for the benefit of the Noteholders and the Other Issuer Creditors: (i) all existing and future monetary claims and rights deriving from certain Transaction Documents, and (ii) any existing or future pecuniary claim and any right and any sum credited from time to time to certain Accounts, as better described under the Deed of Pledge.

### **Segregation of the Accounts**

In the context of the Securitisation, the Account Bank (i) represented and warranted that the Eligible Accounts have been opened and are and will be treated and maintained in accordance with the provisions set forth under article 3, paragraph 2 *bis* of the Securitisation Law (to the extent applicable to the Account Bank, being the Italian branch of an EU bank), (ii) acknowledged that any sum standing to the credit of the Eligible Accounts is not part of the assets of the Account Bank and is segregated from the other accounts of the Account Bank so that such sums can be attached only by the Noteholders, (iii) acknowledged and agreed that it shall have no right to set off any amounts due for any reason whatsoever from the Issuer to the Account Bank against any sum standing to the credit of any of the Eligible Accounts held with it, (iv) undertook to keep any such amount segregated from any other amount of the Issuer standing to the credit of any other account held by the Account Bank and to keep appropriate and separate evidence in its accounting books, electronic system and in any other document evidencing sums standing to the credits of any accounts, and (v) undertook to promptly inform the Issuer and the Representative of the Noteholders of the receipt of any request or other document asserting any right or claim from a third party in relation to any Eligible Account held with it (including without limitation in relation to any enforcement measures over such account) received after the date hereof by no later than one Business Day following the date of receipt.

In addition to the above, the Servicer has procured that, as long as payments from the Debtors are made on the Servicer Account, such account is and will be treated and maintained with a bank having the Minimum Rating and in accordance with, and subject to, article 3, paragraph 2-*ter* of the Securitisation Law.

### **Limited Recourse**

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders, but excluding in any case the obligation of payment of (i) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount and any other fees to

be paid by the Issuer in accordance with the Subscription Agreements), (ii) the portion of Initial Purchase Price of any Subsequent Portfolio to be paid through the Notes Further Instalments Payments, (iii) the Excess Indemnity Amount, (iv) any Residual Optional Instalment and (v) any other amount which is expressly excluded from the Issuer Available Funds under the Transaction Documents, are limited in recourse as set out below:

- (a) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets over its contributed capital;
- (b) the limited recourse nature of the obligations of the Issuer produces the effect of a *contratto aleatorio* and each Noteholder accepts the consequences thereof, including but not limited to the provision of article 1469 of the Italian civil code;
- (c) 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 Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder;
- (d) each Noteholder has undertaken not to make any claim or bring any action in contravention of the provisions of Condition 10.2;
- (e) subject to Condition 9.5 (Redemption, Purchase and Cancellation – Calculation of Issuer Available Funds and Principal Amount Outstanding) if the Issuer Available Funds are insufficient to pay any amount due and payable by the Issuer on any Payment Date in accordance with the applicable Priority of Payments, without prejudice to Condition 14(a) (Trigger Events – Non-payment), then the relevant shortfall will not be due and payable until a subsequent Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any claim towards the Issuer shall be deemed discharged and cancelled on the

Cancellation Date; for the avoidance of doubt, any failure by the Issuer to make payments on any relevant date referred to in Condition 14(a) shall constitute a Trigger Event in accordance with Condition 14(a); and

- (f) upon the Representative of the Noteholders giving written notice to the Noteholders and the Other Issuer Creditors that it has determined, in its sole opinion, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Security (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged and cancelled in full. The provisions of Condition 10.2(f) are subject to none of the Noteholders and the Other Issuer Creditors objecting to such determinations of the Representative of the Noteholders and the Servicer for reasonably grounded reasons within 30 days of notice thereof. If any of the Noteholders and the Other Issuer Creditors objects such determination within such term, the Representative of the Noteholders may request an independent third party to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security which would be available to pay unpaid amounts outstanding under the Transaction Documents. Such determination shall be definitive and binding for the Noteholders and the Other Issuer Creditors.

The Notes will be direct, secured and limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Originator, the Servicer, the Debtors, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Cash Manager, the Paying Agents, the Corporate Services Provider, the Back-Up Servicer, the Sole Quotaholder, the Senior Notes Underwriter, the Junior Notes Underwriter or the Joint Arrangers. 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.

## Non Petition

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security. In particular no Noteholder:

- (a) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (b) 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 to it;
- (c) shall be entitled, both before and following the delivery of a Trigger Notice, until the date falling two years and one day after the date on which all the Notes and any other asset-backed notes issued in the context of any Further Securitisation transaction or any Further Issues by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- (d) shall be entitled, both before and following the delivery of a Trigger Notice to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with,

*provided however* that the above provisions (i) without prejudice to Condition 7 (*Priority of Payments*), shall not prevent the Noteholders and the Other Issuer Creditors from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which may not lead to the declaration of insolvency or liquidation of the Issuer and (ii) without prejudice to Condition 10.2 (*Limited Recourse obligations of the Issuer*) below, shall not apply with respect to the right of the Originator to receive payment of (a) the Initial



Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount and any other fees to be paid by the Issuer in accordance with the Subscription Agreements), (b) the portion of Initial Purchase Price of any Subsequent Portfolio to be paid through the Notes Further Instalments Payments, (c) the Excess Indemnity Amount and (d) any Residual Optional Instalment.

**Final Maturity Date**

Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes are due to be repaid in full at their respective Principal Amount Outstanding on the Final Maturity Date.

**Cancellation Date**

The Notes will be cancelled on the Cancellation Date which is the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date; and
- (c) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that, in its sole and reasonable opinion, there are no more Issuer Available Funds to be distributed as a result of the Issuer having no additional amount or asset relating to the Portfolio. Any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled on such date.

**The Organisation of the Noteholders and the Representative of the Noteholders**

The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

Pursuant to the Rules of the Organisation of the Noteholders, for as long as any Note is outstanding, there shall 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 of the Organisation of the Noteholders except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the Class A Notes Underwriter and the Class J Notes Underwriter, as the case may be, in accordance with the provisions of the Subscription

Agreements. Each Noteholder is deemed to accept such appointment.

#### **Listing**

Application has been made for the Senior Notes to be admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT . No application has been made to list the Junior Notes on any stock exchange.

#### **Governing Law**

The Notes will be governed by Italian law.

#### **Purchase of the Notes**

The Issuer may not purchase any Notes at any time.

#### **Selling restrictions**

There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof.

#### **Material Net Economic Interest in the Securitisation**

Under the Senior Notes Subscription Agreement and the Intercreditor Agreement Alba Leasing has undertaken to to the Issuer and the Representative of the Noteholders that it will (i) retain with effect from the Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction in accordance with option (3)(d) of Article 6 of the Securitisation Regulation ("**Article 6**") or any permitted alternative method thereafter and (ii)(a) comply with the requirements from time to time applicable to originators set forth in articles 7 and 9 of the Securitisation Regulation and (b) provide (or cause to be provided) all information to the Noteholders that is required to enable the Noteholders to comply with article 5 of the Securitisation Regulation.

### **4. ACCOUNTS**

#### **Collection Account**

The Issuer has established the Collection Account with the Account Bank *into which* (i) all the Collections and Recoveries made in respect of the Portfolio shall be credited, in accordance with the Servicing Agreement and *out of which* any amount standing to the credit of such Eligible Account will be transferred on a daily basis (to the extent that such day is a Business Day) into the Payments Account (or, upon instruction given by the Cash Manager to the Account Bank, either (a) in the event that the Investment Account (as defined below) has been opened in accordance with clause 7.1 (*Investment Account*) of the Cash Allocation, Management and Payments Agreement, into the Investment Account in the amounts specified by the Cash Manager in the Investment Letter or (b) into the Deposit Account).

#### **Payments Account**

The Issuer has established the Payments Account with the Account Bank *into which* (i) on the Issue Date the Notes Initial

Instalment Payment (net of any amount to be set-off in accordance with the Subscription Agreements) shall be credited, (ii) the Notes Further Instalment Payment (net of any amount to be set off in accordance with the Subscription Agreements) shall be credited in accordance with the Subscription Agreements, on the date of payment of such Notes Further Instalment Payment; (iii) in the event that the Investment Account has been opened in accordance with clause 7.1 (*Investment Account*) of the Cash Allocation, Management and Payments Agreement, 2 (two) Business Days prior to each Payment Date, the amounts standing to the credit of the Investment Account and, in general, any sums arising from the liquidation, disposal or maturity of the Eligible Investments (including any profit generated thereby or interest matured thereon), shall be credited, so as to be used as Issuer Available Funds on the immediately following Payment Date; (iv) any proceeds (if any) from the enforcement of the Issuer's Rights will be credited; (v) the amounts standing to the credit of the Collection Account and of the Debt Service Reserve Account, unless transferred into the Investment Account, shall be credited on a daily basis; (vi) all amounts received from any party to a Transaction Document to which the Issuer is a party (other than amounts expressly provided to be paid on other Accounts) shall be credited; (vii) the Collateral Integration Amount and any residual amount shall be allocated in accordance with item (vii), (ix) and (xii) of the Pre-Enforcement Priority of Payment, 2 (two) Business Days prior to each Payment Date and in any case within 2 Business Days prior to the Extraordinary Payment Date or if earlier, within 1 Business Day after the occurrence of a Deposit Bank Event, the amount standing to the credit of the Deposit Account shall be credited; and (viii) any amounts received as interest on such account shall be credited; and *out of which* (1) on the Issue Date (aa) an amount equal to the Retention Amount shall be paid to the Expenses Account out of the proceeds from the Notes Initial Instalment Payments paid therein; (bb) the Initial Purchase Price of the Initial Portfolio in accordance with the Transfer Agreement (and net of any amount to be set-off in accordance with the Subscription Agreements) shall be paid to the Originator or as otherwise provided for in the Subscription Agreements; (cc) an amount corresponding to the Debt Service Reserve Initial Amount as of the Issue Date shall be transferred to the Debt Service Reserve Account and (dd) any commissions due under the Subscriptions Agreements shall be paid; (2) (aa) one Business Day prior to each Payment Date, amounts necessary to pay interests and to repay principal on the Notes shall be made

available to the Italian Paying Agent in accordance with the Cash Allocation, Management and Payments Agreement; and (bb) on each Payment Date all payments shall be made in accordance with the Intercreditor Agreement, the applicable Priority of Payments and the relevant Payments Report (including for the avoidance of doubt, (i) any transfer of amounts to the Debt Service Reserve Account and the Expenses Account and (ii) the portion of the Initial Purchase Price of the Subsequent Portfolio (net of any amount to be set off in accordance with the Subscription Agreements) to be paid out of the Issuer Available Funds (the **"IAF Initial Purchase Price of the Portfolio"**) in accordance with and subject to the conditions of the Transfer Agreement and the Subscription Agreements (provided that if such conditions have not been satisfied, the relevant amounts shall remain deposited into the Payments Account and paid to the Originator as soon as such conditions are met); (3) on each Payment Date, any Excess Indemnity Amount received by the Issuer on the immediately preceding Quarterly Settlement Period shall be paid to the Originator in accordance with the relevant Quarterly Servicer Report; (4) on each Payment Date, the Purchase Price of the Residual Optional Instalment equal to any Residual Optional Instalment collected by the Issuer on the immediately preceding Quarterly Settlement Period shall be paid to the Originator in accordance with the relevant Quarterly Servicer Report; (5) on any Payment Date, the residual portion of the Initial Purchase Price of the Subsequent Portfolio (other than the IAF Initial Purchase Price of the Portfolio) to be paid out of the Notes Further Instalment Payment (net of any amount to be set off in accordance with the Subscription Agreements) shall be paid to the Originator in accordance with and subject to the conditions of the Transfer Agreement and the Subscription Agreements (provided that if such conditions have not been satisfied, the relevant amounts shall remain deposited into the Payments Account and paid to the Originator as soon as such conditions are met); (6) on any Payment Date following the payment of any Junior Notes Further Instalment Payment, an amount corresponding to the Debt Service Reserve Further Amount as of such date shall be transferred to the Debt Service Reserve Account; and (7) any amount standing to the credit thereof, other than (i) the Issuer Available Funds to be applied for the payment of the Initial Purchase Price of any Subsequent Portfolio will be transferred one Business Day after each Payment Date upon instruction of the Cash Manager to the Account Bank, either (a) in the event that the Investment Account has been opened in accordance with clause 7.1 (*Investment Account*) of the Cash Allocation,

Management and Payments Agreement, any amount standing to the credit thereof will be transferred to the Investment Account one Business Day after each Payment Date in the amounts specified by the Cash Manager in the Investment Letter or (b) into the Deposit Account.

#### **Debt Service Reserve Account**

The Issuer has established the Debt Service Reserve Account with the Account Bank *into which* (i) (1) on the Issue Date, the Debt Service Reserve Initial Amount; and (2) on each Payment Date further to the payment of any Junior Notes Further Instalment the Debt Service Reserve Further Amount, shall be credited from the Payments Account; (ii) on each Payment Date before the delivery of a Trigger Notice until (but excluding) the Release Date, the Issuer Available Funds necessary in accordance with the Pre-Enforcement Priority of Payments to bring the balance of such Eligible Account up to the Debt Service Reserve Amount shall be credited from the Payments Account; and (iii) any amounts received as interest on such account shall be credited; and *out of which* (1) on the Business Day following the Issue Date and (2) on each Business Day following each Payment Date, the amount standing to the credit of such Eligible Account will be transferred into the Payments Account (or, upon instruction given by the Cash Manager to the Account Bank, either (a) in the event that the Investment Account has been opened in accordance with clause 7.1 (*Investment Account*) of the Cash Allocation, Management and Payments Agreement, into the Investment Account in the amounts specified by the Cash Manager in the Investment Letter or (b) into the Deposit Account).

#### **Investment Account**

After the Issue Date, the Issuer may establish the Investment Account with the Investment Account Bank (a) *into which* (i) the amount specified by the Cash Manager in the Investment Letter and standing to the credit of the Collection Account, will be transferred on a daily basis (to the extent that such day is a Business Day); (ii) the amount specified by the Cash Manager in the Investment Letter and standing to the credit of the Debt Service Reserve Account on the Business Day following each Payment Date and/or, as the case may be, Issue Date, will be transferred; (iii) the amounts specified by the Cash Manager in the Investment Letter and standing to the credit of the Payments Account, other than the IAF Initial Purchase Price of the Portfolio, on the Business Day immediately following each Payment Date will be credited on such Business Day; (iv) any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments and any profit generated

thereby or interest accrued thereon will be credited; (v) all Eligible Investments purchased by the Investment Account Bank upon written instruction of the Cash Manager, pursuant to Cash Allocation, Management and Payments Agreement, shall be deposited; and (b) *out of which* (i) any amount standing to the credit of such account, including any sums arising from the liquidation, disposal or maturity of the Eligible Investments (including any profit generated thereby or interest matured thereon), so as to be used as Issuer Available Funds on the immediately following Payment Date will be transferred to the Payments Account 2 (two) Business Days before such Payment Date; and in (ii) accordance with the provisions set forth in the Cash Allocation, Management and Payments Agreement, upon written instruction of the Cash Manager in the name and on behalf of the Issuer, all amounts standing to the credit thereof will be applied on any Business Day by the Investment Account Bank for the purchase of Eligible Investments.

#### **Expenses Account**

The Issuer has established the Expenses Account *into which*, (i) on the Issue Date the Retention Amount, as deducted from the proceeds deriving from the Notes Initial Instalments Payments, will be paid from the Payments Account; (ii) on each Payment Date, an amount shall be paid from the Payments Account in accordance with the applicable Priority of Payments so that the balance standing to the credit of the Expenses Account on such Payment Date is equal to the Retention Amount; and (iii) any amounts received as interest on such account shall be credited; and out of which upon instruction of the Issuer or the Corporate Services Provider on behalf of the Issuer, on any Business Day during an Interest Period, any taxes and Expenses will be paid, to the extent that payments of such taxes and Expenses is not deferrable until the immediately subsequent Payment Date or have not been directly paid by the Originator in accordance with the Subscription Agreements.

#### **Quota Capital Account**

The Issuer has established a quota capital account with Banca Monte dei Paschi di Siena S.p.A., into which its contributed quota capital has been deposited.

#### **Deposit Account**

The Issuer has established a deposit account with Banco BPM S.p.A., *into which*: (i) on any Business Day, upon instruction of the Cash Manager, the amounts standing to the credit of Collection Account may be credited; and (ii) one Business Day following the Issue Date and each Payment Date, as the case maybe, the amount standing to the credit of the Debt Service Reserve Account and the Payments Account may be credited;

and *out of which*: (i) 2 (two) Business Days before each Payment Date and in any case within 2 Business Day prior to the earlier between (i) the Ramp-Up Period End Date and (ii) the date on which the Senior Notes will be reimbursed in full or if earlier, within 1 Business Day after the occurrence of a Deposit Bank Event, the amount standing to the credit of the Deposit Account will be transferred into the Payments Account.

The Cash Manager shall have the right to instruct the Account Bank to transfer, on any Business Day up to but not later than the 3rd Business Day prior to the earlier between (i) the Ramp-Up Period End Date and (ii) the date on which the Senior Notes will be reimbursed in full and in accordance with clause 6.1 and clause 6.11 of the Cash Allocation, Management and Payments Agreement sums standing to the credit of the Collection Account, Debt Service Reserve Account and the Payments Account, into the Deposit Account, to the extent the balance of the Deposit Account shall not exceed after transfer Euro 100,000,000, provided that the Deposit Account shall be closed promptly after the earlier between (a) the Ramp-Up Period End Date and (b) the date on which the Senior Notes will be reimbursed in full.

## 5. CREDIT STRUCTURE

### Issuer Available Funds

On each Payment Date, the Issuer Available Funds shall comprise the aggregate amounts (without duplication) of:

- (a) all Collections received in respect of the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account (including, for the avoidance of doubt, penalties, Indemnities and/or the Agreed Prepayments received and any other sums paid by the Lessees pursuant to the relevant Lease Contracts in respect of the Receivables);
- (b) all Recoveries received in respect of the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account;
- (c) all amounts received by the Issuer from the Originator pursuant to the Transfer Agreement or by the Servicer pursuant to the Servicing Agreement during the immediately preceding Quarterly Settlement Period (other than the Collections and the Recoveries) and credited to the Payments Account;

- (d) any interest accrued and credited on the Accounts (other than the Expenses Account and the Quota Capital Account) as of the last day of the immediately preceding Quarterly Settlement Period;
- (e) any amounts credited into the Debt Service Reserve Account on the Issue Date or, as the case maybe, on the immediately preceding Payment Date (including any relevant Debt Service Reserve Further Amount due on such date);
- (f) the net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of the Accounts (other than the Expenses Account and the Quota Capital Account) in respect of the Quarterly Settlement Period immediately preceding such Payment Date;
- (g) any amount provisioned into the Payments Account on the immediately preceding Payment Date under items (vii(b)), (ix) and (xii) of the Pre-Enforcement Priority of Payments;
- (h) all proceeds arising from the sale of the Receivables effected by the Issuer in accordance with the Transaction Documents (also if credited to the Eligible Accounts following the Quarterly Settlement Date immediately preceding such Payment Date);
- (i) any other amount received in respect of the Securitisation in respect of the Quarterly Settlement Period immediately preceding such Payment Date, not included in any of the items above (but excluding any amount expressly excluded from the Issuer Available Funds pursuant to any of the items above and below);

but excluding: (i) any Residual Optional Instalment collected by the Issuer in the immediately preceding Quarterly Settlement Period and (ii) any Excess Indemnity Amount.

**"Quarterly Settlement Period"** means each three months period commencing on (but excluding) a Quarterly Settlement Date and ending on (and including) the immediately following Quarterly Settlement Date, provided that (a) the first Quarterly Settlement Period commences on the Valuation Date (excluded) and ends on First Quarterly Settlement Date (included) and (b) the Quarterly Settlement Period ending on the Extraordinary Quarterly Settlement Date may be shorter than a period of three months.



**"Quarterly Settlement Date"** means the last calendar day of December, March, June and September of each year and with reference to the Extraordinary Payment Date, the Extraordinary Quarterly Settlement Date.

## Trigger Events

The Terms and Conditions provide the following Trigger Events:

*(a) Non-payment by the Issuer:*

Default is made by the Issuer in the payment, on any Payment Date, of any of the following amounts:

- (i) the Interest Amount accrued in relation to the Interest Period ending on (but excluding) such Payment Date on the Most Senior Class of Notes then outstanding; and/or
- (ii) the amount of principal due and payable on the Most Senior Class of Notes then outstanding provided that failure to pay any principal amounts in case the Calculation Agent does not receive the Quarterly Servicer Report, as provided for under Condition 7.1(a)(3), shall not constitute a Trigger Event);

and such default is not remedied within a period of five Business Days from the due date thereof;

*(b) Breach of other obligations by the Issuer:*

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any payment obligation specified in (a) above) which is, in the reasonable opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

*(c) Breach of Representations and Warranties by the Issuer:*

Any of the representations and warranties given by the Issuer under any of the Transaction Documents to which

it is party is, or proves to have been, in the reasonable opinion of the Representative of the Noteholders, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within 30 days after the Representative of the Noteholders has served a notice to the Issuer requiring remedy; or

*(d) Insolvency of the Issuer:*

An Insolvency Event occurs in respect of the Issuer; or

*(e) Unlawfulness for the Issuer:*

It is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

Upon the occurrence of a Trigger Event, the Representative of the Noteholders:

- (1) in the case of a Trigger Event under (a) or (d) above, may at its sole discretion; and shall if so directed by an Extraordinary Resolution of the Most Senior Class of Notes; and/or
- (2) in the case of a Trigger Event under (e) above, shall; and/or
- (3) in the case of a Trigger Event under (b) or (c) above, shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes,

serve a Trigger Notice to the Issuer; in each case, subject to the provisions of the Intercreditor Agreement. Upon the service of a Trigger Notice, the Issuer Available Funds shall be applied in accordance with the Post-Enforcement Priority of Payments.

Following the delivery of a Trigger Notice, (a) the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but which has not been paid on any preceding Payment Date, without further action, notice or formality and

the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments; (b) the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes) direct the Issuer to dispose of the Aggregate Portfolio, subject to the terms and conditions of the Intercreditor Agreement, provided that the Originator shall have in such circumstance a pre-emption right to purchase the Portfolios at the terms and conditions specified in the Intercreditor Agreement.

### **Pre-Enforcement Priority of Payments**

On each Payment Date prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making or providing for the following payments in accordance with the following Priority of Payments (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all costs and taxes due and payable by the Issuer required to be paid to maintain the rating of the Class A Notes and in connection with the listing, registration and deposit of the Notes (as the case may be), or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
- (ii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of:
  - (a) any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
  - (b) the replenishment of the Expenses Account by an amount to bring the balance of such account up to the Retention Amount;
- (iii) in or towards satisfaction of the fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iv) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any

amounts due and payable to the Account Bank, the Cash Manager, the Paying Agents, the Calculation Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, the Back-Up Servicer and the Servicer, to the extent not specifically provided under the following items;

- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Interest Amounts due and payable in respect of the Senior Notes;
- (vi) until the Release Date (excluded), to credit to the Debt Service Reserve Account an amount (if any) to bring the balance of such account up to the Debt Service Reserve Amount (taking into account any Debt Service Further Amount due on such date);
- (vii) during the Ramp-Up Period, (a) to pay to the Originator all amounts due and payable (including any amount past due) as Initial Purchase Price in respect of any Subsequent Portfolio purchased on the Transfer Date immediately preceding such Payment Date pursuant to the Transfer Agreement and the relevant Deed of Transfer, for an amount not exceeding the applicable Principal Deficiency Amount provided that, should the Formalities in respect of a Subsequent Portfolio not be perfected within the relevant Payment Date, the relevant amounts will be credited to the Payments Account and paid once the Formalities will be completed in accordance with the Transaction Documents, and (b) to provision into the Payments Account the Collateral Integration Amount;
- (viii) during the Amortisation period to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Class A Principal Payment;
- (ix) upon occurrence of the Cash Trapping Condition, to provision any residual amount to the Payments Account;
- (x) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price and to the extent not already provided under the other items of this Priority of Payments) due and payable (including any amount past due) by the Issuer to (a) the Senior Noteholders and the Joint Arrangers as any indemnity

due under the Senior Notes Subscription Agreement and as any other amount due under the Transaction Documents; and (b) after payments due under item (a) above, any Other Issuer Creditor and any Junior Noteholder pursuant to the Transaction Documents, other than amounts due in respect of the Junior Notes;

- (xi) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of Interest Amount due and payable in respect of the Junior Notes;
- (xii) upon the redemption in full of the Senior Notes, during the Amortisation Period, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) the Class J Principal Payment in any case up to an amount that makes the Principal Amount Outstanding of the Junior Note not lower than Euro 100,000 and (b) on the Final Maturity Date, all amounts of principal due and payable, if any, on the Junior Notes, *provided that* any additional amount which is not applied to repayment of the Notes as a consequence of the limitation under paragraph (a) above will remain credited into the Payments Account and will form part of the Issuer Available Funds on the next succeeding Payment Dates; and
- (xiii) in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator in respect of the Portfolios;

*provided that:*

- (a) should the Calculation Agent not receive the Quarterly Servicer Report within the third Business Day following the relevant Quarterly Servicer Report Date, it shall prepare the relevant Payments Report by applying any amount standing to the credit of the Issuer's Accounts to pay item from (i) to (v) of the Pre-Enforcement Priority of Payments, provided that, (i) in respect to any amount to be calculated on the basis of the Quarterly Servicer Report, the Calculation Agent shall take into account the amounts indicated in the latest available Quarterly Servicer Report (the "Latest Report") and (ii) any amount that would otherwise have been payable under items from (vi) to (xiii) of the Pre-Enforcement Priority of Payments:

1. will not be included in such Payments Report and shall not be payable on the relevant Payment Date;
2. shall be payable in accordance with the applicable Priority of Payments on the first following Payment Date on which there are enough Issuer Available Funds and on which details for the relevant calculations will be timely provided to the Calculation Agent (for the avoidance of doubt, interest shall not accrue on any amount unpaid and deferred); and
3. failure to pay any principal amount under the Notes on the relevant Payment Date shall not be deemed as a Trigger Event under Condition 14(a)(ii);

- (b) the Calculation Agent on the immediately following Payments Report Date, subject to having received the relevant Quarterly Servicer Report, shall prepare a Payments Report which shall provide for the necessary adjustment in respect of payments made on the basis of the Latest Report and in respect of amounts unpaid in the preceding Payment Date.

The Issuer shall, if necessary, make the payments set out under items (i) and (i) (a) of the Pre-Enforcement Priority of Payments also during the relevant Interest Period.

#### **Post-Enforcement Priority of Payments**

Following the delivery of a Trigger Notice or under Condition 9.3 (*Optional Redemption*) and Condition 9.4 (*Redemption for Taxation*), the Issuer Available Funds shall be applied on each Payment Date in making or providing for the following payments in the following Priority of Payments (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all costs and taxes due and payable by the Issuer required to be paid to maintain the rating of the Class A Notes and in connection with the listing, registration and deposit of the Notes (as the case may be), or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent

- that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
- (ii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of
    - (a) any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
    - (b) replenishment of the Expenses Account by an amount to bring the balance of such account up to the Retention Amount;
  - (iii) in or towards satisfaction of the fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
  - (iv) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Cash Manager, the Paying Agents, the Calculation Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, the Back-Up Servicer and the Servicer, to the extent not specifically provided under the following items;
  - (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Interest Amounts due and payable in respect of the Senior Notes;
  - (vi) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Principal Amount Outstanding of the Senior Notes;
  - (vii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price and to the extent not already provided under the other items of this Priority of Payments) due and payable (including any amount past due) by the Issuer to (a) the Senior Noteholders and the Joint Arrangers as any indemnity due under the Senior

Notes Subscription Agreement and as any other amount due under the Transaction Documents; (b) after payments due under item (a) above any Other Issuer Creditor and any Junior Noteholder pursuant to the Transaction Documents, other than amounts in respect of the Class J Notes;

- (viii) in or towards satisfaction of Interest Amount due and payable in respect of the Junior Notes;
- (ix) upon the redemption in full of the Senior Notes, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Principal Amount Outstanding of the Junior Notes; and
- (x) in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator in respect of the Portfolios.

#### **Debt Service Reserve Amount**

In order to provide liquidity and credit support to the Class A Notes, the *Issuer has established the debt service* reserve to be credited into the Debt Service Reserve Account. In particular, the Debt Service Reserve Amount (i) (1) on the Issue Date, the Debt Service Reserve Initial Amount; and (2) on each Payment Date further to the payment of any Junior Notes Further Instalment the Debt Service Reserve Further Amount, shall be credited from the Payments Account; (ii) on each Payment Date before the delivery of a Trigger Notice until (but excluding) the Release Date, the Issuer Available Funds necessary in accordance with the Pre-Enforcement Priority of Payments to bring the balance of such Eligible Account up to the Debt Service Reserve Amount shall be credited from the Payments Account; and (iii) any amounts received as interest on such account shall be credited .

The Release Date will be the earlier of

- (i) the Cancellation Date;
- (ii) the Payment Date on which the Issuer Available Funds to be applied on such date, minus all payments or provisions which have a priority or *pari passu* ranking with the payment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payments, are sufficient to redeem the Class A Notes in full; and



- (iii) the Payment Date immediately succeeding the service of a Trigger Notice.

**"Debt Service Reserve Amount"** means,

- (A) on the Issue Date, an amount equal to the Debt Service Reserve Initial Amount;
- (B) with respect to any Payment Date during the Ramp-Up Period, an amount equal to 1% of the Principal Amount Outstanding of the Notes on such Payment Date (taking into account the Notes Further Instalment Payments to be made on such Payment Date but excluding the relevant Debt Service Reserve Further Amount, the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid);
- (C) with respect to any other Payment Date until, but excluding, the Release Date, an amount equal to the higher between (i) the aggregate of any Notes Initial Instalment Payments and any Notes Further Instalment Payments (but excluding the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid) multiplied by 0.4%; and (ii) the Principal Amount Outstanding of the Notes as of the relevant Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments and excluding the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid) multiplied by 1%; and
- (D) on the Release Date and on any Payment Date falling thereafter, 0 (zero).

Pursuant to the Cash Allocation, Management and Payment Agreement, the amount standing to the credit of the Debt Service Reserve Account will be transferred into the Payments Account (or, in the event that the Investment Account has been opened in accordance with the Cash Allocation, Management and Payment Agreement, into the Investment Account) on the Business Day following the Issue Date and on each Business Day following each Payment Date.

#### **Notes Principal Payments**

The principal amount redeemable in respect of each Note shall be a pro rata share of the aggregate amount of Issuer Available Funds determined in accordance with Condition 9.2 (*Redemption, Purchase and Cancellation - Mandatory Redemption*) to be available for redemption of the Notes of the

same Class as such Note on such date, calculated with reference to the ratio between: (a) the then Principal Amount Outstanding of such Note; and (b) the then Principal Amount Outstanding of all the Notes of the same Class (rounded down to the nearest cent) provided always that no such principal payment may exceed the Principal Amount Outstanding of the relevant Note.

#### **Class A Principal Payment**

With reference to each Payment Date, prior to the delivery of a Trigger Notice, an amount equal to the lower of (a) the Target Amortisation Amount on such Payment Date, (b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payments, and (c) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

#### **Class J Principal Payment**

With reference to each Payment Date, prior to the delivery of a Trigger Notice, an amount equal to the lower of (a) the Target Amortisation Amount on such Payment Date less the Class A Principal Payment, (b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class J Notes in accordance with the Pre-Enforcement Priority of Payments, and (c) the Principal Amount Outstanding of the Class J Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

#### **Target Amortisation Amount**

means, in respect of any Payment Date during the Amortisation Period, an amount calculated in accordance with the following formula:

$$A - CP - R$$

Where:

A = the Principal Amount Outstanding of the Notes as at the immediately preceding Payments Report Date;

CP = the Outstanding Amount of the Collateral Portfolio as at the immediately preceding Quarterly Settlement Date;

R = the Debt Service Reserve Amount calculated with

reference to the relevant Payment Date.

#### Cash Trapping Condition

Means, reference to each Payment Date starting from October 2020, the event occurring when the Gross Cumulative Default Ratio exceeds, as the immediately preceeding Quarterly Settlement Date, the percentages set out in the percentage column below against the corresponding Payment Date:

Payment Date falling on	%
October 2020	4.50%
January 2021	5.00%
April 2021	5.00%
July 2021	6.00%
Thereafter	6.00%

## 6. REPORTS

#### Servicer Report

Under the Servicing Agreement, the Servicer has undertaken to prepare the Quarterly Servicer Report, setting out detailed information in relation to, inter alia, the Collections and the Recoveries in respect of the Receivables comprised in the Portfolio.

#### Reporting Entity

In accordance with the Intercreditor Agreement, the Originator has been designated and will act as reporting entity (the "**Reporting Entity**") in accordance with and for the purposes of article 7, paragraph 2, of the Securitisation Regulation. In this respect:

- (a) the Originator has accepted such appointment and agreed to act as Reporting Entity and perform any related duty in accordance with article 7, paragraph 2, of the Securitisation Regulation, and
- (b) the parties thereto have acknowledged that the Originator shall be responsible for complying with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

The Originator, as Reporting Entity pursuant to the Intercreditor Agreement, has undertaken to the other Parties that it will:

- (a) as soon as reasonably practicable upon a securitisation repository pursuant to article 10 of the Securitisation Regulation having been authorised by ESMA and enrolled within the relevant register, appoint an authorised data

repository (the entity so appointed, the “**Securitisation Repository**”);

(b) make available through the Securitisation Repository the information required to be disclosed to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and perspective noteholders, in accordance with article 7 of the Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority);

(c) for so long no Securitisation Repository is registered in accordance with article 10 of the Securitisation Regulation, make available, on the website located at [www.eurodw.eu](http://www.eurodw.eu) (the “**Temporary Website**”) managed by European DataWarehouse, the information required to be disclosed to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and perspective noteholders, in accordance with article 7 of the Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority).

#### **Investment Account Bank Report**

Under the Cash Allocation, Management and Payment Agreement, the relevant parties have agreed that the Investment Account Bank (if appointed in accordance with the Cash Allocation, Management and Payment Agreement) shall prepare, no later than one Business Day prior to each Quarterly Servicer Report Date (or at any time upon request by the Representative of the Noteholders or the Calculation Agent), the Investment Account Bank Report setting out details of the Eligible Investments.

#### **Payments Report**

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to prepare on each Payments Report Date the Payments Report setting out, inter alia, the Issuer Available Funds and each of the payments and allocations to be made by the Issuer on the immediately following Payment Date, in accordance with the applicable Priority of Payments.

#### **Investors Report**

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to prepare on each Investor Report Date the Investors Report setting out certain information with respect to the Notes.

#### **Regulatory Investor Report**

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to prepare

within 15 Business Days prior to each Sec Reg Report Date the Regulatory Investor Report with all the information set out in the provisions of article 7(1)(e) of the Securitisation Regulation as specified in annex VIII of the CRA 3 Regulation and, upon entry into force of the relevant Regulatory Technical Standard, as specified by such Regulatory Technical Standard and to the relevant technical standards which, from time to time, will be in force.

#### Significant Event Report

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to prepare within 15 Business Days prior to each Sec Reg Report Date the Significant Event Report setting out certain information with respect to significant events relating to the Securitisation.

### 7. TRANSFER AND ADMINISTRATION OF THE PORTFOLIO

#### Transfer Agreement

On 2 October 2019, the Issuer entered into with the Originator the Transfer Agreement, setting out the terms and conditions for the transfer without recourse (*pro soluto*) of the Initial Portfolio and, subject to the terms and conditions indicated therein, during the Ramp-Up Period, the purchase of Subsequent Portfolios from the Originator to the Issuer.

#### Portfolio

The Aggregate Portfolio is comprised of any Receivable purchased by the Issuer pursuant to the Transfer Agreement and any other Deed of Transfer.

#### Pools

The Portfolio comprises Receivables deriving from Lease Contracts of the following assets:

- (a) **Pool No. 1:** vehicles, motor-vehicles, cars, light lorries, lorries, commercial vehicles, industrial vehicles or other motorised vehicles excluding aircrafts;
- (b) **Pool No. 2:** instrumental assets (e.g. machineries, equipment and/or plants);
- (c) **Pool No. 3:** real estate assets; and
- (d) **Pool No. 4:** ships, vessels, airplanes or trains.

#### Eligibility Criteria

The Receivables comprised in the Aggregate Portfolio assigned to the Issuer shall satisfy, *inter alia*, (unless otherwise specified) all the criteria set forth under section entitled "*The Portfolio*" (the "**Criteria**").

#### Residual Optional Instalment

The Residual Optional Instalment is the residual price

(*riscatto*) due from a Lessee at the end of the contractual term of a Lease Contract (if the Lessee elects to exercise its option to purchase the related Asset) the Receivables of which have been assigned under the terms of the Transfer Agreement.

The Purchase Price of the Residual Optional Instalment of each Receivables shall not be paid by the Issuer on the Issue Date out of the proceeds arising from the issuance of the Notes and shall be paid by the Issuer to the Originator on a deferred basis in respect of each Payment Date and with respect to each Receivable, in an amount equal to the Residual Optional Instalment of such Receivable collected by the Issuer upon the exercise by the relevant lessee of the option to purchase the relevant Asset.

The Residual Optional Instalment collected with respect to each Receivable, will not form part of the Issuer Available Funds and will be paid by the Issuer to the Originator outside of the applicable Priority of Payment, subject and limited to the amount actually collected by the Issuer.

Therefore, the cash-flows generated by the assets backing the Notes do not comprise leasing receivables with residual value leases.

#### **Purchase Price**

The purchase price of each Receivable comprised in the Portfolio shall be equal to the sum of: (a) the Initial Purchase Price and (b) if any, the Purchase Price of the Residual Optional Instalment. The amount due to the Originator by the Issuer as Purchase Price of the Portfolio shall be the sum of (i) the aggregate of the Purchase Price of each Receivable comprised in the Portfolio, and (ii) the Deferred Purchase Price.

The Issuer shall pay to the Originator on the Issue Date, subject to any applicable set-off provided for under the Transaction Documents, the Initial Purchase Price of the Portfolio out of the proceeds arising from the issue of the Notes.

#### **Representation and Warranties in relation to the Portfolio**

Under the Transfer Agreement, the Originator has given certain representations and warranties to the Issuer in relation to, inter alia, itself and the Receivables comprised in the Portfolio and have agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the purchase and ownership of such Receivables.

#### **Portfolio Call Option**

Pursuant to the Transfer Agreement, the Issuer has granted to the Originator a call option pursuant to which the

Originator will have the option to purchase from the Issuer the Receivables which are comprised in the Portfolio as of the date on which the call option is exercised by the Originator.

#### **Servicing Agreement**

Pursuant to the Servicing Agreement between the Issuer and Alba Leasing, as Servicer, the latter has agreed to administer and service the Receivables comprised in the Portfolio in accordance with the terms thereof and in compliance with the Securitisation Law.

The Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*" pursuant to article 2, paragraph 3(c) of the Securitisation Law and, therefore, shall take the responsibility provided for by article 2, paragraph 6 *bis*, of the Securitisation Law.

#### **Back-Up Servicing Agreement**

Pursuant to the Back-Up Servicing Agreement, the Back-Up Servicer has agreed to act as substitute Servicer subject to, *inter alia*, the appointment of Alba Leasing as Servicer being terminated, in accordance with the terms of the Servicing Agreement and has delegated the execution of certain administrative activities to Agenzia Italia S.p.A. and Trebi Generalconsult S.r.l., each of which has been appointed as Sub-Back-Up Servicer in accordance with the terms thereof.

### **8. OTHER TRANSACTION DOCUMENTS**

#### **Intercreditor Agreement**

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders, the Class A Notes Underwriter, the Class J Notes Underwriter and the Other Issuer Creditors have agreed to, *inter alia*:

- (a) the application of the Issuer Available Funds, in accordance with the applicable Priority of Payments;
- (b) the limited recourse nature of the obligations of the Issuer; and
- (c) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

#### **Cash Allocation, Management and Payment Agreement**

Pursuant to the Cash Allocation, Management and Payment Agreement, the Calculation Agent, the Account Bank, the Paying Agents and the Cash Manager have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account

handling services in relation to monies and securities from time to time standing to the credit of the Accounts.

Pursuant to the terms of the Cash Allocation, Management and Payment Agreement, amounts standing from time to time to the credit of the Investment Account may be invested in Eligible Investments in accordance with the terms thereof.

**Letter of Undertaking**

Pursuant to the Letter of Undertaking, the Originator has undertaken to provide the Issuer with all necessary monies in order for the Issuer to pay certain losses, costs, expenses or liabilities indicated therein.

**Quotaholder Agreement**

Pursuant to the Quotaholder Agreement, the Sole Quotaholder has given certain undertakings in relation to the management of the Issuer and the exercise of its rights as Sole Quotaholder of the Issuer.

**Corporate Services Agreement**

Pursuant to the Corporate Services Agreement, the Corporate Services Provider has agreed to provide the Issuer with certain administrative and corporate services.

**Stichting Corporate Services Agreement**

Pursuant to the Stichting Corporate Services Agreement entered on or about the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, the Stichting Corporate Services Provider will provide certain administrative and financial services to the Quotaholder.

**Deed of Pledge**

Pursuant to the Deed of Pledge, in addition and without prejudice to the segregation provided by the Securitisation Law, as security for the Secured Obligations the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors (i) all existing and future monetary claims and rights deriving from certain Transaction Documents (other than the Receivables, the Collections and the Recoveries) and (ii) any existing or future pecuniary claim and any right and any sum credited from time to time to certain Accounts. In addition, the Issuer has undertaken to grant, in favour of the Noteholders and the Other Issuer Creditors, a first priority pledge over the Eligible Investments (if any) deposited, from time to time, with the Investment Account Bank.

**Senior Notes Subscription Agreement**

Pursuant to the Senior Notes Subscription Agreement, the Senior Notes Underwriter has agreed, upon the terms and subject to the conditions specified therein, to subscribe the Class A Notes Underwriter and pay the relevant Subscription Price.

**Junior Notes Subscription Agreement**

Pursuant to the Junior Notes Subscription Agreement, the



Junior Notes Underwriter has agreed, upon the terms and subject to the conditions specified therein, to subscribe the Class J Notes and pay the relevant Subscription Price.

**Master Definitions Agreement**

Pursuant to the Master Definitions Agreement, the definitions of certain terms used in the Transaction Documents have been set out.

## RISK FACTORS

*The following is a description of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. However, it is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents and reach their own views prior to making any investment decision.*

*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 and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.*

*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. 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.*

*In addition, whilst the various structural elements described in this Prospectus are intended to lessen some of the risks discussed below for the Noteholders, there can be no assurance that these measures will be sufficient to ensure that the Noteholders of any Class receive payment of interest or repayment of principal from the Issuer on a timely basis or at all.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### 1. THE ISSUER

#### 1.1. Liquidity and Credit Risk

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Lessees. The Issuer is also subject to the risk of default in payments by the Lessees, and the failure of the Servicer to collect and recover sufficient funds in respect of the Portfolio in order to enable the Issuer to discharge all the amounts payable under the Notes.

In respect of the Class A Notes, these risks are mitigated by the liquidity and credit support provided by (a) the subordination of the Class J Notes; and (b) the Debt Service Reserve Amount.

For further details, please see Section entitled “*Subordination*”.

There can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Class J Notes and the Debt Service Reserve Amount will be adequate to ensure punctual and full receipt of amounts due under the Class A Notes.

The performance by the Issuer of its obligations, in respect of the Notes, is dependent on the solvency of the Servicer (or any permitted successors or assignees appointed under the Servicing Agreement and the Back-Up Servicing Agreement) as well as the timely receipt of any amount required to be paid to the

Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

It is not certain that the Servicer will duly perform at all times its obligations under the Servicing Agreement and that a suitable alternative Servicer would be available to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. Moreover it is not certain that, in case of termination of the appointment of the Servicer under the Servicing Agreement, the Back-Up Servicer will be able to or will fulfill its obligations to service the Portfolio.

In some circumstances (including after service of a Trigger Notice), the Issuer could attempt, or be required, to sell the Portfolio, but there is no assurance that the amount received in respect of such sale would be sufficient to pay interest and repay the principal of the Notes in full.

### **1.2. Issuer's ability to meet its obligations under the Notes**

As of the Issue Date, the Issuer will not have any significant assets other than the Portfolio and the other Issuer's Rights. The ability of the Issuer to meet its obligations in respect of the Notes will be also dependent on the extent of Collections and Recoveries which will be received from the Portfolio and any other amounts which will be paid to the Issuer pursuant to the terms of the Transaction Documents to which it is a party.

There is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the delivery of a Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest and repay the principal of the Notes in full.

If there are not sufficient funds available to the Issuer to pay interest and repay the principal of the Notes in full, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. After the Notes have become due and payable following the delivery of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights under the Transaction Documents.

### **1.3. No independent investigation in relation to the Portfolio**

None of the Issuer, the Joint Arrangers, the Class A Notes Underwriter and the Class J Notes Underwriter 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 Aggregate Portfolio sold by the Originator to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor.

None of the Issuer, the Joint Arrangers, the Class A Notes Underwriter and the Class J Notes Underwriter nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Lease Contracts in order to, without limitation, ascertain whether or not the Lease Contracts contain provisions limiting the transferability of the Receivables.

The Issuer will rely instead on the representations and warranties given by the Originator in the Transfer Agreement. The remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be (a) the requirement that the Originator indemnifies the Issuer for the damage deriving therefrom or (b) the repurchase of the

relevant Receivable in relation to which a misrepresentation has occurred. There can be no assurance that the Originator will have the financial resources to honour such obligations.

For further details, please see Section entitled "*Summary of Principal Documents*".

#### **1.4. Receivables of unsecured creditors of the Issuer**

Under article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the Issuer which performs the securitisation (including any other assets purchased by such company pursuant to the Securitisation Law). Both before and after a winding-up of the Issuer such receivables will only be available to the Noteholders and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolio and to the corporate existence and good standing of the Issuer. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Law 9/2014 and now provides that receivables relating to each securitisation transaction (meaning both the claims against the assigned debtors and any other monetary claim in favour of the securitisation company in the context of the relevant transaction), the cash-flows deriving therefrom, including any eligible investments and financial assets purchased by the issuer for the purpose of the transaction, constitute assets segregated in all respects from those of the securitisation company and those relating to other securitisation transactions. No actions against such segregated assets may be taken by creditors other than the Noteholders. Please see the section headed "Selected aspects of Italian Law – The Securitisation Law".

In addition, Law 9/2014 and Law 116/2014 have introduced the new paragraphs 2-*bis* and 2-*ter* to article 3 of the Securitisation Law, pursuant to which the amounts paid by the assigned debtors and any other amount due to the special purpose vehicle in the context of the relevant securitisation transaction and credited into the bank accounts opened by the special purpose vehicle with: (a) the servicers; or (b) the third party depositary bank of a securitisation transaction, may be utilized only to fulfil the obligations of the issuer against the noteholders and the other creditors under the relevant securitisation transaction and to pay the expenses to be borne in connection with the securitisation transaction. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or to the third party depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure: (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

In addition, in respect of the accounts opened by the servicers or the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the

need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

Prospective Noteholders should be aware that, as at the date of this Prospectus, these provisions of the Securitisation Law (as introduced by Law 9/2014 and Law 116/2014) have not been tested in any case law nor specified in any further regulation and could be in conflict with the provision relating to the bail-in and the other resolution tools recently implemented in Italy.

For further details with respect to the Law 9/2014 and Law 116/2014, please see the section headed "Selected aspects of Italian Law – The Securitisation Law".

However, it should be noted that: (i) the Issuer has undertaken (and is required pursuant to the Bank of Italy regulations) to open and to keep separate accounts in relation to each securitisation transaction; (ii) the Servicer shall be able to individuate at any time, pursuant to the Bank of Italy regulations, specific funds and transactions relating to each securitisation and shall keep appropriate information and accounting systems to this purpose; and (iii) the parties to the Transaction have undertaken not to credit to the Accounts amounts other than those set out in the Cash Allocation, Management and Payments Agreement.

No guarantee can be given on the fact that the parties to the Transaction will comply with the law and contractual provisions which have been inserted in the relevant Transaction Documents in order to ensure the segregation of assets. Furthermore, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

The corporate purpose of the Issuer as contained in its by-laws is limited and the Issuer has also agreed to certain covenants in the Intercreditor Agreement and the Conditions restricting the activities that may be carried out by the Issuer and has furthermore covenanted not to enter into any transaction that is not contemplated in the Transaction Documents. To the extent that the Issuer has creditors not being party to the Transaction Documents, the Issuer has established the Expenses Account and the funds therein may be used for the purposes of paying the ongoing fees, costs, expenses and taxes of the Issuer to third parties, excluding the Other Issuer Creditors, in respect of the Securitisation, to the extent that payment of such fees, costs, expenses and taxes is not deferrable to the immediately succeeding Payment Date.

### **1.5. Limited enforcement rights**

The protection and exercise of the Noteholders' rights against the Issuer and the security under the Notes is one of the duties of the Representative of the Noteholders to the extent provided by the Transaction Documents. The Rules of the Organisation of the Noteholders limit the ability of individual Noteholders to commence proceedings against the Issuer by conferring on the Meeting of the Noteholders the power to resolve on the ability of any Noteholder to commence any such individual actions.

Only the Representative of the Noteholders may pursue the remedies available under general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security, save as provided by the Rules of the Organisation of the Noteholders.

## 1.6. Servicing of the Portfolio and potential conflicts of interest

Pursuant to the Servicing Agreement and as of its date of execution, the Servicer will service the Portfolio. The net cash flows from the Portfolio may be affected by decisions made, actions taken and the collection procedures adopted pursuant to the provisions of the Servicing Agreement by the Servicer (or any permitted successors or assignees appointed under the Servicing Agreement and the Back-Up Servicing Agreement).

In order to mitigate the servicing risk in respect of the Portfolio, the Back-Up Servicer has been appointed before the Issue Date; however it is not certain that, in case of termination of the appointment of the Servicer under the Servicing Agreement, the Back-Up Servicer will be able to or will fulfill its obligations to service the Portfolio. For further details see section headed "*Summary of Principal Documents*".

The parties to the Transaction Documents perform multiple roles within the Transaction. Accordingly, conflicts of interest may exist or may arise as a result of the parties to this Transaction: (a) having engaged or engaging in the future in transactions with other parties of the Transaction; (b) having multiple roles in this Transaction; and/or (c) executing other transactions for third parties. Please see also paragraph "*Certain material interest*" below.

## 1.7. Certain material interests

Any of the Joint Arrangers, the Class A Notes Underwriter and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Originator and their respective affiliates in the ordinary course of business. Certain parties to the Transaction, such as the Originator, may perform multiple roles. Alba Leasing is, in addition to being the Originator, also the Servicer, the Cash Manager and the Class J Notes Underwriter. Securitisation Services S.p.A. is acting as Representative of the Noteholders, Calculation Agent, Back-Up Servicer and Corporate Services Provider.

These parties will have only those duties and responsibilities expressly agreed by them in the Transaction Documents and will not, by virtue of their or any of their affiliates acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to the Transaction Documents to which they are a party.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this Transaction: (a) having previously engaged or in the future engaging in transactions with other parties to the transaction; (b) having multiple roles in this Transaction; and/or (c) carrying out other transactions for third parties.

The Originator in particular may hold and/or service claims against the Debtors other than the Receivables. The interests or obligations of the aforementioned parties, in their respective capacities with respect to such other roles may in certain aspects conflict with the interests of the Noteholders. In addition, Alba Leasing in its capacity as Class J Notes Underwriter and in general as holder of any Class of Notes, may exercise its voting rights subject to the exceptions described under the Rules in respect of the Notes held by it also in a manner that may be prejudicial to other Noteholders. In this regard, however, prospective investors shall consider that in certain circumstances, better described under the Rules, those Notes which are for the time being held by the Originator shall (unless and until ceasing to

be so held) be deemed not to remain "outstanding".

#### **1.8. Further securitisations**

The Issuer may purchase and securitise further portfolio of monetary receivables in addition to the Portfolio. Pursuant to article 3 of the Securitisation Law, the assets relating to each individual securitisation transaction will, by operation of law, be segregated from all other assets of the company that purchases the receivables. On a winding up of such company, such assets will only be available to holders of notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by such company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

The implementation by the Issuer of any such further securitisation is subject to the conditions specified under Condition 6.3 (*Covenants – Further Securitisations*). According to such condition, it is a condition precedent, *inter alia*, to any such securitisation that (i) each Class of Noteholders has given its consent to the Issuer to carry out such securitisation, (ii) the Rating Agency has been notified in writing of the Issuer's intention to carry out a Further Securitisation, and (iii) the relevant Further Securitisation does not adversely affect the rating of any of the Senior Notes.

#### **1.9. Tax treatment of the Issuer**

According to the guidelines issued by the Italian tax authorities with the Circular Letter of 6 February 2003, No. 8/E, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolio and the securitisation transaction. Such conclusion is based on the fact that, during the securitisation process, the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

It is, however, possible that the Ministry of the Economy and Finance or another competent authority may issue further regulations, letters or rulings relating to Securitisation Law which might alter or affect the tax position of the Issuer as described above.

#### **1.10. Registration tax on transfer of receivables**

A transfer of receivables falls within the scope of VAT in the event and to the extent that (i) it has a "financial purpose" pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to article 3, paragraph 1 of the above mentioned Presidential Decree. Should the Italian tax authorities argue that the transfer of receivables does not fall within the scope of VAT, a 0.5% registration tax (pursuant to the provisions of article 6 of Tariff – Part I attached to Presidential Decree of 26 April 1986, No. 131 and article 49 of the above mentioned Presidential Decree) would be payable on the nominal value of the transferred receivables in case of registration (even in case of use pursuant to article 6 of the Presidential Decree of 26 April 1986, No. 131) of the transfer agreement or of any other agreement recalling the transfer agreement which is executed by the same parties and subject to registration, pursuant to *enunciazione* principle provided for by article 22 of the same Presidential Decree.

## 2. THE NOTES

### 2.1. Partly-Paid Notes

The Notes will be issued on a partly paid basis, pursuant to the terms provided in Condition 3 (*Partly Paid Notes*). On the Issue Date, the Senior Notes Initial Instalment Payments will be paid by the Class A Notes Underwriter and the Junior Notes Initial Instalment Payment will be paid by the Junior Notes Underwriter, in accordance with, respectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement the proceeds of which will be used by the Issuer to pay the Purchase Price of the Initial Portfolio and, with reference to only the Junior Notes Initial Instalment Payment, to credit the Debt Servicer Reserve Initial Amount. Subject to and in accordance with the procedures set forth in Condition 3 (*Partly Paid Notes*), during the Ramp-Up Period the Issuer, also through the Calculation Agent, may request the Junior Noteholder and the Senior Noteholder, by making a request of irrevocable order of payment (the “**Notes Further Instalment Request**”), to pay the relevant Notes Further Instalment Payments.

Each Notes Further Instalment Request shall be sent by the Issuer (or the Calculation Agent on its behalf) to the Junior Noteholder(s) and the Senior Noteholder(s) not later than the Payments Report Date immediately prior to the Payment Date falling after the execution of the relevant Deed of Transfer (a “**Notes Further Instalment Request Date**”) and shall include the information specified in Condition 3 (*Partly Paid Notes*).

Each of the Class A Notes Underwriter and Class J Notes Underwriter is entitled to sell, transfer, assign or dispose in whole or in part of any of the Senior Notes or Junior Notes subject to, and in accordance with the provisions of the Intercreditor Agreement and the relevant Notes Subscription Agreement, provided that the Class A Notes Underwriter and the Class J Notes Underwriter will not be discharged from any obligation, including those in respect of the payment of the relevant Notes Further Instalment Payments, in case of disposal of the relevant Notes in the context of repurchase transactions (such as REPO transaction) and further provided that the Class A Notes Underwriter and the Class J Notes Underwriter will be discharged from any obligation, including those in respect of the payment of the relevant Notes Further Instalment Payments, to the extent that the transferee will accept to be bound by all the obligations arising under the Intercreditor Agreement by executing (i) a deed of accession to the Intercreditor Agreement substantially in the form attached thereto and (ii) a deed of accession to any other Transaction Document relevant for such purpose; otherwise the Class A Notes Underwriter and the Class J Notes Underwriter shall remain fully liable for all relevant applicable obligations set out in the Transaction Documents, including any payment due as relevant Notes Further Instalment Payment.

### 2.2. Liability under the Notes

The Notes will be direct, secured and limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Originator, the Servicer, the Debtors, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Cash Manager, the Paying Agents, the Corporate Services Provider, the Back Up Servicer, the Sole Quotaholder, the Senior Notes Underwriter, the Junior Notes Underwriter or the Joint Arrangers. 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.

### 2.3. Subordination of the Notes



In respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Terms and Conditions provide that:

(A) prior to delivery of a Trigger Notice:

- (i) Interest Amounts on the Class A Notes will rank *pari passu* and *pro-rata* among themselves and in priority to Interest Amounts and Principal Amounts on the Class J Notes and to the Principal Amounts on the Class A Notes;
- (ii) Principal Amounts on the Class A Notes will rank in priority to the Interest Amounts and Principal Amounts on the Class J Notes but subordinated to the Interest Amounts on the Class A Notes;

(B) after the delivery of a Trigger Notice:

- (i) Interest Amounts on the Class A Notes will rank *pari passu* and *pro-rata* among themselves and in priority to Interest Amounts and Principal Amounts on the Class J Notes and to the Principal Amounts on the Class A Notes;
- (ii) Principal Amounts on the Class A Notes will rank in priority to the Interest Amount and Principal Amounts on the Class J Notes but subordinated to the Interest Amounts on the Class A Notes.

## **2.4. Ratings of the Senior Notes**

The rating assigned to the Senior Notes by the Rating Agency is private, and therefore it is not to the benefit of all Senior Noteholders. No assurances as to the repayment of principal and interest of the Senior Notes can be implied by Senior Noteholders who are not addressees of the rating assigned to the Senior Notes by the Rating Agency.

## **2.5. Yield and payment considerations**

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal under the Receivables (including prepayments and proceeds from the sale of the Assets upon termination of the Lease Contracts) and on the actual date (if any) of exercise of the Optional Redemption pursuant to Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*).

The yield to maturity of the Notes may be affected by a higher than anticipated prepayment rate under the Receivables. Such rate cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates and margin offered by the banking system, the availability of alternative financing and local and regional economic conditions and recently enacted legislation which simplifies the refinancing of loans and possible future legislations enacted to the same purpose. Therefore, no assurance can be given as to the level of prepayments that will occur under the Portfolio.

## **2.6. Projections, forecasts and estimates**

Estimates of the weighted average life of the Class A Notes included herein, together with any other projections, forecasts and estimates in this Prospectus are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying

the projections will not materialise or will vary significantly from actual results. Accordingly, actual results may vary from the projections, and the variations may be material. The potential Noteholders are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

## 2.7. Interest rate risk

The Receivables have or may have (following, *inter alia*, renegotiations) interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the EURIBOR applicable under the Class A Notes and the Class J Notes, and may have different fixing mechanism), whilst the Class A Notes and the Class J Notes will bear interest at a rate based on the EURIBOR determined on each Interest Determination Date, subject to and in accordance with the Terms and Conditions. As a result, there could be a rate mismatch between interest accruing on the Class A Notes and the Class J Notes and on the Portfolio. No hedge transactions have been entered into between the Issuer in order to hedge the interest rate risk and as a result of such unhedged mismatch, a change in the level of the EURIBOR could adversely impact the ability of the Issuer to make payments on the Class A Notes and the Class J Notes.

## 2.8. EU reform of "benchmarks" (including LIBOR, EURIBOR and other interest rate index and equity, commodity and foreign exchange rate indices)

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" ("**Benchmarks**") are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a Benchmark.

Key international reforms of Benchmarks include IOSCO's proposed Principles for Financial Benchmarks (July 2013) (the "**IOSCO Benchmark Principles**") and the EU's Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability, as well as the quality and transparency of benchmark design and methodologies. A review published in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, and widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmarks Regulation. The Benchmarks Regulation was published in the Official Journal on 29 June 2016 and entered into force on 30 June 2016. Subject to various transitional provisions, the Benchmarks Regulation applies from 1

January 2018, except that the regime for "critical" benchmarks has applied from 30 June 2016 and certain amendments to Regulation (EU) No 596/2014 (the "**Market Abuse Regulation**") have applied from 3 July 2016. The Benchmarks Regulation would apply to "contributors", "administrators" and "users of" Benchmarks in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of Benchmarks and (ii) ban the use of Benchmarks of unauthorised administrators. The scope of the Benchmarks Regulation is wide and, in addition to applying to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds.

The Benchmarks Regulation could also have a material impact on any listed Notes linked to an index based on a Benchmark, including in any of the following circumstances: (i) an index which is a Benchmark may not be used as such if its administrator does not obtain appropriate EU authorisations or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted; (ii) the methodology or other terms of the Benchmark related to a series of Notes could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the Benchmark or of affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other reforms (or proposals for reform) or the general increased regulatory scrutiny of Benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. The disappearance of a Benchmark or changes in the manner of administration of a Benchmark could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting (if listed) or other consequence in relation to Notes linked to such Benchmark. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a rate determined by the Servicer in consultation with the Issuer and the Representative of the Noteholders, and that such rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. In addition, due to the uncertainty concerning the availability of rates, the relevant fallback provisions may not operate as intended at the relevant time. If the Servicer, in consultation with the Issuer and the Representative of the Noteholders,

determines that amendments to the “Terms and Conditions of the Notes” and the other Transaction Documents are necessary to ensure the proper operation of any rate and/or adjustment spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 8.9 (*Fallback Provisions*).

Any such consequences could have an adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the of Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the of Notes. Investors should consider these matters with their own independent advisers when making their investment decision with respect to the relevant of Notes linked to or referencing a benchmark.

## **2.9. Suitability**

Prospective investors should determine whether an investment in the Class A Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Class A Notes and to arrive at their own evaluation of the investment.

Investment in the Class A 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 Class A 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 economical risk of an investment in the Class A Notes; and
- (iv) recognise that it may not be possible to dispose of the Class A Notes for a substantial period of time, if at all.

Prospective investors in the Class A Notes should make their own independent decision whether to invest in the Class A Notes and whether an investment in the Class A Notes is appropriate or proper for them, based upon their own judgement and upon advice from such advisers as they may deem necessary.

Prospective investors in the Class A Notes should not rely on or construe any communication (written or oral) of the Issuer or the Originator or the Servicer or the Joint Arrangers or the Class A Notes Underwriter as investment advice or as a recommendation to invest in the Class A Notes, it being understood that information and explanations related to the Terms and Conditions shall not be considered to be investment advice or a recommendation to invest in the Class A Notes.

No communication (written or oral) received from the Issuer, the Servicer, the Originator or the Joint Arrangers, or the Class A Notes Underwriter, or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Class A Notes.

## **2.10. Absence of secondary market and limited liquidity**

There can be no assurance that there is an active and liquid secondary market for the Class A Notes. The Class A Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Although an application has been made to the Stock Exchange for the Class A Notes to be admitted to the official listing and trading on its regulated market, there can be no assurance that a secondary market for the Class A Notes will develop or, if a secondary market does develop in respect of any of the Class A Notes, that it will provide the Class A Noteholders with the liquidity of investments or that it will continue until the final redemption or cancellation of such Class A Notes. In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Over the past several years, major disruptions in the global financial markets caused a significant reduction in liquidity in the secondary market for asset-backed securities. Volatility remains due to several factors, including the uncertainty surrounding the recent Brexit Vote (as defined below) and the level and sustainability of the sovereign debt of several European countries. It is not certain whether future events will occur that could have an adverse effect on the liquidity of the secondary market. 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, 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 are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

#### **2.11. The Representative of the Noteholders and conflicts of interests between holders of different Classes of Notes and between Other Issuer Creditors**

The Terms and Conditions and the Intercreditor Agreement contain provisions regarding the fact that the Representative of the Noteholders shall, as regards the exercise and performance of all its powers, authorities, duties and discretion, have regard to the interests of all Class of Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) if there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Priority of Payment for the payment of the amounts therein specified.

#### **2.12. Substitute tax under the Notes**

Payments of interest and other proceeds under the Notes may in certain circumstances, described in the section headed "Taxation" of this Prospectus, be subject to a Decree 239 Deduction. In such

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 Deduction. Decree 239 Deduction, 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 if applicable.

In the event that any Decree 239 Deduction 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.

### **2.13. Change of law**

The structure of the Securitisation and, *inter alia*, the issue of the Notes are based on Italian law, 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, tax or administrative practice will not change after the Issue Date or that any such change will not adversely impact the structure of the Securitisation and the treatment of the Notes.

### **2.14. Source of Payments to Noteholders**

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by any of, the Originator, the Lessees, the Representative of the Noteholders, any of the Other Issuer Creditors, the Class A Notes, the Class J Notes Underwriter or the Joint Arrangers. None of such parties, other than the Issuer, will accept any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Issue Date have any significant assets, for the purpose of meeting its obligations under the Securitisation, other than the Portfolio, any amounts and/or securities standing to the credit of the Accounts and its rights under the Transaction Documents to which it is a party. Consequently, there is a risk that, over the life of the Notes or at the redemption date of the Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of a Trigger Notice or otherwise), the funds available to the Issuer may be insufficient to pay interest on the Notes or to repay the Notes in full.

### **2.15. Limited Recourse Nature of the Notes**

The Notes will be limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payment in accordance with the applicable Priority of Payments. If there are not sufficient Issuer Available Funds to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights.

## **3. GENERAL RISKS**

### **3.1. Benefit of the Leased Assets**

Under the Lease Contracts, the Originator is the owner of the leased Assets and the ownership over the leased Assets is not transferred to the Issuer together with the Receivables. In spite of this, the Issuer can nevertheless obtain the benefit of the proceeds generated by the sale or the re-lease of the leased Assets in the event that the original Lease Contract is terminated. This is provided through the assignment by the Originator to the Issuer of any sale proceeds or future rentals deriving from the sale or the re-lease of the leased Assets, being such assignment enforceable upon execution of the sale or the re-lease agreement and perfection of the relevant assignment formalities. It should however be noted that the benefit of the leased Assets could not survive the bankruptcy or the compulsory liquidation of the Originator. For further details, see paragraph below headed "*Right to Future Receivables*" of this section headed "*Risk Factors*"

### 3.2. Risks related to the Insolvency of the Parties. Preliminary remark on the reform of corporate reorganization and Insolvency Law.

As a preliminary remark, perspective investors should be aware that the main Italian bankruptcy law is the Royal Decree No. 267 of March 16, 1942, as reformed and currently in force (the "**Italian Bankruptcy Law**"). The two primary aims of the Italian Bankruptcy Law are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claims. Besides, other particular insolvency procedures, which will be better addressed below, applicable to large or strategic companies, also target the preservation of significant employment levels (*amministrazione straordinaria*).

The Italian Bankruptcy Law has been recently amended in order to promote the rescue procedures rather than liquidation procedures, focusing on the continuity and survival of financially distressed businesses and enhancing pre-bankruptcy restructuring options. To this extent, perspective investors should be aware that Italian insolvency laws and regulations have recently been substantially reviewed and significant amendments are expected in the near future.

In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the "**Legislative Decree**"), which enacts a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (so called "Code of Business Crisis and Insolvency" hereinafter the "**Insolvency Code**"). The Legislative Decree was published in the Official Gazette on February 14, 2019 no. 38—Ordinary Supplement No. 6.

The reform has also innovated certain provisions of the Civil Code in relation to company organisation. Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies belonging to the same group. The legislation currently in force does not provide for the opening of a single restructuring proceedings with regard to multiple affiliated companies, this resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceedings. Therefore, in order to tackle such issues, the Insolvency Code provides for the introduction of a new joined proceedings for group insolvencies.

More specifically, the reform introduces:

- (a) a definition of "corporate group" by reference to the criteria of direction and coordination referred to in Articles 2497 et seq. and 2545 septies of the Italian Civil Code; such criteria are

presumed as met in case within the group there are controlling and controlled entities pursuant to Article 2359 of Italian Civil Code;

- (b) joined single proceedings: the possibility for companies belonging to the same group to file a single application for approval of a debt restructuring plan agreement under Article 182bis of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of “center of main interests” of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.
- (c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any “distortion” effects;
- (d) subordination of infra-group debt in situations described by Article 2467 of the Italian Civil Code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under Article 182bis of Bankruptcy Law;
- (e) extension of the receiver’s powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, *inter alia*, to report irregularities in the management of the solvent companies of the group (e.g. Article 2409 of the Italian Civil Code) and to request their bankruptcy in the event of insolvency.

The main innovations introduced by the Insolvency Code include, *inter alia*:

- (i) the elimination of the term “bankrupt” (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*);
- (ii) a definition of “state of crisis” (*stato di crisi*) is introduced, i.e. the probability of future insolvency, while maintaining the current notion of “insolvency”;
- (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different judicial insolvency proceedings provided for by the same Insolvency Code;
- (iv) a new set of rules concerning group restructurings, described above;
- (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favor going concern proceedings;
- (vi) a new preventive alert and mediation phase to avoid insolvency;
- (vii) priority is given to dealing with proposals to overcome the crisis by ensuring business continuity, including through a different entrepreneur;
- (viii) jurisdiction of specialized courts over proceedings involving large debtors;



- (ix) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

While the provisions regarding the company organizations, introduced in the Italian Civil Code, are already in force, the main provisions set out in the Insolvency Code will only come into force 18 months after its publication in the Gazzetta Ufficiale. Therefore, the practical consequences of its implementation and its potential impact on the existing insolvency proceedings cannot to date be foreseen and significant amendments are expected in the near future that may impact the provisions set forth therein. In light of the foregoing, and for the sake of clarity, the following paragraphs will only focus on the Italian insolvency laws and regulations already applicable and into force as of the date hereof (and will not take into account, therefore, the provisions of the Insolvency Code which will enter into force only on August 2020).

### 3.3. Effect on Lease Contracts of Insolvency of the Lessees or the Originator

Article 59 of Legislative Decree No. 5 of 9 January 2006 amended the Italian Bankruptcy Law by introducing a supplemental article 72-*quater* ("**Article 72-*quater***") specifically regulating the impact of the insolvency of a lessee or a lessor under financial lease agreements.

Pursuant to Article 72-*quater*, the effects of the insolvency of a lessee on a financial lease agreement are regulated by Article 72 of the Italian Bankruptcy Law ("**Article 72**").

Pursuant to Article 72, where a contract is still unexecuted or has not been completely executed by either party, when either of such parties is declared bankrupt (i.e. the lessee), the execution of the contract remains suspended until the bankruptcy receiver ("*curatore*"), with the authorisation of the committee of creditors ("*comitato dei creditori*"), declares to either: (a) succeed under the contract by assuming all of the relevant contractual obligations; or (b) terminate such contract.

However, the contracting party (i.e. the lessor) can request the official receiver ("*giudice delegato*") to assign to the bankruptcy receiver a time limit of not more than 60 (*sixty*) calendar days (for making the declaration mentioned above), upon the expiry of which (without such declaration having been made), the contract is intended to be terminated.

Article 72-*quater* further provides that if the temporary continuation of the business is provided, the contract continues to be in force unless the bankruptcy receiver declares the termination of the contract.

In the event of termination of the contract, the lessor is entitled to the restitution of the leased asset and is obliged to pay to the official receivership the difference, if any, between: (a) the higher amount received by the lessor from the sale or from some other disposal of the leased asset; and (b) the outstanding claims of the lessor in respect of the principal under the lease contract, provided that, however, any instalments paid by the lessee prior to the insolvency are not subject to claw-back, in accordance with article 67, third paragraph, item (a) of the Italian Bankruptcy Law.

The lessor, in turn, has the right to prove his claim in bankruptcy for the difference between: (a) his claim (under the lease contract) as of the date of the bankruptcy; and (b) the amount received from the new assignment of the leased asset.

With reference to the bankruptcy of companies authorised to carry out financial activity in the form of financial leases (such as the Originator), Article 72-*quater* provides that the contract continues; the

lessee maintains the option to purchase, on the expiry of the contract, the leased asset, subject to the payment of the relevant instalments and the agreed purchase price.

Law Decree No. 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Law No. 132 of 6 August 2015 (the "**Decree No. 83**") has added a new paragraph to article 169–*bis* of the Italian Bankruptcy Law, in order to provide a specific discipline in relation to the consequences of the termination of financial leasing contracts. In particular, it has been provided that, in case of termination of a financial leasing contract, the lessor will have the right to receive the leased property back and must pay to the lessee the difference (if any) between the higher amount deriving from the sale of such leased property or the other use of it and the outstanding capital amount owed by the lessee to the lessor. When paid, any such sum will become part of the bankruptcy estate. The lessor will have a claim towards the lessee for a credit equal to the difference between the credit held on the date the application is filed and the revenues derived by way of new use of the leased property.

Perspective investors should be aware that article 177 of the Insolvency Code, which is not yet in force dedicated to the lease agreements, substantially confirms the above described provisions of the Italian Bankruptcy Law.

#### 3.4. Risk arising from potential suspension of payment of instalments or extension of the financing

On 31 March 2015, ABI and certain associations representing SMEs signed a convention regarding, *inter alia*, the temporary suspension of payment of principal instalments and the extension of the duration of loans and lease contracts granted by Italian banks or financial institutions to SMEs (the "**SME Convention**").

On 15 November 2018, ABI and certain associations representing SMEs renewed the SME convention, extending its duration up to 31 December 2020.

In any case, at the present date, as provided for under the Transfer Agreement, the Originator has represented that it has not taken part to the SME Convention.

#### 3.5. Rights of set-off of the Lessees

Under general principles of Italian law, the Lessees are entitled to exercise rights of set-off in respect of amounts due under any Lease Contract against any amounts payable by the Originator to the relevant Lessee.

The assignment of the receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4 of the Consolidated Banking Act. According to the prevailing interpretation of such provisions, such assignment becomes enforceable against the relevant debtors as of the later of (a) the date of the publication of the notice of assignment of the relevant Receivables in the Official Gazette and (b) the date of its registration in the competent Companies' Register.

Under the terms of the Transfer Agreement, the Originator has agreed to indemnify the Issuer in respect of any failure to collect or recover Receivables as a result of the exercise by any Debtor (or a receiver of any of the foregoing) of a right of set-off. Notice of the assignment of the Receivables comprised in the Portfolio was published in the Official Gazette and registration of the assignment with the relevant Companies' Register has been made on or prior to the date of this Prospectus.

### 3.6. Right to future receivables

Under the terms of the Transfer Agreement, the Originator has undertaken to transfer to the Issuer the proceeds deriving from the sale of the leased Asset under any Lease Contract which has been early terminated, or the receivables deriving from a new lease contract entered into in relation to such leased Asset. In the event that the Originator is or becomes insolvent, the court will treat the Issuer's claims to such future sale proceeds or receivables under any such new lease contract as "future" receivables. The Issuer's claims to any future receivables: (a) that have not yet arisen at the time of the Originator's admission to the relevant insolvency proceedings; or (b) which have arisen at such time but in respect of which the transfer formalities have not been completed before such date, might not be effective and enforceable against the insolvency receiver of the Originator.

### 3.7. Terms of the lease contracts

Although the Lease Contracts entered into by the Originator with the Lessees are based on the standard terms and conditions of the Originator (as represented by the Originator under the Transfer Agreement), there can be no guarantee that the Lease Contracts do not contain any terms or conditions that adversely affect in any manner the value of the Receivables or the enforceability of the Lease Contracts.

### 3.8. Residual Optional Instalment

Under the Securitisation, the Originator will assign to the Issuer the Residual Optional Instalment; the Issuer will not pay the consideration for the assignment of the "Residual Optional Instalment" out of the proceeds arising from the issue of the Notes. The collections relating to the Residual Optional Instalment, once collected, will be paid to the Originator, as "Purchase Price of the Residual Optional Instalment", outside of the applicable Priority of Payments subject and limited to the amount actually collected by the Issuer (please make reference to paragraph *"Transfer and administration of the Portfolio" – "Residual Optional Instalment"*).

According to the above, the Residual Optional Instalment, even if assigned to the Issuer, should not be considered as collateral backing the Notes for the purpose of the Securitisation, as the cash-flows generated thereunder are not part of the Issuer Available Funds and must be returned to the Originator outside of the applicable Priority of Payments.

In general, prospective investors in the Class A Notes should make their own independent decision whether to invest in the Class A Notes or and whether an investment in the Class A Notes is appropriate or proper for them in their particular circumstances and in light of, *inter alia*, this specific matter, based upon their own judgment and upon advice from such own advisers as they may deem necessary.

No predictions can be made as to the precise effect of such matter on any investor or otherwise.

### 3.9. Italian Usury Law

Italian Law No. 108 of 7 March 1996 (*"Disposizioni in materia di usura"*) (the **"Usury Law"**) introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the **"Usury Rates"**) set every three months on the basis of a Decree issued by the Italian Treasury. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions)

and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non compliance with the Usury Rates. In certain judgements issued during 2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law.

On 29 December 2000, the Italian Government issued law decree No. 394 (the "Decree 394"), converted into law by the Italian Parliament on 28 February 2001, which clarified the uncertainty about the interpretation of the Usury Law and provided, inter alia, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rates at the time when the loan agreement or any other credit facility was entered into or the interest rate was agreed. The Decree 394, as interpreted by the Italian Constitutional Court by decision No. 29 of 14 February 2002, also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 31 December 2000 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000.

According to recent court precedents of the Italian Supreme Court (*Corte di Cassazione*), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter. Furthermore, those court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Usury Rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable Usury Rates against which the former must be compared.

To solve such a contrast between different Italian Supreme Court (*Corte di Cassazione*) decisions, a recent decision by the Italian Supreme Court (*Corte di Cassazione*) joint sections (*Sezioni Unite*) (n. 24675 dated 18 July 2017) finally stated that interest rates which were compliant with the Usury Rate as at the time of the execution of the financing agreements but exceeded such threshold thereafter, are lawful also from a civil law perspective, falling outside of the scope of the Usury Law. In this respect, due to the recent date of this latest decision, it remains unclear how such decision will be applied by the merit courts.

### **3.10. Compounding of interest (*Anatocismo*)**

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months or from the date when any legal

proceedings are commenced in respect of that monetary claim or receivable. article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice. However, a number of recent judgements from Italian courts (including judgements from the Italian Supreme Court (Corte di Cassazione) have held that such practices may not be defined as customary practices. Consequently if Debtors were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Mortgage Loans may be prejudiced.

In this respect, it should be noted that article 25, paragraph 3, of legislative decree No. 342 of 4 August 1999 ("**Decree No. 342**"), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February 1992, has considered the capitalisation of accrued interest (anatocismo) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving ("**CICR**") issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional under the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Finally, article 17 *bis* of law decree 18 of 14 February 2016 as converted into Law no. 49 of 8 April 2016 amended article 120, paragraph 2, of the Consolidated Banking Act, providing that the accrued interest shall not produce further interests, except for default interests, and are calculated exclusively on the principal amount. On 8 August 2016, the decree no. 343 of 3 August 2016 issued by the Minister of Economy and Finance, in his quality of President of the CICR, implementing article 120, paragraph 2, of the Consolidated Banking Act, has been published. Given the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus.

### **3.11. Claw back risks**

Under Italian law, the enforcement of obligations of a party or the effects of the performance of such obligations may be affected or limited by any limitations arising from administration, bankruptcy, receivership, insolvency, liquidation, reorganisation and similar laws generally affecting the rights of creditors.

In particular and without limitation to the generality of the foregoing, under article 67, paragraph 1, of the Italian Bankruptcy Law, the following types of transaction may be revoked by the Italian courts in the event that a company becomes insolvent, unless the counterparty can prove that it had no actual or constructive knowledge of the company's insolvency at the time the transaction was made:

- (i) onerous transactions made, at an undervalue higher than 25%, in the year preceding the declaration of insolvency;
- (ii) payments of expired obligations made "by unusual means" (for example, payments in kind) which were entered into in the year preceding the declaration of insolvency;

- (iii) granting of security interests in respect of pre-existing non-expired obligations in the year preceding the declaration of insolvency; and
- (iv) granting of security interests in respect of expired obligations created in the six months preceding the declaration of insolvency.

Notwithstanding the above, pursuant to article 67, paragraph 2, of the Italian Bankruptcy Law, the receiver may revoke the payment in respect of expired obligations, onerous transaction and the establishment of pre-emption rights, created in the six months preceding the declaration of insolvency, if the receiver proves that the counterparty had actual or constructive knowledge of the company's insolvency at the time the transaction was made.

Securitisation Law provides for certain exceptions to the above described general claw back regime in respect of the transfer of the Receivables from the Originator to the Issuer. More in particular, with respect to the assignment of the Receivables from the Originator to the Issuer, the 1-year and the 6-month hardening periods as provided for by article 67 of the Italian Bankruptcy Law (during which the assignment may be revoked (*revocato*) upon application by a receiver), are reduced to 6 months and 3 months, respectively, by the Securitisation Law.

In respect of the above, the delivery of the solvency certificates, the *certificati di vigenza* and the certificates issued by the competent bankruptcy courts in respect of the Originator, dated on or about the date of assignment of the Receivables, may help in assuming that – as of the date thereof – no pending bankruptcy or insolvency procedure nor application for liquidation has been registered with the competent register of enterprises, in respect of the Originator, pursuant to the applicable provisions of law.

In addition to the above article 2901 of the Italian Civil Code – in respect of the so-called ordinary revocation regime, provides that a creditor can demand that acts by which the debtor disposes of his assets to the prejudice of such creditor's rights be declared ineffective as to him if:

- (i) the debtor was aware of the prejudice which the act would cause to the rights of the creditor or, if such act was made prior to the existence of the claim, that such act was fraudulently designed for the purpose of prejudicing the satisfaction of the claim; and
- (ii) in the case of a "non-gratuitous act", the third person involved was aware of such prejudice and, if the act was made prior to the existence of the claim, such third person participated in the fraudulent design.

The assignment of the Receivables to the Issuer will qualify as a "non-gratuitous act" for the purposes of article 2901 of the Italian Civil Code. Therefore, a creditor making a demand pursuant to such article would be required to establish that: (a) the assignments of the Receivables were prejudicial to his/her/its rights as a creditor of the Originator and (b) the Originator and the Issuer were aware of such prejudice at the time the assignment of the Receivables was made or, if the assignment of the Receivables took place prior to the existence of his/her/its claim, that the Originator and the Issuer fraudulently agreed on the assignment of the Receivables from the Originator to the Issuer for the purpose of prejudicing the satisfaction of the demanding creditor and the Issuer knowingly participated in the fraud; the fairness of the economic terms of the transaction may be of help in resisting a demand

under article 2901 of the Italian Civil Code. Pursuant to article 2904 of the Italian Civil Code, the action for the ordinary revocation lapses in five years from the date of the act.

Perpective investor should be aware that article 165 of the Insolvency Code, which is not yet in force, provides also that the receiver and not only the creditors are entitled to carry on the action for the ordinary revocation.

### **3.12. The Securitisation Law**

As of the date of this Prospectus, only limited interpretation of the application of the Securitisation Law has been issued by Italian governmental or regulatory authorities; therefore it is possible that further regulations, relating to the Securitisation Law – which in the last years has been amended and supplemented several times – or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents, as of the date of this Prospectus. For further details with respect to such new legislation, please see section headed "*Selected aspects of Italian Law – The Securitisation Law*".

### **3.13. Forward-looking statements**

Words such as "intend(s)", "aim(s)", "expect(s)", "will", "may", "believe(s)", "should", "anticipate(s)" or similar expressions are intended to identify forward-looking statements and subjective assessments. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Prospectus and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

### **3.14. Article 182-*bis* of the Italian Bankruptcy Law**

Article 182-*bis* of the Italian Bankruptcy Law provides that the entrepreneur in state of crisis may request to relevant bankruptcy court to approve (*omologare*) a debt restructuring agreement (*accordo di ristrutturazione*) between the entrepreneur and its creditors representing at least 60% of the outstanding debts of the entrepreneur.

The proposed agreement shall be accompanied by a report issued by an auditor, enrolled in the register of accountancy auditors (*registro dei revisori legali*), certifying that the proposed restructuring agreement is suitable to assure the full payment of any other creditors which are not part of the such restructuring agreement within the following terms: (i) 120 days from the approval of the agreement by the relevant bankruptcy court (so called *omologazione*), in case of credits already expired at such date; and (ii) 120 days from the relevant due date, in case of credits not already expired at the date of the approval of the agreement by the relevant bankruptcy court.

The restructuring agreement becomes effective upon its publication in the register of enterprises.

Starting from the mentioned publication and for the following 60 days, creditors of the entrepreneur with title acquired prior to the relevant publication are prevented to carry out any precautionary measures or enforcement proceedings (*azione cautelare o esecutiva*) against the entrepreneur estate, nor to acquire any pre-emption rights unless agreed before the relevant publication.

### 3.15. Law no. 3 of 27 January 2012

v According to the provision of law No. 3 of 27 January 2012 ( the “**Law 3/2012**”), a debtor in a state of over indebtedness (“*stato di sovraindebitamento*”) is entitled to submit to its creditors, with the assistance of a competent body (“*Occ-Organismi per la Composizione della Crisi*”) or an expert, a debt restructuring arrangement (the “**Restructuring Agreement**”) which shall in any case ensure the full payment of the creditors whose receivables towards the relevant debtor are not subject to be attached (“*pignorati*”) in accordance with Article 545 of the Italian code of civil procedure.

The Law 3/2012, as amended, applies, *inter alios*, to (i) debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law; and (ii) to debtors which have not benefited of any procedure set out by Law 3/2012 in the past five years. In any case the debtors must comply with Article 7 of Law 3/2012 in order to benefit from the procedure provided by Law 3/2012.

In addition a specific procedure is provided by Law 3/2012 in relation to debtors who qualify as consumers (“*consumatori*”).

The Restructuring Agreement must be filed with the competent Court together with, *inter alia*, the list of all creditors of the relevant debtor.

The Restructuring Agreement shall provide the revised terms of payment of all of the debtor’s obligations, including – at certain conditions – the secured creditors (“*creditori privilegiati*”). The Restructuring Agreement becomes effective, upon approval (“*omologazione*”) by the competent Court (which shall be given in any case within 6 months from the date on which the proposal of Restructuring Agreement is submitted by the relevant debtor). In any case a favorable vote of creditors representing at least 60% of the debtor’s receivables is required for the approval of the Restructuring Agreement.

Under the approved Restructuring Agreement, which shall be binding for all of the creditors of the relevant debtor, the latter may obtain: (a) up to a one-year period moratorium for secured creditors (“*creditori privilegiati*”) if the proposal has a going concern basis; (b) the suspension of all foreclosure procedures and seizures (“*sequestri conservativi*”) against it; (c) that creditors will be prevented from creating pre-emption rights (“*diritti di prelazione*”) on the debtor’s assets; and (d) that legal interests will stop to accrue.

As a consequence of the entering into force of the Restructuring Agreement, the debtor’s assets will be considered as attached, and could not be further attached by upcoming creditors.

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 days from the established deadlines, or if the debtor attempt to fraud its creditors. The Restructuring Agreement does not prejudice rights of the debtor’s guarantors and co-obligors.

As an alternative to the procedure described hereabove, the debtors (i) in a state of over indebtedness (“*stato di sovraindebitamento*”) and (ii) which have not benefited of any procedure set out by Law 3/2012 in the past five years, may request the voluntary winding up of all its assets.

In particular, under such procedure the competent judge, upon request of the relevant debtor, is entitled to issue a decree by means of which they will appoint a liquidator, and order the relevant



debtor to transfer its assets to such liquidator. The appointed liquidator will then pay creditors proportionally to their receivables (save for receivables with pre-emption causes ("*diritti di prelazione*"). Upon such decree being issued by the competent Court, all the foreclosure procedures and seizures ("*sequestri conservativi*") on the debtor's assets will be suspended. Such procedure cannot have duration lower than four years. Consequently, should the debtor acquire further assets within four years from the date on which the filing has been made by the relevant debtor, such new assets will form part of the liquidator's assets and will be applied by the latter to pay the creditors of the relevant debtor.

Should any Assigned Debtor enter into a proceeding set out by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Assigned Debtor suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released. However, given the novelty of this new legislation, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

About enforcement proceedings, there have been some crucial improvements. The recent Civil Procedure reform introduced by Law no. 132/2015 provides for Article 571 Code of Civil Procedure is entitled to submit bids up to 25% lower than the auction base price provided in the order. It has also been provided for in Article 591 Code of Civil Procedure that up to what auction experiment can be carried out reductions of up to 25% of the base price and then, even more (as per the recent amendment of the law 119/2016).

These solutions on the one hand lead to a reduction of the timing. On the other hand they may affect recovery expectations. These prospected improvements might have a negative impact in the potential gross recovery.

### 3.16. Bank Recovery and Resolution Directive

On 2 July 2014, the Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Banks Recovery and Resolution Directive**" or "**BRRD**") entered into force.

The BRRD provides competent authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

On 16 November 2015, the Italian Government issued Legislative Decrees No. 180 and 181 implementing the BRRD in Italy (the "**BRRD Implementing Decrees**"). The BRRD Implementing Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the bail-in tool applies from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's applies from 1 January 2019.

With respect to the BRRD Implementing Decrees, Legislative Decree No. 180 of 16 November 2015 ("**Decree No. 180**") sets forth provisions concerning resolution plans, the commencement and closing of resolution procedures, the adoption of resolution measures, crisis management related to

cross-border groups, powers and functions of the national resolution authority and also regulating the national resolution fund. On the other hand, Legislative Decree No. 181 of 16 November 2015 ("**Decree No. 181**") introduces certain amendments to the Consolidated Banking Act and the Consolidated Financial Act concerning recovery plans, intra-group financial support, early intervention measures and changes to creditor hierarchy. Decree No. 181 also amends certain provisions regulating proceedings for extraordinary administration ("*amministrazione straordinaria*") and compulsory administrative liquidation ("*liquidazione coatta amministrativa*") in order to render the relevant proceedings compliant with the BRRD.

In line with the provisions set forth under the BRRD, Decree No. 180 contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which grants resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to shares or other instruments of ownership (*i.e.* shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"), which equity could also be subject to any future application of the General Bail-In Tool.

Decree No. 180 also provides for the State as a last resort, after having assessed and exploited the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilization tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. In particular, a single resolution fund financed by bank contributions at national level is being established and Regulation (EU) no. 806/2014 establishes the modalities for the use of the fund and the general criteria to determine contributions to the fund.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorization; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

In order to ensure that the resolution authority have all the powers necessary to apply the resolution tools to the institutions and entities that meet the applicable conditions for resolution, article 60 of the

Decree No. 180 provides that the resolution authority shall have certain resolution powers, which they may exercise individually or in any combination, including the following:

- (i) the power to require any person to provide any information required for the resolution authority to decide upon and prepare a resolution action and including requiring information to be provided through on-site inspections;
- (ii) the power to transfer shares or other instruments of ownership issued by an institution under resolution;
- (iii) the power to transfer to another entity, with the consent of that entity, rights, assets or liabilities of an institution under resolution;
- (iv) the power to reduce, including to reduce to zero, the nominal amount of shares or other instruments of ownership of an institution under resolution and to cancel such shares or other instruments of ownership;
- (v) the power to reduce, including to reduce to zero, the principal amount of or outstanding amount due in respect of eligible liabilities, of an institution under resolution;
- (vi) the power to cancel debt instruments issued by an institution under resolution except for secured liabilities;
- (vii) the power to convert eligible liabilities of an institution under resolution into ordinary shares or other instruments;
- (ix) the power to require an institution under resolution or a relevant parent institution to issue new shares or other instruments of ownership or other capital instruments, including preference shares and contingent convertible instruments;
- (x) the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for secured liabilities;
- (xi) the power to close out and terminate financial contracts or derivatives contracts for the purposes of applying article 54;
- (xii) the power to remove or replace the management body and senior management of an institution under resolution upon occurrence of the events described in the Decree No. 180.

In addition to the above, article 61 of Decree No. 180 provides for certain ancillary powers exercisable by the resolution authority when exercising a resolution power, such as the powers to:

- (a) subject to the limits set forth under the Decree No. 180, provide for a transfer to take effect free from any liability or encumbrance affecting the financial instruments, rights, assets or liabilities transferred;
- (b) remove rights to acquire further shares or other instruments of ownership;

- (c) require the relevant authority to discontinue or suspend the admission to trading on a regulated market or the official listing of financial instruments;
- (d) require the institution under resolution or the recipient to provide the other with information and assistance; and
- (f) cancel or modify the terms of a contract to which the institution under resolution is a party or substitute a recipient as a party.

It is noteworthy also that pursuant to article 66 of the Decree No. 180 the resolution authority has the power to suspend any payment or delivery obligations pursuant to any contract to which an institution under resolution is a party from the publication of a notice of the suspension until midnight in the Member State of the resolution authority of the institution under resolution at the end of the business day following that publication. If an institution under resolution's payment or delivery obligations under a contract are suspended, the payment or delivery obligations of the institution under resolution's counterparties under that contract shall be suspended for the same period of time. Any suspension shall not apply to: (a) eligible deposits; (b) payment and delivery obligations owed to systems or operators of systems designated for the purposes of Directive 98/26/EC, central counterparties, and central banks; (c) eligible claims for the purpose of Directive 97/9/EC. Finally, article 93 of Decree No. 180 provides for certain protections for structured finance arrangements and covered bonds so as to prevent either of the following: (a) the transfer of some, but not all, of the assets, rights and liabilities which constitute or form part of a structured finance arrangement, including arrangements referred to in the Decree No. 180, to which the institution under resolution is a party; (b) the termination or modification through the use of ancillary powers of the assets, rights and liabilities which constitute or form part of a structured finance arrangement, including arrangements referred to in the Decree No. 180, to which the institution under resolution is a party.

Notwithstanding the above, pursuant to article 91 of the Decree No. 180, where necessary in order to ensure availability of the covered deposits the resolution authority may: (a) transfer covered deposits which are part of any of the arrangements mentioned in paragraph 1 without transferring other assets, rights or liabilities that are part of the same arrangement, and (b) transfer, modify or terminate those assets, rights or liabilities without transferring the covered deposits.

The powers set out in the BRRD and Decree No. 180 will impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Banks and investment firms being party to the Transaction Documents are subject to the provision of BRRD as implemented in the country of the relevant entity. Therefore, in case any bank or investment firm being party to the Transaction Documents is subject to a resolution, the exercise of the powers by the relevant resolution authority may affect the Transaction Documents and the rights and obligations of the parties thereto in accordance with the above.

### **3.17. Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the notes**

In Europe, the U.S. and elsewhere there is an increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a wide range of measures for increased

regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or 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 Joint Arrangers, the Originator, the Class A Notes Underwriter and the Class J Notes Underwriter makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to regulated investors (including, *inter alia*, authorised alternative investment fund managers, insurance and reinsurance companies and Undertakings for the Collective Investment of Transferable Securities ("UCITS"), credit institutions, investment firms or other financial institutions) which intend to invest in a securitisation transaction. In general terms, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor. Such requirements are provided, *inter alia*, by the following EU regulations (without prejudice to any other applicable EU regulations):

(a) The CRD IV Package

The European Parliament and the EU Council adopted on 26 June 2013 Regulation (EU) No. 575/2013 (the "CRR" or the "Capital Requirements Regulation") and Directive 2013/36/EU (the so-called "CRD IV" and, together with the CRR, the "CRD IV Package"). In particular, the CRD IV governs the access to deposit-taking activities while the CRR establishes the prudential requirements institutions need to respect.

In Italy, the CRD IV Package was implemented by legislative decree No. 72 of 12 May 2015 (entered into force on 27 June 2015) and by the Circular of the Bank of Italy No. 285 of 17 December 2013 (which entered into force on 1 January 2014 and set out additional local prudential rules – "Circular 285/2013"). Circular No. 285 has been constantly updated after its first issue.

The main role of CRD IV is to implement in the EU the key Basel III reforms agreed in December 2010. These include, *inter alia*, amendments to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements.

The CRD IV Package also provides the rules for the calculation of the risk weighted assets (RWA) of banks and investment, for the purpose of the determination of the capital requirements. It is worth mentioning the Basel Committee has embarked on a very significant RWA variability review. This includes the "Fundamental Review of the Trading Book" – the final standard of which has been published by the Basel Committee on 14 January 2019 (and will enter into force on 1 January 2022) – revised

standardised approaches (credit, market, operational risk) and constraints to the use of internal models. In any case, the new Basel framework will need to be transposed into the CRD IV Package framework.

Furthermore, in December 2018, the Basel Committee issued the updated framework of Pillar 3 requirements, which contains new or revised regulatory disclosure requirements on banks and investment capital requirement. In particular, such disclosure: (i) covers credit risk, operational risk, leverage ratio and credit valuation adjustment (CVA); (ii) benchmark a bank's risk-weighted assets (RWA) as calculated by its internal models with RWA calculated according to the standardised approaches; and (iii) provide an overview of risk management, key prudential metrics and RWA. Also these new rules will enter into force on 1 January 2022 and shall be transposed into the CRD IV Package framework.

On 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the "**EU Banking Reform**"). Such Reform has entered into force 27 June 2019. However, the most part of the new rules will apply starting from 28 June 2021.

The new package has amended the following pieces of legislation:

- (i) the CRD IV Package;
- (ii) the Bank Recovery and Resolution Directive (as defined below);
- (iii) regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 "*establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010*".

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. Thus, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to foreseeable regulatory changes. However, no predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes. The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel III Framework. Significant uncertainty remains around the implementation of these initiatives.

(b) *The Securitisation Regulation*

In Europe, investors should be aware that the Regulation (EU) 2017/2402 (the "**Securitisation**

**Regulation**") restricts a institutional investors (credit institution, investment firm, insurance undertaking, Alternative Investment Funds and other financial institution) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 6 of the Securitisation Regulation. In addition, article 5 of the Securitisation Regulation requires an EU regulated credit institution, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each securitisation transaction, that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis.

Investors should also be aware that, pending the issuance of the Technical Standards implementing the Securitisation Regulation; (a) for the purposes of the obligations set out in Article 6 of the Securitisation Regulation, Chapters I, II and III and Article 22 of Delegated Regulation (EU) No 625/2014 apply to securitisations the securities of which are issued on or after 1 January 2019; and (b) for the purposes of the obligations set out in points (a) and (e) of the first subparagraph of Article 7(1) of the Securitisation Regulation (that is, the periodic reporting obligations of originators/sponsors), reference should be made to the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3

(c) *U.S. risk retention requirements*

The credit risk retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act (the "**U.S. Risk Retention Rules**") came into effect with respect to residential mortgage backed securities on 24 December 2015 and other classes of asset backed securities on 24 December 2016 and generally require the "sponsor" of a "securitisation 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 sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Transaction is not intended to involve the retention by a sponsor of at least 5 per cent. of the credit risk of the Issuer for the purposes of compliance with the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption for non-U.S. transactions provided for in Rule 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 ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) are issued) of all classes of ABS interests (as defined in Rule 2 of the U.S. Risk Retention Rules) 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 of the securitisation transaction 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.

Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to the Originator that it is a Risk Retention U.S. Person and obtain the written consent of the Originator, which will be monitoring the level of Notes purchased by, or for the account or benefit of, Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S. There can be no assurance that the requirement to obtain the Originator's written consent to the purchase of any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided for in Rule 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether failure of the transaction to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes or their market value. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by the sponsor to comply with the U.S. Risk Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes.

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

### **3.18. Liquidity Coverage Ratio And High Quality Liquid Assets**

Further to the introduction of the Liquidity Coverage Ratio ("**LCR**") under the CRR, a delegated act has been adopted in October 2014 and published in the Official Journal of the European Union in January 2015 (the "**Delegated Act**"). The Delegated Act sets out rules governing what assets can be considered as high quality liquid assets ("**HQLA**") and how the expected cash outflows and inflows are to be calculated under stressed conditions. HQLA are assets that can be sold on private markets with no loss or little loss of value, even in stressed conditions.



The Delegated Act shall be applicable from 1 October 2015, under a phase-in approach before it becomes binding from 1 January 2018. This progressive implementation of the LCR is meant to allow credit institutions sufficient time to build up their liquidity buffers, whilst preventing a disruption of the flow of credit to the real economy during the transitional period.

With specific reference to securitization transaction, the Delegated Act – recognizing the good liquidity performance of certain securitisations and in order to ensure consistency across financial sectors – identifies certain criteria to be complied with by securitisation instruments to be eligible as level 2B assets for credit institutions' liquidity buffers.

As the Delegated Act is relatively new and, accordingly, the criteria for asset-backed securities to qualify as level 2B assets are not entirely consistent with recent market standards and, given the lack of guidance on the interpretation of the LCR regulation generally and the criteria applicable to level 2B assets in particular, it is not certain whether the Class A Notes qualify as level 2B assets for the purposes of the LCR and the Issuer makes no representation whether such criteria are met by such Notes.

In general, prospective investors in the Class A Notes should make their own independent decision whether to invest in the Class A Notes and whether an investment in the Class A Notes is appropriate or proper for them in their particular circumstances and in light of, *inter alia*, this specific matter, based upon their own judgment and upon advice from such own advisers as they may deem necessary and/or by seeking guidance from their relevant national regulator.

No predictions can be made as to the precise effect of such matter on any investor or otherwise and neither the Issuer nor any other transaction party gives a representation to any investor that the information described in this prospectus is sufficient in all circumstances for such purposes. You should take your own advice and/or seek advice from your regulator on compliance with, and the application of, the provisions of each of the above laws and regulations.

### **3.19. Political and economic Developments in the Republic of Italy and European Union**

Global economic and political conditions are volatile and growth may not be sustainable for a specific period of time.

A severe or extended downturn in the Republic of Italy's economy could adversely affect the results of operations and the financial condition of the Originator which could in turn affect the ability to perform its obligations under the Transaction Documents to which it is a party and, solely with reference to macro-economic conditions affecting the Republic of Italy, the ability of Debtors to repay the Receivables.

On 23 June 2016, the United Kingdom voted, in a referendum, to leave the European Union (Brexit). On 29 March 2017, the British Prime Minister gave formal notice to the European Council under Article 50 of the Treaty on European Union of the intention to withdraw from the European Union, thus triggering the two-year period for withdrawal, during which the United Kingdom is negotiating with the EU the terms of its withdrawal and of its future relationship with the EU (the **Article 50 Withdrawal Agreement**).

The Article 50 Withdrawal Agreement has not yet been ratified by the UK or the European Union. The parties have agreed to an extended time line which allows for ratification to take place any time prior to 31 October 2019.

If the parties fail to reach an agreement within this time frame, all EU treaties and global trade agreements negotiated by the EU on behalf of its members cease to apply to the UK, unless the

European Council, in agreement with the UK, unanimously decides to extend this period. As part of those negotiations, a transitional period has been agreed in principle which would extend the application of EU law and provide for continuing access to the EU single market, until the end of 2020. Absent such extension and subject to the terms of any article 50 withdrawal agreement, the UK will withdraw from the EU no later than the 31 October 2019. There are a number of uncertainties in connection with such negotiations, including their timing, and the future of the UK's relationship with the EU. It therefore remains uncertain whether the Article 50 Withdrawal Agreement will be finalised and ratified by the UK and the EU ahead of the 31 October 2019 deadline.

Regardless of the time scale and the term of the United Kingdom's exit from the European Union, the result of the referendum in June 2016 created significant uncertainties with regard to the political and economic outlook of the United Kingdom and the European Union.

The exit of the United Kingdom from the European Union; the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom; the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union; and the possibility that one or more countries that adopted the Euro as their national currency might decide, in the long term, to adopt an alternative currency or prolonged periods of uncertainty connected to these eventualities could have significant negative impacts on global economic conditions and the stability of international financial markets. These could include further falls in equity markets, a further fall in the value of the pound and, more in general, increase in financial markets volatility, reduction of global markets liquidities, with possible negative consequences on the asset prices, operating results and capital and/or financial position of the Issuer.

In addition to the above and in consideration of the fact that at the date of this Prospectus there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro, the consequences of these decisions are exacerbated by the uncertainty regarding the methods through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro. A collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level. This situation could therefore have a significant negative impact on the operating results and capital and financial position of the Issuer. Furthermore, the Issuer cannot predict what, if any, impact the United Kingdom's exit from the European Union will have on the Transaction or the Issuer's ability to make payments on the Notes.

### **3.20. The "anti-deprivation" principle**

The validity of contractual priorities of payments such as those contemplated in this transaction (the Priority of Payments) has been challenged recently in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in *Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd* 2009 EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the

anti-deprivation principle was not breached by such provisions. This was further supported in *Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc* 2011 UKSC 38, in which the Supreme Court upheld the priority provisions at issue in determining that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments were an essential part of the transaction understood by the parties and did not contravene the anti-deprivation principle.

The U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Corporate Trustee Services Ltd was granted leave to appeal but the case subsequently settled out of court. Notwithstanding the New York settlement, the decision of the US Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of England and Wales in the Belmont case as referred to above and therefore uncertainty remains as to how a conflict of the type referred to above would be resolved by the courts. Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

Additionally, there can be no assurance as to how such subordination provisions would be viewed in other jurisdictions such as Italy or whether they would be upheld under the insolvency laws of any such relevant jurisdiction. If a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction and any relevant foreign judgement or order was recognised by the Italian courts, there can be no assurance that these actions would not adversely affect the rights of the Noteholders, the market value of the Class A Notes and/or the ability of the Issuer to satisfy all or any of its obligations under the Class A Notes.

### 3.21. 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, a "foreign financial institution" 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 provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. 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.

Holders of Notes should consult their own tax advisors about the application of FATCA and how rules may apply to, or affect payments to be received under the Class A Notes or any other payments to be made by parties to this transaction. If a FATCA Withholding were to be deducted with respect to payments on the Notes, no person will be required to pay additional amounts. As a result, investors may receive amounts that are less than expected.

### 3.22. The Proposed European Financial Transactions Tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). Such proposal was approved by the European Parliament on 3 July 2013. However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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

The FTT proposal remains subject to negotiation between the participating Member States and may be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### 3.23. Volcker Rule

Under the Notes Subscription Agreements, the Issuer has represented that (i) it is not, and after giving effect to the offer and sale of the Class A Notes and the application of the proceeds thereof as described in this Prospectus, will not be an "investment company" as such term is defined in the Investment Company Act, as a result of its reliance on the exemption from the definition of "investment company" set forth in Section 3(c)(7) of the Investment Company Act; and (ii) it is not, and after giving effect to the offer and sale of the Notes and the application of the proceeds thereof as described in this Prospectus, will not be a "covered fund" within the meaning of the regulations adopted to implement Section 619 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**") because the Issuer may rely on an exception from the "covered fund" definition provided for entities involved in the securitisation of loans. Such qualification has not and will not be assessed by any Joint Arranger, Class A Notes Underwriter, Class J Notes Underwriter or Originator nor any of their respective affiliates and no representation or warranty nor any advice is given or deemed given in this respect by any of them to any one. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non–U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became effective on 1 April 2014. Conformance with the Volcker Rule and its implementing regulations is required by 21 July 2015 (or by 21 July 2016 in respects of investments in and relationships with covered funds that were in place prior to 31 December 2013, with the possibility of a further one–year extensions). Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered

fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. Any prospective investor, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

#### **3.24. Combination or "layering" of multiple risk factors may significantly increase risk of loss**

Although the various risks discussed in this Prospectus are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased as there are many circumstances in which layering of multiple risks with respect to the Portfolio and the Notes may magnify the effect of those risks.

## THE ORIGINATOR, THE SERVICER AND THE CASH MANAGER

Alba Leasing is a leasing company established at the beginning of 2010.

The total shareholder capital of Alba Leasing stands at Euro 357.9 million, broken down as follows:

- Banco BPM (39.19%, rated "Baa3" by Moody's and "BBB (low)" by DBRS),
- Banca Popolare dell'Emilia Romagna S.c. (33.50%, rated "Baa3" by Moody's and "BB" by Fitch),
- Banca Popolare di Sondrio S.c.p.a. (19.26%, rated "BBB-" by Fitch and "BBB" by Dagong Europe), and
- Credito Valtellinese S.c.p.A. (8.05%, rated "Ba3" by Moody's, "BBB (low)" by DBRS and "BB-" by Fitch).

Since the establishment, Alba Leasing has been able to count on:

- a portfolio of leasing contracts of about € 4.6 bn
- a very skilled staff, with a strong experience in the Italian leasing market.

At the end of 2018, Alba Leasing achieved the 4th place in the ranking of National Leasing Companies Association (Assilea) for new business. At the end of 2018 the company grew its market share to 8.43% in equipment leasing, ranking 3rd in this sector.

Notwithstanding challenging market conditions, Alba Leasing has performed well in recent years. The company outperformed the market in the period 2011–2016. In the 2018 Alba Leasing increased the new business of 5% vs. 2017

Since 2010, Alba Leasing has originated € 9,825 mln in new lease contracts (average ticket size € 97.8 k) with the following breakdown:

- Equipment € 5,195 mln (52.9%)
- Real estate € 2,355 mln (24.0%)
- Automotive € 1,681 mln (17.1%)
- Renewable Energy € 369 mln (3.8%)
- Other (air/naval/rail) € 223 mln (2.3%)

As of 31st December 2018, Alba Leasing's total gross outstanding portfolio is approx. € 5,25 bn, supported by a Tier 1 capital ratio of 9.09%

Alba Leasing's strategies include:

(a) Wide and efficient coverage throughout Italy, which means:

- Origination mainly through bank channel with approx. 6,000 bank branches and 2 million potential customers
- Wide range of leasing products, tailored to customer needs
- Focus on small tickets and low emphasis on real estate business

- Active origination platform with the support of other partner banks, via a bilateral agreement (PrestoLeasing)

(b) Operative efficiency by means of the optimization of internal procedures

(c) New internal rating scoring to monitor credit risk and default rates

Alba Leasing is able to provide a large variety of leasing products to its customers. The new production is originated through an innovative internal process capable of assessing, in a very detailed way, the risk exposure.

On 30 July 2014, Credito Valtellinese S.C.p.A. ("**Creval**"), parent company of the banking Group of the same name ("**Creval Group**"), and Alba Leasing implemented a framework agreement for the development of a strategic alliance in the leasing business.

## Consolidated Balance Sheet

(values in Euros)

Assets	31/12/2018	31/12/2017*
10. Cash and cash equivalents	15,496	9,079
20. Financial assets at fair value through P&L	–	75,398
a) financial assets held for trading	–	75,398
40. Financial assets measured at amortised cost	4,947,473,794	4,928,394,864
a) receivables from banks	167,830,506	165,374,452
b) receivables from financial companies	91,211,017	116,798,869
c) receivables from customers	4,688,432,271	4,646,221,543
80. Property, plant and equipment	10,863,450	6,366,537
90. Intangible assets	6,801,398	7,406,581
100 Tax assets	56,620,185	53,391,371
a) current	566,441	4,048,776
b) deferred	56,053,744	49,342,595
110 Non-current assets held for sale and disposal groups of assets	–	54,226,838
120 Other assets	110,458,922	168,272,914
<b>Total Assets</b>	<b>5,132,233,245</b>	<b>5,218,143,582</b>

\* following the entry into force of the new Bank of Italy's Order issued on 22 December 2017 – "The financial statements of IFRS intermediaries other than bank intermediaries" (*Il bilancio degli intermediari IFRS diversi dagli intermediari bancari*) which provides for the use of updated financial statement formats with respect to the previous order regarding "The financial statements of IFRS intermediaries other than bank intermediaries" of 9 December 2016, the Company reclassified the Balance Sheet items of the Consolidated Financial Statements at 31 December 2017 according to the new formats, without changing their amount compared to the Consolidated Financial Statements at 31 December 2017, as approved by the Shareholders' Meeting on 20 April 2018.

Liabilities and equity	31/12/2018	31/12/2017*
10. Financial liabilities measured at amortised cost	4,519,405,390	4,603,803,352
a) payables	2,551,208,058	2,595,710,096

b) outstanding securities	1,968,197,332	2,008,093,256
<b>20. Financial liabilities held for trading</b>	-	74,379
<b>60. Tax liabilities</b>	493,498	-
a) current	493,498	-
<b>80. Other liabilities</b>	203,818,998	200,606,416
<b>90. Employee severance pay</b>	2,512,615	2,508,539
<b>100 Provisions for risks and charges:</b>	3,307,390	2,424,247
a) commitments and guarantees issued	916,369	-
c) other provisions for risks and charges	2,391,021	2,424,247
<b>110 Share Capital</b>	357,953,058	357,953,058
<b>140 Share premiums</b>	105,000,000	105,000,000
<b>150 Reserves</b>	(71,330,173)	(55,606,571)
<b>160 Valuation reserves</b>	(250,705)	(252,765)
<b>170 Profit (Loss) for the year</b>	11,323,174	1,632,927
<b>180 Equity attributable to minority interests</b>	-	-
<b>Total Liabilities and Equity</b>	<b>5,132,233,245</b>	<b>5,218,143,582</b>

\* following the entry into force of the new Bank of Italy's Order issued on 22 December 2017 – "The financial statements of IFRS intermediaries other than bank intermediaries" which provides for the use of updated financial statement formats with respect to the previous order regarding "The financial statements of IFRS intermediaries other than bank intermediaries" of 9 December 2016, the Company reclassified the Balance Sheet items of the Consolidated Financial Statements at 31 December 2017 according to the new formats, without changing their amount compared to the Consolidated Financial Statements at 31 December 2017, as approved by the Shareholders' Meeting on 20 April 2018.

## Consolidated Income Statement

(values in Euros)

Items	31/12/2018	31/12/2017*
<b>10. Interest earned and similar income</b>	114,170,725	107,385,474
of which: interest income calculated using the effective interest method	104,755,570	-
<b>20. Interest expense and similar charges</b>	(19,292,264)	(21,355,348)
<b>30. Interest margin</b>	<b>94,878,461</b>	<b>86,030,126</b>
<b>40. Commissions earned</b>	22,852,618	20,604,573
<b>50. Commissions expense</b>	(17,968,565)	(13,829,522)
<b>60. Net commissions</b>	<b>4,884,053</b>	<b>6,775,051</b>
<b>80. Net result from trading</b>	(1,030)	(74,643)
<b>120. Operating income</b>	<b>99,761,484</b>	<b>92,730,534</b>
<b>130. Net value adjustments/write-backs for credit risk on:</b>	(31,368,318)	(24,290,832)
a) financial assets measured at amortised cost	(31,368,318)	(24,290,832)
<b>140. Profits/losses from contract amendments without cancellations</b>	(225,994)	-



150. Net result from financial operations	68,167,172	68,439,702
<b>160. Administrative expenses:</b>	<b>(46,934,214)</b>	<b>(43,905,973)</b>
a) personnel costs	(26,638,555)	(25,947,714)
b) other administrative expenses	(20,295,659)	(17,958,259)
170. Net accruals to provisions for risks and charges	(327,723)	(167,161)
a) commitments and guarantees issued	(285,247)	–
b) other net accruals	(42,476)	(167,161)
180. Net value adjustments/write-backs on property, plant and equipment	(415,710)	(255,227)
190. Net value adjustments/write-backs on intangible assets	(1,791,783)	(11,581,680)
200. Other operating income and charges	(3,573,521)	(4,412,349)
<b>210. Operating costs</b>	<b>(53,042,951)</b>	<b>(60,322,390)</b>
250. Profits (Losses) from disposal of investments	502	3,693
<b>260. Profit (Loss) before tax from current operations</b>	<b>15,124,723</b>	<b>8,121,005</b>
270. Income tax for the year from current operations	(4,254,154)	(6,488,078)
<b>280. Profit (Loss) after tax from current operations</b>	<b>10,870,569</b>	<b>1,632,927</b>
290. Profit (Loss) after tax from discontinued operations	452,605	–
<b>300. Profit (Loss) for the year</b>	<b>11,323,174</b>	<b>1,632,927</b>
310. Profit (Loss) for the year attributable to minority interests	–	–
<b>320. Profit (Loss) for the year attributable to the parent company</b>	<b>11,323,174</b>	<b>1,632,927</b>

\* following the entry into force of the new Bank of Italy's Order issued on 22 December 2017 – “The financial statements of IFRS intermediaries other than bank intermediaries” which provides for the use of updated financial statement formats with respect to the previous order regarding “The financial statements of IFRS intermediaries other than bank intermediaries” of 9 December 2016, the Company reclassified the Income Statement items of the Consolidated Financial Statements at 31 December 2017 according to the new formats, without changing their amount compared to the Consolidated Financial Statements at 31 December 2017, as approved by the Shareholders' Meeting on 20 April 2018.

No comparative figure for the previous year is provided for the item “of which : interest income calculated using the effective interest method”, since the information in the above table was not required by the previous Bank of Italy's Order of 9 December 2016, “The financial statements of IFRS intermediaries other than bank intermediaries.”

#### Statement of consolidated comprehensive income

(values in Euros)

Items	31/12/2018	31/12/2017*
<b>10. Profit (Loss) for the year</b>	<b>11,323,174</b>	<b>1,632,927</b>
<b>Other income components after tax without transfer to P&amp;L</b>		
20. Equity instruments at fair value through comprehensive income	–	–
30. Financial liabilities at fair value through P&L (changes in its credit rating)	–	–
40. Hedging of equity instruments at fair value through comprehensive income	–	–
50. Property, plant and equipment	–	–
60. Intangible assets	–	–
70. Defined-benefit plans	2,060	(18,837)
80. Non-current assets held for sale and disposal groups of assets	–	–
90. Portion of reserves from valuation of equity-accounted investments	–	–
<b>Other income components after tax with transfer to P&amp;L</b>		
100 Hedging of foreign investments	–	–

.			
110	Foreign exchange differences	-	-
.			
120	Cash flow hedge	-	-
.			
130	Hedging instruments (elements not designated)	-	-
.			
140	Financial assets (other than equity instruments) at fair value through comprehensive income	-	-
.			
150	Non-current assets held for sale and disposal groups of assets	-	-
.			
160	Portion of reserves from valuation of equity-accounted investments	-	-
.			
170	<b>Total other income components after tax</b>	<b>2,060</b>	<b>(18,837)</b>
.			
180	<b>Comprehensive income (Item 10+170)</b>	<b>11,325,234</b>	<b>1,614,090</b>
.			
190	Consolidated comprehensive income attributable to minority interests	-	-
.			
200	<b>Consolidated comprehensive income attributable to the parent company</b>	<b>11,325,234</b>	<b>1,614,090</b>
.			

\* following the entry into force of the new Bank of Italy's Order issued on 22 December 2017 - "The financial statements of IFRS intermediaries other than bank intermediaries" which provides for the use of updated financial statement formats with respect to the previous order regarding "The financial statements of IFRS intermediaries other than bank intermediaries" of 9 December 2016, the Company reclassified the Statement of Comprehensive Income items of the Consolidated Financial Statements at 31 December 2017 according to the new formats, without changing their amount compared to the Consolidated Financial Statements at 31 December 2017, as approved by the Shareholders' Meeting on 20 April 2018.

## Statement of changes in consolidated equity

At 31 December 2018

(values in Euros)

	Equity at 31.12.2017	Change in opening balances	Equity at 1.1.2018	Allocation of result from previous year		Changes for the year						Consolidate d comprehens ive income 2018	Equity attributable to the Group at 31.12.2018	Equity attributab le to minority interests at 31.12.20 18
				Reserves	Dividends and other allocation s	Change in reserves	Equity transactions							
							Issue of new shares	Purchase of own shares	Distributio n of extra-divid ends	Change in equity instrumen ts	Other changes			
Share capital	357,953,058	–	357,953,058	–	–	–	–	–	–	–	–	–	357,953,058	–
Share premiums	105,000,000	–	105,000,000	–	–	–	–	–	–	–	–	–	105,000,000	–
Reserves:														
a) revenue	(56,103,411)	(17,356,529)	(73,459,940)	1,551,281	–	–	–	–	–	–	–	–	(71,908,659)	–
b) others	496,840	–	496,840	81,646	–	–	–	–	–	–	–	–	578,486	–
Valuation reserves	(252,765)	–	(252,765)	–	–	–	–	–	–	–	–	2,060	(250,705)	–
Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Own shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Profit (Loss) for the year	1,632,927	–	1,632,927	(1,632,927)	–	–	–	–	–	–	–	11,323,174	11,323,174	–
Equity attributable to the Group	408,726,648	(17,356,529)	391,370,119	–	–	–	–	–	–	–	–	11,325,234	402,695,354	–
Equity attributable to minority interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–

At 31 December 2017

(values in Euros)

	Equity at 31.12.2016	Change in opening balances	Equity at 1.1.2017	Allocation of result from previous year		Changes for the year						Consolidated comprehensiv e income 2017	Equity attributable to the Group at 31.12.2017	Equity attributable to minority interests at 31.12.2017
				Reserves	Dividends and other allocation s	Change in reserves	Equity transactions							
							Issue of new shares	Purchase of own shares	Distributi on of extra-divi dends	Change in equity instrumen ts	Other changes			
Share capital	357,953,058	–	357,953,058	–	–	–	–	–	–	–	–	–	357,953,058	–
Share premiums	105,000,000	–	105,000,000	–	–	–	–	–	–	–	–	–	105,000,000	–
Reserves:														
a) revenue	(59,822,158)	–	(59,822,158)	3,718,747	–	–	–	–	–	–	–	–	(56,103,411)	–
b) others	301,117	–	301,117	195,723	–	–	–	–	–	–	–	–	496,840	–
Valuation reserves	(233,928)	–	(233,928)	–	–	–	–	–	–	–	–	(18,837)	(252,765)	–
Equity instruments	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Own shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Profit (Loss) for the year	3,914,470	–	3,914,470	(3,914,470)	–	–	–	–	–	–	–	1,632,927	1,632,927	–
Equity attributable to the Group	407,112,558	–	407,112,558	–	–	–	–	–	–	–	–	1,614,090	408,726,648	–
Equity attributable to minority interests	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Consolidated cash flow statement (Indirect method)

(values in Euros)

<b>A. OPERATING ACTIVITIES</b>	<b>31/12/2018</b>
<b>1. OPERATIONS</b>	<b>45,743,980</b>
– result for the year (+/-)	11,323,174
– net value adjustments/write-backs for credit risk (+/-)	31,368,318
– net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	2,207,493
– net accruals to provisions for risks and charges and other costs/revenues (+/-)	348,021
– unpaid taxes, duties and tax credits (+/-)	496,974
<b>2.. CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS</b>	<b>(33,077,276)</b>
– financial assets measured at amortised cost	(55,633,879)
– other assets	22,556,603
<b>3. CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES</b>	<b>(116,476,128)</b>
– payables to banks	(6,864,242)
– payables to financial entities	(114,085,642)
– payables to customers	(5,787,910)
– other liabilities	10,261,666
<b>NET CASH FLOW GENERATED FROM/USED BY OPERATING ACTIVITIES</b>	<b>(103,809,424)</b>
<b>B. INVESTING ACTIVITIES</b>	
<b>2. CASH FLOW USED BY</b>	<b>1,249,399</b>
– purchases of property, plant and equipment	62,799
– purchases of intangible assets	1,186,600
<b>NET CASH FLOW GENERATED FROM/USED BY INVESTING ACTIVITIES</b>	<b>1,249,399</b>
<b>C. FINANCING ACTIVITIES</b>	
<b>NET CASH FLOW GENERATED FROM/USED BY FINANCING ACTIVITIES</b>	<b>–</b>
<b>NET CASH FLOW GENERATED/USED IN THE YEAR</b>	<b>(102,560,025)</b>
<b>RECONCILIATION</b>	<b>31/12/2018</b>
Cash and cash equivalents at the beginning of the year	1,908,607,251
Total net cash flow generated/used in the year	102,560,025
<b>Cash and cash equivalents at the end of the year</b>	<b>2,011,167,276</b>

Reconciliation with the items in the Financial Statements

<b>RECONCILIATION WITH THE ITEMS IN THE FINANCIAL STATEMENTS</b>	<b>31/12/2018</b>
<b>Balance Sheet – Assets</b>	
10. Cash and cash equivalents	15,496
80. Financial assets measured at amortised cost	4,947,473,794
a) receivables from banks	23,073,663
of which : current accounts receivable	5,499,750
<b>Balance Sheet – Liabilities</b>	
10. Financial liabilities measured at amortised cost	4,519,405,390
a) payables to banks	2,426,119,917
of which: current accounts payable	2,005,652,030
<b>Total cash and cash equivalents</b>	<b>2,011,167,276</b>

Information required by IAS 7, paragraph 44

	31/12/2018	Cash flows	Non-monetary changes	31/12/2017
Liabilities arising from financing activities	2,464,573,618	56,339,074	–	2,408,234,544

For comparison purposes, the table below has been prepared pursuant to the previous Bank of Italy's Order regarding "The financial statements of IFRS intermediaries other than bank intermediaries" of 9 December 2016.

<b>A. OPERATING ACTIVITIES</b>	<b>31/12/2017</b>
<b>1. OPERATIONS</b>	<b>38,053,548</b>
– result for the year (+/-)	1,632,927
– capital gains/losses on financial assets held for trading and on financial assets/liabilities at fair value (-/+)	140,638
– capital gains/losses on hedging activities (-/+)	–
– net value adjustments/write-backs for impairment (+/-)	24,290,832
– net value adjustments/write-backs on property, plant and equipment and intangible assets (+/-)	11,837,256
– net accruals to provisions for risks and charges and other costs/revenues (+/-)	151,899
– unpaid taxes and duties (+)	–
– other adjustments (+/-)	(4)
<b>A1. OPERATIONS</b>	
<b>2. CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS</b>	<b>(227,646,585)</b>
– receivables from banks	(6,816,322)
– receivables from financial entities	–
– receivables from customers	(224,783,763)
– other assets	3,953,500
<b>A2. CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS</b>	<b>–</b>
<b>3. CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES</b>	<b>508,335,726</b>
– payables to banks	85,886,583
– payables to financial entities	359,859,720
– payables to customers	44,439,677
– financial liabilities held for trading	(55,179)
– other liabilities	18,204,925
<b>A3. CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES</b>	
<b>NET CASH FLOW GENERATED FROM/USED BY OPERATING ACTIVITIES</b>	<b>318,742,689</b>
<b>B. INVESTING ACTIVITIES</b>	<b>–</b>
<b>2. CASH FLOW USED BY</b>	<b>(5,506,606)</b>
– purchases of equity investments	–
– purchases of property, plant and equipment	(4,718,597)
– purchases of intangible assets	(788,009)
<b>B2. CASH FLOW USED BY</b>	<b>–</b>
<b>NET CASH FLOW GENERATED FROM/USED BY INVESTING ACTIVITIES</b>	<b>(5,506,606)</b>
<b>C. FINANCING ACTIVITIES</b>	
– issues/purchases of own shares	–
<b>NET CASH FLOW GENERATED FROM/USED BY FINANCING ACTIVITIES</b>	<b>–</b>
<b>NET CASH FLOW GENERATED/USED IN THE YEAR</b>	<b>313,236,083</b>

RECONCILIATION	31/12/2017
Cash and cash equivalents at the beginning of the year	(2,209,710,410)
Total net cash flow generated/used in the year	313,236,083
Cash and cash equivalents at the end of the year	(1,896,474,327)

The information contained in this section "*The Originator, the Servicer and the Cash Manager*" relates to Alba Leasing and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Alba Leasing, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Alba Leasing since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

## COLLECTION POLICIES AND RECOVERY PROCEDURES

### Instalments Billing Procedure

The invoicing frequency depends on the instalment payment frequency, and it is managed in a fully automatic mode ("batch").

The automatic procedure calculates the instalment from the original financial plan. Almost all contracts set the instalments due date on the 1<sup>st</sup> day of the month, with the exception of operating leasing and ex Credito Valtellinese contracts.

### Instalments Indexing

Floating contracts envisage the indexing of instalments through "*Ricalcolo*".

Such indexing procedure implies a re-calculation of the financial plan of the contract, with the determination of interest and installment based on an updated parameter. All new originations from Alba Leasing are indexed through "*Ricalcolo*", and their due date is almost all set on the 1<sup>st</sup> day of the month.

"*Ricalcolo*" indexing is managed through automatic-weekly procedure and is billed accordingly to the instalment payment frequency of the contract.

### Payment Process

Direct debit (SDD/RIBA) issuing can occur through an automatic / scheduled process (i) or manually generated by after-sale events that changes the contract amortization plan (ii).

- (i). Automatic procedure combines in a single bill all "open items" not yet issued related to a contract.
- (ii). The issuance of a SDD/RIBA "generated by events" could occur between two scheduled automatic procedure.

Each SDD / RIBA is characterized by a unique identification code that will allow associating it with its return flow.

Through that identification code it is possible to perform the accounting posting on the client ledger.

Such posting is performed at the date of the financial plan, while bank accounting is performed according to banks calendar.

The accounting department reconcile bank transactions with general accounting on daily basis, through the reconciliation of electronic and hard files.

Reconciliation allows to guarantee proper accounting recognition, monitor / resolve any possible mismatch in the management and control of banking transactions and align Alba's financial and accounting data with banking evidences.

Such monitoring allows to pursue:

- Correct application of contract provision
- Full compliance with laws and regulations
- Verification of anomalies in debt and credit
- Cost estimate for erroneous calculation of value date



## **Failure to Pay and Delinquencies**

The automatic monitoring of "Unsolved" SDD/RIBA flow allows to discern and manage payments failures from delinquencies.

The system recognizes and identifies "failure to pay". If the client pays with SDD/RIBA, the system is able to make daily checks and verify the reception of an "Unsolved" flow. Such "failure events" are managed differently between (a) "supposed" failure to pay and (b) "actual" failure to pay:

- a) "supposed failure to pay" are managed in order to verify lack of procedural/internal errors which might have triggered the system without involvement of the client
- b) In any case, after 60 days, the system automatically considers the file as "actual" failure to pay or Delinquency.

Delinquencies are automatically tracked with Delinquent flow SDD/RIBA. Flow comprehends a unique code that allows to match with the source movement and highlights the reasons for delinquencies (e.g. technical, no funds, etc..).

After the drawing date of the Leasing, all positions are monitored, together with shareholding banks, in order to pin point any early warning and risk.

A rating is assigned on monthly basis, through a proprietary software. The software allows to evaluate the evolution of client's risk profile.

When the credit worthiness decreases significantly, even if not yet affected by delinquencies, the position is reviewed and put under the status of "observed". The status indicates that the Lessee is risky even if is paying, thus any origination toward that subject is inhibited, until the status endures.

## **Credit Monitoring**

The payment history of Alba Leasing's customers is monitored on a continuous basis. Lease payments are made through direct payment, by electronic transfer or bank cheque. Defaults in payment, in the case of payment by electronic transfer, are identified within 10 (ten) days upon receipt by Alba Leasing of an electronic default notice from the relevant bank and, following the receipt of such notice, Alba Leasing immediately sends a payment reminder to the customer. Alba Leasing keeps in contact with the customer to inquire about payment or to establish a payment re-schedule, if requested. If a payment re-schedule is granted, Alba Leasing monitors the relevant customer's performance.

If the foregoing measures do not lead to a satisfactory outcome, Alba Leasing transfers the lease to its *Ufficio Contenzioso* (Litigation Department) which is in charge of collecting the sums due under the lease or to recover the asset itself, if appropriate. If legal action is necessary to recover any assets, the file is assigned to a law firm to commence legal action to repossess the asset and/or recover any defaulted payments, with written notice to the relevant customer, to the guarantor, if any, and, if appropriate, to the member bank. Alba Leasing pursues any opportunity to settle legal claims.

## **Loan history**

Non-performing leases are classified pursuant to Bank of Italy's guidelines into four categories: (i) leases in delinquency for more than 90 (ninety) consecutive days; (ii) leases which are on the watch-list or are delinquent (*inadempienze probabili*); and (iii) bad debts (*sofferenze*).

"*Outstanding for more than 90 (ninety) days*" includes leases either overdue or overrun by more than 90 (ninety) days.

Classification of a Leasing as "Inadempienze probabili", prior to the expiration of the terms, is responsibility of the Problem Loans Department which has authority for credit up to € 2,5 mln (for higher amounts it is requested the authorization of other senior department, as showed below) These amounts are referred to the "gross risk" (sum of unpaid amount, interest on arrears and residual debt)

Department & Powers	Amount
Board of Directors	Over € 5,000,000
Credit Committee	Up to € 5,000,000
CEO	Up to € 4,000,000
Vice Executive Director	Up to € 3,000,000
Head of Non Performing Department	Up to € 2,500,000
Head of "Workout"	Up to € 500,000
Head of "Litigation"	Up to € 500,000

Classification of a Loan as "Sofferenze", prior to the expiration of the terms is responsibility of the Problem Loans Department which has authority for credit up to € 2,5 mln (for higher amounts it is requested the authorization of other senior department, as showed below) These amounts are referred to the "gross risk" (sum of unpaid amount, interest on arrears and residual debt)

Department & Powers	Amount
Board of Directors	Over € 5,000,000
Credit Committee	Up to € 5,000,000
CEO	Up to € 4,000,000
Vice Executive Director	Up to € 3,000,000
Head of Non Performing Department	Up to € 2,500,000
Head of "Workout"	Up to € 500,000

Head of "Litigation"	Up to € 500,000
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The Credit Risk Department produces a set of management reports on customers who have been included in the bad-loan list during the relevant period, and reports of the customers no longer in default. These reports are verified and any further action or adjustment is performed by the Litigation Department of Alba Leasing.

Information about customers that have been classified as bad debtors by the Bank of Italy is received monthly from the Bank of Italy's Interbank Risk Service, and Alba Leasing routinely cross-refers its internal list of bad leases with the information received from the Bank of Italy. The system of Alba Leasing automatically produces three reports: (1) a report that indicates which customers are classified by Alba Leasing as bad-loan originators but not by the Bank of Italy; (2) a report that indicates which customers are classified by the Bank of Italy as bad-loan originators but not by Alba Leasing; and (3) a report that indicates which customers' guarantors are classified by the Bank of Italy as bad-loan originators.

Each proposed move to the list of bad loans is assessed by the Managers of the Credit Recovery and Litigation Department and reported by the Department's staff on specific data-sheets in the bad-debts' book which is submitted to the Executive Committee of Alba Leasing for approval.

### **Credit Recovery process**

Credit Recovery: there are two different credit recovery processes based on the amount of the payment due:

"Grandi Rischi" (over 250 k€): the recovery actions are customized (direct contact with the client, with the appointment of phone collection companies) in order to produce a more effective result, based on team working involving (i) Ufficio Recupero Crediti\* (ii) Alba Leasing Client Manager and the (iii) Shareholding Bank's Client Manager. If the client doesn't agreed with the offered solutions (i.e. regularisation and payment delays), Alba Leasing send a pre-resolution letter. The file is then send to Ufficio Contenzioso\*

- "Rischi Standard" (up to 250 k€): the recovery actions in relation to this category are based on (i) a first internal dunning activity (carried out by Alba or by the Shareholding Banks), followed by (ii) activities carried out by external credit recovery companies and, finally (iii) surveys provided by external assessment of credit risk companies for an extra-judicial recovery. If the client does not agree with the offered solutions (i.e. regularisation and payment delays), Alba Leasing send a pre-resolution letter. The file is then send to Ufficio Contenzioso\*

\*Included in *Direzione Crediti Problematici*.

The procedure monitors all the possible results coming from the recovery activity, i.e. (i) regularization, (ii) payment delays, (iii) advanced cancellation of the contract, (iv) return of the asset and (v) bilateral agreement asset sale. If the client does not agree with the proposed solutions, the file is then sent to U.O. Recupero Crediti e *Contenzioso* (Litigation Department).

Generally, the following activities are carried on in the context of the Credit Recovery phase:

- At the same time of the classification of the overdue payment in the EPC tool, (i) automatic reminder (first letter to the client) and phone calls to the client (directly or through the Shareholder Banks or

through Call Centers) are triggered;

- After 30 days: a second automatic reminder is sent to the customer and the file is sent to a Credit Recovery Company (which may spend a maximum of 30+30 days in order to contact the client and recovery the credit);
- After 30+15 days the file is sent to the internal Client Manager in order to assess the global risk and the recovery actions to be taken;
- Within 90 days after the payment date, Alba Leasing sends to the client an ad-hoc Pre-termination communication;
- Thereafter, if the non-judicial procedure doesn't produce any positive result, Alba Leasing terminates the contract (pursuant to Italian law 124/2017): litigation procedure is enacted (only for contracts with outstanding debt higher than € 2,500, if the outstanding debt is lower than Euro 2,500, such unpaid amount is directly written off).

Bankruptcy Procedures: activities carried out in relation to delinquent and defaulted contracts, for which Alba Leasing has opted to proceed with extra-judicial or judicial activities (including Litigation procedures).

Litigation activities are aimed to recover the property (*Decreto Ingiuntivo* and *Precetto di Restituzione*) and to obtain the payment of the outstanding amount (*Decreto Ingiuntivo* and *Precetto di Pagamento*).

All activities related to Credit Recovery Process are centralized in *Direzione Crediti Problematici*. Within the Department, different offices are responsible for different activities:

*U.O. Recupero Crediti* (Credit Recovery Department) is in charge of the:

- Recovery phase in relation to unpaid receivables;
- Detection of the failure to pay and distinction between alleged and actual failure;
- Management of files in the pre-litigation phase, with the aim at recovering the unpaid amounts (directly or through external advisors);
- Management of the payments received by delinquent/defaulted clients;
- Proposal and evaluation of the expected loss in relation to the relevant clients;
- Preparation and updating of internal regulations and procedures (in relation to Credit Recovery matters).

*U.O. Contenzioso* is in charge of the:

- Preparation and periodical updates of documentation;
- Providing legal / advisory support and monitoring both the litigation procedures and credit recovery process;
- Management of legal procedures;
- Management of relationships with Public Authorities (i.e. fiscal entity);
- Management of judicial and extra-judicial procedures;

- Preparation and update of internal regulations and procedures;
- Management of client's claims;
- Recovery of automotive assets through the filing of a report to the police authority (only for cases of embezzlement).

*U.O. Restructuring* supported by the Alba Leasing Legal Office is in charge of the:

- Analysis and management of contractual remodeling requests (extensions, moratorium) presented by customers;
- Participation in the restructuring agreements (Bankruptcy Law articles 67 and 182) and management of the resolution;
- Analysis and management of contractual change requests (takeovers, subleases) presented by non-performing customers;
- Support to the Credit Recovery Office in the monitoring of the payment of the instalments relating to previously rescheduled contracts;
- Analysis and management of complaints submitted by non-performing customers;
- Reporting.

*U.O. Re-marketing* is responsible for the recovery, storage and re-location of assets subject to the lease agreements and in particular it is in charge of:

- Estimating costs of removal for financed assets;
- Performing site visits and inspections;
- Managing, following the resolution of the contract, the voluntary handover of assets and / or execute the overt act on the asset with the aid of the bailiff;
- Selling of goods.

The recovery activities of the assets are conducted by a panel of outsourcers specialized by leasing product (Equipment and Real Estate).

The U.O. Re-marketing monitors and manages the entire recovery process, overseeing the outsourcers' activities.

## THE PORTFOLIO

### 1. THE LEASE CONTRACTS

The Lease Contracts have been entered into by Alba Leasing primarily with small and medium size private businesses and other individual entrepreneurs. Generally, the Lease Contracts are based on Alba Leasing 's standard form which incorporates certain standard terms and conditions and which contains a description of the asset, the rental payments and any other agreed terms or conditions. The Lease Contracts are substantially similar in general form and content but each is unique to the asset included in the Lease Contract to the extent of its specially negotiated terms and conditions, if any. All of the Lease Contracts require the Lessee to maintain the asset in good working order or condition, to bear all other costs of operating and maintaining the asset, inclusive of payment of taxes and insurance relating thereto and cannot be cancelled by the Lessee.

The Lease Contracts are governed by Italian Law.

The Portfolio comprises Receivables deriving from Lease Contracts selected on the basis of the Criteria of the following assets:

- (a) **"Pool No. 1"** Receivables originated under Lease Contracts the related Assets of which are vehicles, motor-vehicles, cars, light lorries, lorries, commercial vehicles, industrial vehicles or other motorised vehicles excluding aircrafts.
- (b) **"Pool No. 2"** Receivables originated under Lease Contracts the related Assets of which are instrumental assets (e.g. machinery, equipment and/or plants).
- (c) **"Pool No. 3"** Receivables originated under Lease Contracts the related Assets of which are real estate assets, and
- (d) **"Pool No. 4"** Receivables originated under Lease Contracts the related Assets of which are ships, vessels, airplanes or trains.

Pursuant to the Transfer Agreement, the Originator has transferred to the Issuer only the Instalments due from 1<sup>st</sup> December 2019 (included).

### 2. SELECTION CRITERIA OF THE PORTFOLIO

In order to ensure that the Receivables have the same legal and financial characteristics, the Receivables included in the Portfolio arise from Lease Contracts which, as at the Valuation Date, (or the different date specified in the relevant criterion) met the following criteria (the **"Criteria"**):

- (a) have been entered into by Alba Leasing in its quality as lessor of the assets of the leasing contracts;
- (b) which provide an effective date of the leasing falling on 1 January 2010 or other later date;
- (c) have been denominated in Euro;
- (d) in respect of which the first instalment (*canone anticipato*) has been paid by the relevant debtor on the date of execution of the relevant Lease Contract;

- (e) in respect of which the instalments are payable by the relevant lessee through SEPA direct debit (SDD);
- (f) which provide for the payment of the relevant instalment on a monthly, two-monthly, quarterly or semi-annual basis;
- (g) which provide for a fixed interest rate or floating interest rate, and in such latter case, the relevant indexing carried out by way of recalculation (and not by way of adjustment) is linked to one-month Euribor, three-month Euribor or six-month Euribor;
- (h) are governed by Italian law (as provided for in the relevant Lease Contract);
- (i) have not been entered into
  - (i) pursuant to Law No. 1329 of 28 November 1965 (i.e. "*Legge Sabatin*", as further amended and supplemented) and of Law Decree No. 69 of 21 June 2013, converted into law by Law No. 89 of 9 August 2013 (i.e. "*Legge Sabatini-bis*", as amended and supplemented), as set forth in the relevant Lease Contract, or
  - (ii) on the basis of any other facility or contribution by the State or public administrations or public entities, or private companies being directly or indirectly controlled by a public administration, nor on the basis of any provision, giving right to any *droit de suite (diritto di seguito)*, property or other privilege in favour of such entities, save for the facilities or contributions provided by:
  - (iii) the "*Strumento di condivisione del rischio per PMI e Small Mid Cap innovative e orientate alla ricerca (Strumento RSI) – Compartimento dedicato allo strumento finanziario di condivisione del rischio*" granted by the European Investments Fund (code 063);
  - (iv) the InnovFin guarantee granted by the European Investment Fund (EIF) with the financial support of the European Union under the terms of the programme Orizon 2020 (of 12 June 2014 and as amended on: 19 January 2015, 15 June 2015, 22 July 2015, 10 December 2015 and 31 March 2016) and of the European Fund for Strategic Investments (EFSI) as provided for under the Investment Plan for Europe (code 064 and code 065);
  - (v) Law No. 240 of 21 May 1981 (*Provvidenze a favore dei consorzi e delle società consortili tra piccole e medie imprese nonché delle società consortili miste*) (code 200 and 205);
  - (vi) agreement between the Italian Ministry for the economic development, Cassa Depositi e Prestiti S.p.A. and the Italian Banking Association executed on 14 February 2014, as coordinated with the technical implementing rules issued on 25 March 2014, 3 June 2014, 5 June 2014 and 9 June 2014 (code 259);
  - (vii) Law No. 598/1994 (code 300);
  - (viii) the Regional Operative Programme (POR-FESR) 2007–2013 of Liguria Region and by the Resolution of the Regional Committee of Liguria Region (*Delibera della Giunta Regionale*) No. 1278 of 26 October 2007 (code 440);

- (ix) Law No. 662 of 23 December 1996 (*Misure di razionalizzazione della finanza pubblica*) (code 494);
- (x) the Regional Operative Programme (POR-FESR) 2007–2013 of Veneto Region and by the Resolution of the Regional Committee of Veneto Region (*Delibera della Giunta Regionale*) No. 3495 of 17 November 2009 (code 495);
- (xi) Regional Law of Veneto No. 5 of 9 February 2001 and the implementing regulations adopted by the resolutions of the council of the Veneto Region No. 70 of 23 January 2004, No. 117 of 31 January 2012 and No. 676 of 17 April 2012 (code 496);
- (xii) Regional Law of Veneto No. 2 of 17 January 2002 (code 499);
- (xiii) Provincial Law of Bolzano – Alto Adige of 13 November 1986 no. 27 (*Credito al Commercio*) as abrogated by Provincial Law of Bolzano – Alto Adige of 13 February 1997 no. 4 (code 535);
- (xiv) Provincial Law of Bolzano No. 1 of 8 January 1993 (code 536);
- (xv) Provincial Law of Trento No. 6 of 13 December 1999, No. 6 and the implementing regulations adopted by the resolutions of the council of the Autonomous Province of Trento (code 547);
- (xvi) the resolution of the President of Emilia Romagna Region in its quality as Delegate Commissioner (*Commissario Delegato*) No. 57 of 12 October 2012, as amended from time to time (including the amendments adopted by the resolution of the President of Emilia Romagna Region in its quality as Delegate Commissioner No. 28 of 17 April 2014) (code 548);
- (xvii) the Regional Operative Programme (POR-FESR) 2007–2013 of Umbria Region, approved by the European Commission with code CCI 2007IT 162 PO 013 (code 590);
- (j) whose debtors declared, in the relevant Lease Contract, to be resident or to have their registered office in Italy;
- (k) whose debtors are not employees, directors or shareholders of Alba Leasing;
- (l) whose debtors are not public administrations, local authorities or public entities (including those provided for under article 1, paragraph 3 of Law No. 196 of 31 December 2009 and published annually by the ISTAT on the Official Gazette), nor companies that are, directly or indirectly, controlled by a public administrative entity or by a local authority;
- (m) whose debtors (in accordance with the classification criteria set out in the Circular of the Bank of Italy No. 140 of 11 February 1991, as amended from time to time) are not included in the categories identified by one of the following SAE Activity Codes (*Codice Attività SAE*): SAE Code 247 (monetary mutual funds), SAE Code 245 (banking system), SAE Code 300 (Bank of Italy), SAE Code 248 (electronic money institutions), SAE Code 101 (Cassa Depositi e Prestiti S.p.A.);



- (n) whose debtors are not subject to any insolvency proceeding;
- (o) whose debtors have duly and timely paid all the instalments or there are no Instalments due and unpaid for more than 30 days from the relevant due date;
- (p) which provide the obligation of the relevant lessees to enter into an insurance policy issued by a primary insurance company in order to guarantee the relevant asset, and, with reference to the Lease Contracts entered into from 1 October 2012, to execute an appendix (*appendice di vincolo*) in favour of Alba Leasing;
- (q) the assets under the relevant Lease Contract include:
  - (i) real estate properties located in Italy;
  - (ii) trains, ships, vessels, aircrafts;
  - (iii) vehicles, motor-vehicles, cars, light lorries, trucks, commercial vehicles, industrial vehicles, or other vehicles excluding aircrafts registered or having a numberplate in Italy, or
  - (iv) instrumental assets (*beni strumentali*) (such as machineries, equipments and plants);
- (r) no enforcement proceedings, precautionary or similar measures in relation to the assets under the relevant Lease Contracts have been notified to the relevant lessees by Alba Leasing or by any other third party acting on its name and on its behalf;
- (s) none of the relevant debtors has ever notified to Alba Leasing a report (*denuncia*) of theft in respect of the relevant assets;
- (t) the building of the assets under the relevant Lease Contracts has been completed and such assets have been delivered to the relevant lessee;
- (u) which provide the relevant debtor to be obliged to perform all the due payments also in case the relevant assets should not meet the requirements for their scope of use, should be destroyed or should not be at disposal of the relevant debtors for any reason not ascribable to Alba Leasing (so called "*Net Lease*");
- (v) which expressly provide the possibility in favour of the relevant debtor to purchase the relevant assets at the expiration of the relevant Lease Contract (c.d. "*financial leases*");
- (w) which provide instalments (a) to be paid in accordance with a "French" amortisation plan providing for all instalments, or series of instalments, having constant amounts and (b) consisting of a principal component and an interest component;
- (x) which do not provide for a single, joint and in advance billing of the relevant Instalments and which are not subject to physical invoicing;
- (y) which do not provide for an interest rate equal to zero;
- (z) the due date of the relevant instalments (excluding the amount due by the relevant debtors at the expiry of the relevant Lease Contracts, in case such debtors exercise their

right to purchase the relevant asset) falls on the first day of the month;

- (aa) whose instalments due (excluding the amount due by the debtor at the expiry of the relevant Lease Contract, in case the debtor exercises its right to purchase the relevant asset) are at least two;
- (bb) whose debtors have not issued promissory notes (*cambiali*) in favour of Alba Leasing for granting the payment of one or more instalments arising from such Lease Contracts;
- (cc) whose outstanding debt is greater than Euro 5,000,

but excluding the receivables that, even meeting the above Criteria, meet one or more of the following Criteria:

- (A) the relevant Debtors have benefitted or have availed themselves of the benefits and suspensions of payments under Decree 17 October 2016, no. 189, as converted into law with the relevant amendments pursuant to Law 15 December 2016, no. 229; and
- (B) the relevant Debtors have requested Alba Leasing to provide them with a calculation of the amount necessary to early repay the outstanding debt under the relevant Lease Contract within 45 days before the Valuation Date;

and including the Receivables that as at the Valuation Date, (or the different date specified in the relevant criterion) meet one or more of the following Criteria:

- (dd) in relation to which the residual contractual duration is not extended over:
  - (i) 1<sup>st</sup> March 2027 for those Lease Contracts concerning vehicles, motor-vehicles, cars, light lorries, lorries, commercial vehicles, industrial vehicles or other motorised vehicles excluding aircrafts;
  - (ii) 1<sup>st</sup> December 2028 for those Lease Contracts concerning the instrumental assets (e.g. machineries, equipment and/or plants);
  - (iii) 1<sup>st</sup> July 2034 for those Lease Contracts concerning real estate assets; and
  - (iv) 1<sup>st</sup> June 2029 for those Lease Contracts concerning ships, vessels, airplanes or trains;
- (ee) in relation to which the payment date of the last instalment (as indicated in the relevant Lease Contracts) does not fall after June 2034,

but excluding the Receivables that, even meeting the above Criteria, are identified with one of the following codes (as specified in the relevant lease agreement):

1.002.223	1.035.848	1.051.822	1.061.388	1.093.153	1.118.269
1.002.349	1.036.146	1.052.025	1.061.757	1.093.366	1.119.560
1.003.074	1.036.517	1.052.120	1.062.047	1.093.742	1.120.268
1.003.625	1.036.647	1.052.251	1.062.571	1.094.176	1.120.934

1.003.726	1.036.751	1.052.513	1.062.662	1.094.234	1.121.131
1.003.866	1.036.832	1.052.936	1.063.305	1.095.688	1.121.202
1.003.986	1.037.876	1.053.022	1.063.802	1.095.801	1.122.469
1.004.855	1.037.950	1.053.061	1.063.925	1.096.705	1.122.959
1.005.518	1.038.129	1.053.510	1.063.994	1.097.089	1.123.526
1.005.796	1.038.351	1.053.516	1.064.339	1.098.349	1.124.589
1.006.820	1.038.367	1.053.734	1.064.401	1.098.591	1.125.125
1.007.402	1.038.537	1.053.793	1.064.419	1.100.200	1.125.141
1.007.407	1.038.607	1.054.134	1.064.956	1.102.177	1.125.924
1.008.385	1.038.929	1.054.814	1.065.540	1.102.659	1.126.147
1.008.437	1.041.208	1.054.936	1.065.713	1.102.681	1.126.464
1.008.821	1.041.278	1.055.050	1.066.772	1.103.172	1.128.621
1.009.365	1.041.701	1.055.355	1.070.241	1.104.926	1.128.744
1.009.457	1.042.112	1.055.370	1.070.526	1.106.130	1.128.761
1.010.398	1.042.266	1.055.581	1.070.978	1.106.833	1.128.790
1.010.440	1.042.406	1.055.693	1.071.947	1.106.909	1.128.796
1.011.420	1.043.318	1.055.718	1.072.896	1.106.966	1.129.000
1.013.546	1.043.329	1.056.046	1.073.022	1.108.174	1.129.723
1.014.088	1.043.650	1.056.434	1.074.097	1.108.564	1.129.965
1.015.537	1.043.755	1.056.445	1.074.604	1.108.710	1.131.343
1.015.692	1.043.780	1.056.680	1.074.921	1.108.894	1.131.572
1.016.657	1.044.067	1.056.932	1.075.666	1.109.364	1.131.741
1.017.638	1.044.085	1.057.326	1.076.945	1.110.055	1.133.121
1.021.993	1.044.377	1.058.944	1.077.090	1.111.571	1.133.124
1.022.848	1.044.413	1.059.074	1.077.105	1.112.097	1.133.810
1.023.503	1.045.190	1.059.087	1.078.586	1.112.721	1.133.813
1.023.816	1.045.237	1.059.090	1.079.859	1.113.500	1.133.825
1.023.930	1.045.360	1.059.192	1.081.326	1.113.911	1.134.510

1.024.977	1.045.692	1.059.234	1.082.616	1.114.088	1.134.620
1.026.893	1.046.185	1.059.376	1.083.400	1.114.495	1.135.576
1.027.994	1.046.742	1.059.410	1.085.192	1.114.566	1.135.753
1.030.266	1.047.515	1.060.091	1.086.662	1.114.885	1.136.718
1.031.354	1.047.996	1.060.142	1.086.842	1.115.015	1.136.728
1.031.541	1.048.645	1.060.198	1.088.200	1.115.411	1.140.988
1.033.497	1.049.502	1.060.392	1.088.330	1.115.711	1.141.001
1.034.171	1.049.690	1.060.744	1.090.593	1.117.176	1.141.002
1.034.565	1.049.756	1.061.236	1.090.773	1.118.153	1.142.371
1.034.998	1.049.944				

#### Statistical Information regarding the Portfolio

The following tables describe the characteristics of the Portfolio compiled from information provided by the Originator in connection with the acquisition of the Receivables by the Issuer on 2 October 2019. The information in the following tables reflects the position as at the Valuation Date of the Portfolio being 20 September 2019 (but with the exclusion of any Instalment relating to the Receivables included in such Portfolio which may fall due on such date (i.e. 20 September 2019)). As at the Valuation Date, the Outstanding Amount of the Portfolio is worth Euro 952,320,113.11.

The characteristics of the Portfolio as at the Issue Date may vary from those set out in the tables as a result of, *inter alia*, repayment or repurchase of the Receivables prior to the Issue Date (in relation to the Assets, the relevant value refers to the purchase price of the Asset as at the relevant origination date of the Lease Contract and has not been subject to any revaluation for the purpose of the issue of the Notes).

Unless stated otherwise, in the following range breakdown tables the lower boundary is intended included, the upper boundary is intended excluded.

PORTFOLIO OVERVIEW					
	Pool 1	Pool 2	Pool 3	Pool 4	Total Portfolio
Outstanding principal	197,088,279.58	520,833,460.73	218,513,181.66	15,885,191.14	952,320,113.11
% su Outstanding principal	20.70%	54.69%	22.95%	1.67%	100.00%
Residual Value	6,671,192.14	7,955,115.07	28,209,499.26	402,115.43	43,237,921.90
Original Financed Amount	243,091,980.29	672,812,249.16	279,672,032.36	22,471,406.70	1,218,047,668.51
Out. Princ Fixed Portfolio	13,167,178.26	35,027,986.23	0.00	629,516.55	48,824,681.04
Out. Princ	183,921,101.32	485,805,474.50	218,513,181.66	15,255,674.59	903,495,432.07

Floating Portfolio					
% Fixed Portfolio	6.68%	6.73%	0.00%	3.96%	5.13%
% Floating Portfolio	93.32%	93.27%	100.00%	96.04%	94.87%
Wavg Fixed Rate (on Fixed portfolio)	2.85	2.10	–	2.96	2.32
Wavg Spread Rate (on Floating portfolio)	2.84	2.43	2.60	2.76	2.56
Wavg Residual Life (years) *	4.04	4.25	10.70	5.44	5.93
Wavg Seasoning (years)	0.56	0.70	1.59	0.95	0.91
Number of Contracts	4,357	5,901	716	54	11,028
Average Outstanding Principal (contracts)	45,234.86	88,261.90	305,186.01	294,170.21	86,354.74
Number of Debtors (lessees)	2,760	4,291	687	47	7,569
Number of Debtors (groups)	2,713	4,136	683	46	7,307
Max. Financed amount	1,824,000.00	4,505,000.00	4,840,000.00	3,160,000.00	4,840,000.00
Max. Outstanding Principal	1,654,501.39	3,880,970.47	4,202,577.22	2,668,280.69	4,202,577.22
Top Lessee (Group) (%)	3.67%	1.12%	2.97%	16.90%	0.76%
Top 5 Lessees (Group) (%)	9.78%	4.15%	9.67%	50.49%	3.10%
Top 10 Lessees (Group) (%)	13.44%	7.18%	16.52%	67.33%	5.20%
Top 20 Lessees (Group) (%)	17.79%	11.79%	26.97%	84.03%	8.62%
TOP REGION (%)	Lombardia – 25.79%	Lombardia – 29.78%	Lombardia – 35.46%	Campania – 34.96%	Lombardia – 29.92%
TOP INDUSTRY (%) (Ateco 4941)	–	–	–	–	8.89%
Original WA Loan to Value (%) **	87.00%	85.93%	73.06%	77.96%	82.62%
Current WA Loan to Value (%) **	74.89%	72.73%	64.77%	65.65%	70.95%
WA PD(%) ***	1.53%	0.99%	2.14%	1.88%	1.42%
WA LGD (%) ***	35.82%	37.73%	17.85%	27.04%	31.92%

Average is weighted on residual average capital

\* Years counted till the last transferred instalment

\*\* Loan to value always calculated without residual value

\*\*\* Average is calculated including only contracts with populated pd/lgd

BREAKDOWN BY POOL						
POOL	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
Pool 1	4,357	39.51%	243,091,980.29	19.96%	197,088,279.58	20.70%
Pool 2	5,901	53.51%	672,812,249.16	55.24%	520,833,460.73	54.69%
Pool 3	716	6.49%	279,672,032.36	22.96%	218,513,181.66	22.95%
Pool 4	54	0.49%	22,471,406.70	1.84%	15,885,191.14	1.67%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY OUTSTANDING PRINCIPAL						
OUTSTANDING PRINCIPAL	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
<=5000	46	0.42%	3,823,601.86	0.31%	193,406.27	0.02%
>5,000 – <=20,000	2,857	25.91%	72,500,039.75	5.95%	37,199,031.54	3.91%
>20,000 – <=50,000	3,348	30.36%	148,400,082.19	12.18%	108,333,024.11	11.38%
>50,000 – <=100,000	2,514	22.80%	228,721,840.30	18.78%	181,276,054.13	19.04%
>100,000 – <=200,000	1,416	12.84%	241,887,193.53	19.86%	192,055,116.33	20.17%
>200,000 – <=250,000	216	1.96%	62,324,285.82	5.12%	48,104,461.03	5.05%
>250,000 – <=300,000	152	1.38%	51,575,327.93	4.23%	41,552,350.68	4.36%
>300,000 – <=400,000	164	1.49%	67,655,982.73	5.55%	55,904,243.69	5.87%
>400,000 – <=500,000	89	0.81%	46,385,258.13	3.81%	39,230,923.95	4.12%
>500,000 – <=750,000	96	0.87%	71,422,687.40	5.86%	57,100,014.54	6.00%
>750,000 – <=1,000,000	39	0.35%	39,152,033.34	3.21%	33,933,591.76	3.56%
>1,000,000 – <=1,500,000	52	0.47%	75,601,198.30	6.21%	64,774,139.97	6.80%
>1,500,000 – <=2,000,000	18	0.16%	36,484,429.03	3.00%	30,919,474.21	3.25%
>2,000,000 – <=3,000,000	12	0.11%	36,119,876.28	2.97%	30,479,431.40	3.20%
>3,000,000 – <=5,000,000	9	0.08%	35,993,831.92	2.96%	31,264,849.50	3.28%
>5,000,000 – <=7,000,000	0	0.00%	0.00	0.00%	0.00	0.00%
>7,000,000	0	0.00%	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY RATE TYPE						
RATE TYPE	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
Floating	10,521	95.40%	1,159,778,788.81	95.22%	903,495,432.07	94.87%
Fixed	507	4.60%	58,268,879.70	4.78%	48,824,681.04	5.13%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY GEOGRAPHICAL AREA						
Area	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
North	6,806	61.72%	775,387,646.76	63.66%	605,447,965.42	63.58%
Center	1,649	14.95%	191,267,134.72	15.70%	144,935,891.05	15.22%
South	2,573	23.33%	251,392,887.03	20.64%	201,936,256.64	21.20%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY REGION						
REGION	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
Lombardia	3,067	27.81%	358,936,319.82	29.47%	284,971,745.26	29.92%
Emilia Romagna	1,809	16.40%	184,921,863.89	15.18%	140,051,345.93	14.71%
Veneto	1,087	9.86%	141,171,725.39	11.59%	111,878,286.44	11.75%
Campania	811	7.35%	84,345,581.77	6.92%	69,053,004.32	7.25%
Lazio	715	6.48%	74,929,355.73	6.15%	57,816,606.03	6.07%
Toscana	532	4.82%	62,470,936.78	5.13%	44,627,942.40	4.69%
Puglia	450	4.08%	53,772,418.60	4.41%	42,625,590.07	4.48%
Piemonte	471	4.27%	50,754,042.66	4.17%	39,958,351.75	4.20%
Sicilia	513	4.65%	44,666,131.51	3.67%	34,257,008.22	3.60%
Marche	215	1.95%	35,759,492.06	2.94%	28,081,937.90	2.95%
Abruzzo	374	3.39%	33,265,511.98	2.73%	26,536,975.71	2.79%
Umbria	187	1.70%	18,107,350.15	1.49%	14,409,404.72	1.51%
Calabria	177	1.61%	14,296,738.74	1.17%	11,848,973.92	1.24%
Liguria	130	1.18%	15,205,117.44	1.25%	10,543,218.26	1.11%
Trentino Alto Adige	133	1.21%	13,121,721.10	1.08%	9,253,104.87	0.97%
Basilicata	136	1.23%	10,510,676.98	0.86%	8,794,362.12	0.92%
Friuli Venezia Giulia	102	0.92%	8,873,609.19	0.73%	7,082,383.92	0.74%
Sardegna	59	0.54%	7,257,385.72	0.60%	6,055,145.93	0.64%
Molise	53	0.48%	3,278,441.73	0.27%	2,765,196.35	0.29%
Valle D'Aosta	7	0.06%	2,403,247.27	0.20%	1,709,528.99	0.18%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY YEAR of ORIGIN						
YEAR of ORIGIN	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%

2010	1	0.01%	84,150.00	0.01%	47,489.15	0.00%
2011	44	0.40%	9,027,186.60	0.74%	3,154,356.73	0.33%
2012	8	0.07%	2,548,571.23	0.21%	1,391,019.54	0.15%
2013	235	2.13%	38,804,185.91	3.19%	14,794,429.11	1.55%
2014	433	3.93%	78,218,285.29	6.42%	27,227,521.70	2.86%
2015	165	1.50%	32,637,163.63	2.68%	8,818,975.86	0.93%
2016	7	0.06%	1,340,845.51	0.11%	498,662.22	0.05%
2017	21	0.19%	1,194,031.42	0.10%	681,208.37	0.07%
2018	2,619	23.75%	323,234,385.49	26.54%	258,359,346.74	27.13%
2019	7,495	67.96%	730,958,863.43	60.01%	637,347,103.69	66.93%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY ORIGINAL LIFE (years)						
ORIGINAL LIFE (Years)	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
<=1	0	0.00%	0.00	0.00%	0.00	0.00%
>1 - <=2	5	0.05%	538,373.50	0.04%	429,880.56	0.05%
>2 - <=4	639	5.79%	35,455,478.05	2.91%	26,485,466.08	2.78%
>4 - <=6	8,637	78.32%	708,114,342.48	58.14%	587,725,338.03	61.72%
>6 - <=10	1,022	9.27%	188,790,778.16	15.50%	116,966,018.14	12.28%
>10 - <=15	547	4.96%	241,811,377.64	19.85%	192,055,463.04	20.17%
>15 - <=20	176	1.60%	42,749,527.18	3.51%	28,213,959.59	2.96%
>20 - <=25	2	0.02%	587,791.50	0.05%	443,987.67	0.05%
>25	0	0.00%	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY SEASONING LIFE (years)						
SEASONING LIFE (Years)	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
<=1	9,962	90.33%	1,042,965,125.53	85.63%	887,482,621.36	93.19%
>1 - <=2	167	1.51%	12,018,233.32	0.99%	8,691,112.76	0.91%
>2 - <=4	13	0.12%	1,744,767.00	0.14%	712,586.90	0.07%
>4 - <=6	669	6.07%	122,545,867.30	10.06%	41,452,023.57	4.35%
>6 - <=10	217	1.97%	38,773,675.36	3.18%	13,981,768.52	1.47%
>10 - <=15	0	0.00%	0.00	0.00%	0.00	0.00%
>15 - <=20	0	0.00%	0.00	0.00%	0.00	0.00%
> 20	0	0.00%	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY RESIDUAL LIFE (years)						
RESIDUAL LIFE (Years)	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
<=1	216	1.96%	34,085,923.72	2.80%	2,410,530.03	0.25%
>1 - <=2	352	3.19%	43,499,500.82	3.57%	10,356,262.13	1.09%
>2 - <=4	3,315	30.06%	192,017,139.59	15.76%	143,394,780.59	15.06%
>4 - <=8	6,603	59.87%	704,797,347.09	57.86%	595,751,886.90	62.56%
>8 - <=12	488	4.43%	225,731,069.79	18.53%	186,359,702.04	19.57%
>12 - <=15	54	0.49%	17,916,687.50	1.47%	14,046,951.42	1.48%



>15 - <=20	0	0.00%	0.00	0.00%	0.00	0.00%
> 20	0	0.00%	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY PAYMENT FREQUENCY						
PAYMENT FREQUENCY	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
Monthly	10,484	95.07%	1,182,176,289.15	97.06%	930,193,493.85	97.68%
Quarterly	536	4.86%	33,317,182.96	2.74%	21,515,557.56	2.26%
Bimonthly	6	0.05%	2,360,696.40	0.19%	565,634.19	0.06%
Semi-annual	2	0.02%	193,500.00	0.02%	45,427.51	0.00%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY CLIENT GROUP						
CLIENT GROUP	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
1	412	3.74%	9,400,457.50	0.77%	7,233,057.52	0.76%
2	3	0.03%	7,900,000.00	0.65%	6,486,105.41	0.68%
3	14	0.13%	6,365,776.12	0.52%	5,859,261.15	0.62%
4	20	0.18%	6,717,725.60	0.55%	5,137,427.20	0.54%
5	2	0.02%	5,044,400.00	0.41%	4,797,648.72	0.50%
6	2	0.02%	5,780,138.55	0.47%	4,681,784.84	0.49%
7	5	0.05%	4,318,253.00	0.35%	3,964,248.24	0.42%
8	2	0.02%	4,720,000.00	0.39%	3,939,615.76	0.41%
9	1	0.01%	4,505,000.00	0.37%	3,880,970.47	0.41%
10	3	0.03%	4,130,350.00	0.34%	3,535,277.80	0.37%
11	3	0.03%	4,156,568.49	0.34%	3,418,877.53	0.36%
12	7	0.06%	3,886,674.43	0.32%	3,381,492.29	0.36%
13	1	0.01%	3,820,902.75	0.31%	3,326,896.48	0.35%
14	2	0.02%	3,896,000.00	0.32%	3,311,407.08	0.35%
15	9	0.08%	3,829,072.75	0.31%	3,308,020.92	0.35%
16	11	0.10%	4,315,115.26	0.35%	3,252,157.67	0.34%
17	1	0.01%	3,706,000.00	0.30%	3,179,757.51	0.33%
18	6	0.05%	3,842,858.81	0.32%	3,169,872.71	0.33%
19	4	0.04%	3,520,000.00	0.29%	3,162,462.73	0.33%
20	1	0.01%	3,480,000.00	0.29%	3,084,180.79	0.32%
Others	10,519	95.38%	1,120,712,375.25	92.01%	870,209,590.29	91.38%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY ATECO						
ATECO	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
4941	1,233	11.18%	104,489,958.61	8.58%	84,698,209.81	8.89%
2562	399	3.62%	65,540,933.97	5.38%	51,168,789.41	5.37%
682001	114	1.03%	31,402,747.59	2.58%	21,700,483.88	2.28%
6810	50	0.45%	17,910,176.46	1.47%	13,688,138.58	1.44%
4120	255	2.31%	16,116,713.34	1.32%	12,688,473.50	1.33%

2550	53	0.48%	15,807,512.82	1.30%	12,337,839.28	1.30%
2511	88	0.80%	14,274,032.52	1.17%	12,091,646.99	1.27%
2229	100	0.91%	15,394,785.82	1.26%	11,894,343.52	1.25%
561011	194	1.76%	13,457,898.24	1.10%	10,619,308.73	1.12%
1812	96	0.87%	12,659,172.26	1.04%	10,291,451.24	1.08%
7711	501	4.54%	12,835,964.31	1.05%	9,928,162.43	1.04%
2561	75	0.68%	10,831,789.55	0.89%	8,487,267.63	0.89%
7010	19	0.17%	9,737,111.88	0.80%	8,409,382.23	0.88%
2222	35	0.32%	10,245,058.98	0.84%	8,045,093.22	0.84%
4663	44	0.40%	8,858,524.25	0.73%	7,893,592.38	0.83%
4672	24	0.22%	8,265,329.35	0.68%	7,540,424.65	0.79%
5224	37	0.34%	7,942,319.13	0.65%	7,096,867.16	0.75%
31091	25	0.23%	7,822,310.97	0.64%	6,565,466.66	0.69%
3012	4	0.04%	7,922,743.08	0.65%	6,506,422.22	0.68%
6820	38	0.34%	8,872,350.87	0.73%	6,266,313.13	0.66%
Others	7,644	69.31%	817,660,234.51	67.13%	634,402,436.46	66.62%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY INTEREST REFERENCE RATE						
INTEREST REFERENCE RATE	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
Euribor 365 3ml puntuale	8,331	75.54%	869,376,125.60	71.37%	658,948,594.09	69.19%
BEI euribor 365 3ml less 0,25	1,405	12.74%	148,802,922.03	12.22%	133,003,363.78	13.97%
BEI euribor 365 3ml less 0,15	729	6.61%	128,321,917.13	10.54%	106,171,043.96	11.15%
Fixed	507	4.60%	58,268,879.70	4.78%	48,824,681.04	5.13%
BEI euribor 365 3ml less 0,20	13	0.12%	3,356,264.21	0.28%	2,357,329.64	0.25%
BEI euribor 365 3ml less 0,35	27	0.24%	5,327,186.34	0.44%	1,545,526.85	0.16%
Euribor 365 1ml puntuale	16	0.15%	4,594,373.50	0.38%	1,469,573.75	0.15%
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

BREAKDOWN BY INTEREST RATE						
INTEREST RATE	Number of Contracts		Financed Amount		Outstanding Principal	
	n	%	€	%	€	%
<b>Floating</b>	<b>10,521</b>	<b>95.40%</b>	<b>1,159,778,788.81</b>	<b>95.22%</b>	<b>903,495,432.07</b>	<b>94.87%</b>
<=0.5%	0	0.00%	0.00	0.00%	0.00	0.00%
>0.5% - <=1.0%	100	0.91%	47,612,597.90	3.91%	40,354,306.91	4.24%
>1.0% - <=1.5%	735	6.66%	217,666,645.41	17.87%	182,014,349.62	19.11%
>1.5% - <=2.0%	1,798	16.30%	280,901,625.58	23.06%	232,643,848.91	24.43%
>2.0% - <=2.5%	2,187	19.83%	200,461,206.56	16.46%	159,049,721.77	16.70%
>2.5% - <=3.0%	2,345	21.26%	156,293,906.38	12.83%	120,920,927.63	12.70%

>3.0% - <=3.5%	926	8.40%	73,954,836.11	6.07%	49,420,836.76	5.19%
>3.5% - <=4.0%	1,100	9.97%	79,626,170.46	6.54%	55,246,072.90	5.80%
>4.0% - <=4.5%	453	4.11%	43,170,051.21	3.54%	25,420,406.84	2.67%
>4.5% - <=5.0%	429	3.89%	34,033,042.56	2.79%	20,936,546.56	2.20%
>5.0% - <=5.5%	285	2.58%	17,977,079.04	1.48%	11,184,077.24	1.17%
>5.5% - <=6.0%	99	0.90%	4,704,827.20	0.39%	3,408,674.45	0.36%
>6.0% - <=6.5%	43	0.39%	2,225,980.29	0.18%	1,920,763.93	0.20%
>6.5% - <=7.0%	16	0.15%	769,554.48	0.06%	673,846.89	0.07%
>7.0% - <=7.5%	5	0.05%	381,265.63	0.03%	301,051.66	0.03%
>7.5% - <=8.0%	0	0.00%	0.00	0.00%	0.00	0.00%
>8.0% - <=8.5%	0	0.00%	0.00	0.00%	0.00	0.00%
>8.5%	0	0.00%	0.00	0.00%	0.00	0.00%
<b>Fixed</b>	<b>507</b>	<b>4.60%</b>	<b>58,268,879.70</b>	<b>4.78%</b>	<b>48,824,681.04</b>	<b>5.13%</b>
<=0.5%	0	0.00%	0.00	0.00%	0.00	0.00%
>0.5% - <=1.0%	0	0.00%	0.00	0.00%	0.00	0.00%
>1.0% - <=1.5%	18	0.16%	3,076,155.74	0.25%	2,733,343.00	0.29%
>1.5% - <=2.0%	156	1.41%	26,451,106.95	2.17%	22,540,972.05	2.37%
>2.0% - <=2.5%	87	0.79%	9,896,783.15	0.81%	8,371,517.87	0.88%
>2.5% - <=3.0%	69	0.63%	6,980,342.41	0.57%	5,883,559.21	0.62%
>3.0% - <=3.5%	65	0.59%	5,018,085.97	0.41%	3,750,726.33	0.39%
>3.5% - <=4.0%	48	0.44%	3,688,056.04	0.30%	2,859,693.33	0.30%
>4.0% - <=4.5%	28	0.25%	1,469,314.77	0.12%	1,258,508.82	0.13%
>4.5% - <=5.0%	24	0.22%	1,249,909.60	0.10%	1,046,634.22	0.11%
>5.0% - <=5.5%	11	0.10%	410,235.39	0.03%	357,983.49	0.04%
>5.5% - <=6.0%	1	0.01%	28,889.68	0.00%	21,742.72	0.00%
>6.0% - <=6.5%	0	0.00%	0.00	0.00%	0.00	0.00%
>6.5% - <=7.0%	0	0.00%	0.00	0.00%	0.00	0.00%
>7.0% - <=7.5%	0	0.00%	0.00	0.00%	0.00	0.00%
>7.5% - <=8.0%	0	0.00%	0.00	0.00%	0.00	0.00%
>8.0% - <=8.5%	0	0.00%	0.00	0.00%	0.00	0.00%
>8.5%	0	0.00%	0.00	0.00%	0.00	0.00%
<b>Foreign Currency</b>	<b>0</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>
<b>Total</b>	<b>11,028</b>	<b>100.00%</b>	<b>1,218,047,668.51</b>	<b>100.00%</b>	<b>952,320,113.11</b>	<b>100.00%</b>

## USE OF PROCEEDS

The total proceeds of the issue of the Notes, are expected to be, on the Issue Date, Euro 961,843,321.20 and will be applied by the Issuer to:

- (i) pay to the Originator the Notes Initial Instalment Payment of the Portfolio (net of an amount equal to the Retention Amount and net of any other fees to be paid by the Issuer in accordance with the Subscription Agreements), in accordance with the Transfer Agreement; and
- (ii) fund the Debt Service Reserve Amount.

## WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

The estimated weighted average life of the Class A Notes cannot be predicted as the actual rate and timing at which amounts will be collected in respect of the Portfolio and a number of other relevant facts are unknown.

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses).

The following table shows the estimated weighted average life of the Class A Notes and was prepared based on the characteristics of the Receivables included in the Portfolio as at the Valuation Date of the Portfolio and on additional assumptions, including the following:

- (a) no Trigger Event has occurred;
- (b) the Class A Notes will not be redeemed in accordance with Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) or Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*);
- (c) there are no Lease Contracts which are Delinquent Lease Contracts or Defaulted Lease Contracts;
- (d) the Receivables will be subject to a constant annual prepayment at the rates set out in the table below;
- (e) no purchases, sale and/or renegotiations on the Portfolio will be made;
- (f) the Aggregate Portfolio will reach its maximum amount at the end of the Ramp-Up Period;
- (g) at the end of the Ramp-Up Period, the scheduled amortisation profile of the Aggregate Portfolio is equal to the scheduled amortisation profile of the Initial Portfolio.

Constant Prepayment Rate (CPR) (%per annum)	Class A Notes	
	Expected Average Life (years)	Expected Maturity
0.0%	2.63	Jan 2024
0.5%	2.61	Jan 2024
1.0%	2.58	Jan 2024
1.5%	2.56	Jan 2024
3.0%	2.49	Oct 2023
5.0%	2.41	Oct 2023

The actual characteristics and performance of the Receivables are likely to differ from the assumptions used in constructing the above tables, which is hypothetical in nature and is provided only to give a general sense of how the cash flows might behave under varying prepayment scenarios. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the weighted average life of the Class A Notes to differ (and such difference could be material) from the corresponding information in the table above.

**The estimated average life of the Class A Notes is subject to factors largely outside the control of the**

Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with caution.

## THE ISSUER

### 1. Introduction

The Issuer was incorporated in the Republic of Italy as a special purpose vehicle pursuant to article 3 of the Securitisation Law, as a limited liability company (*società a responsabilità limitata*) with a sole quotaholder on 27 May 2019 under the name of Alba 11 WH S.r.l. and enrolled under No. 35636.0 in the register of the *società veicolo* held by Bank of Italy pursuant to article 4 of the Bank of Italy's Regulation dated 7 June 2017. The registered office of the Issuer is at Via V. Alfieri n. 1, 31015 Conegliano (Treviso). The fiscal code and enrolment number with the companies register of Treviso – Belluno is 05021510267. The Issuer's telephone number is +39 0438 360926.

The Issuer has no employees, operates under Italian law and under its by-laws it shall expire on 31 December 2100.

The authorised capital of the Issuer is Euro 10,000. The issued capital of the Issuer is Euro 10,000 fully paid up and fully owned by Stichting Vivalto.

Since the date of its incorporation, the Issuer has not commenced operations other than those incidental to its incorporation, authorising the issue of the Notes and the entering into the documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing.

To the best of its knowledge, the Issuer is not directly or indirectly owned or controlled, apart by its Sole Quotaholder. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and its Sole Quotaholder in the Transaction Documents and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer.

### 2. Principal activities

The scope of the Issuer, as set out in article 3 of its By-laws (*statuto*), is exclusively to purchase monetary receivables in the context of securitisation transactions, and to fund such purchases by issuing asset-backed securities or by other forms of limited recourse financing, all pursuant to article 3 of the Securitisation Law.

So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the Terms and Conditions and the Intercreditor Agreement, *inter alia*, incur any other indebtedness for borrowed moneys or engage in any business, pay any dividends, repay or otherwise return any equity capital, consolidate or merge with any person or convey or transfer its property or assets to any person.

The Issuer will covenant to observe, *inter alia*, those restrictions which are detailed in the Terms and Conditions.

### 3. Directors and auditors

The sole director (*amministratore unico*) of the Issuer (the **Director**) is Blade Management S.r.l., acting through its physical person designated Andrea Perin.

The Director was appointed on 27 May 2019 until resignation or revocation.

The physical person designated Alberto De Luca is domiciled for this purpose at Viale Italia n. 203 – 31015 Conegliano (TV), Italy.

No statutory auditors (*sindaci*) have been appointed.

The Director currently holds the following significant external role:

Company	Role
2017 Popolare Bari SME S.r.l.	Sole director
2019 Popolare Bari RMBS S.r.l.	Sole director
2019 Popolare Bari SME S.r.l.	Sole director
2RPlus SPV S.r.l.	Sole director
A-BEST EIGHTEEN S.r.l.	Sole director
A-BEST SEVENTEEN S.r.l.	Sole director
Achille SPV S.r.l.	Sole director
Afrodite SPV S.r.l.	Sole director
AGRESTI 6 SPV S.R.L.	President and managing director
Alba 10 SPV S.r.l.	Sole director
Alba 11 WH S.r.l.	Sole director
Alba 6 SPV S.r.l.	Sole director
Alicudi SPV S.r.l.	Sole director
Andromeda Finance S.r.l.	Sole director
Antares SPV S.r.l.	Sole director
APULIA FINANCE N.2 S.R.L. in Liquidazione	Liquidation administrator
Apulia Mortgages Finance N. 3 S.r.l. in Liquidazione	Liquidation administrator
Aquarius SPV S.r.l. in Liquidazione	Liquidation administrator
Arena Npl ONE S.r.l.	Director
Artemisia SPV S.r.l.	Sole director
Asset Luce S.r.l.	Sole director
Atena SPV S.r.l.	Sole director
Augustus SPV S.r.l.	Sole director
Aurora SPV S.r.l.	Sole director
Azzurro Holdings S.r.l.	Sole director
Black Gold SPV S.r.l.	Sole director
Borgo SPV S.r.l.	Sole director
Borromini SPV S.r.l.	Sole director
BPM SECURITISATION 3 SRL IN LIQUIDAZIONE	Liquidation administrator
Bronte SPV S.r.l.	Sole director
BVG Credit Finance S.R.L.	Sole director
Canada SPV S.r.l.	Sole director
Canasta SPV S.r.l.	Sole director
Caprese SPV S.r.l.	Sole director
Casa d'Este Finance S.r.l. in liquidazione	Liquidation administrator
CheeseTake S.r.l.	Sole director
CIVETTA SPV S.r.l.	Sole director
Clarix ABS 2011 S.r.l. in liquidazione	Liquidation administrator
Clarix Finance 2006 S.r.l. in liquidazione	Liquidation administrator
CLARIS FINANCE 2007 S.r.l. in Liquidazione	Liquidation administrator
Clarix Finance 2008 S.r.l. in Liquidazione	Liquidation administrator



Claris Lease 2015 S.r.l.	Sole director
Claris RMBS 2011 S.r.l. in liquidazione	Liquidation administrator
Claris SME 2015 S.r.l. in liquidazione	Liquidation administrator
Clelia Finance S.r.l. in Liquidazione	Liquidation administrator
Cometa SPV S.r.l.	Sole director
Corolla SPV S.r.l.	Sole director
Cosmica SPV S.r.l. in liquidazione	Liquidation administrator
CR Volterra 2 SPV S.r.l.	Sole director
Crio SPV II S.r.l.	Sole director
DEPO Lend SPV S.r.l.	Sole director
DEPO Start SPV S.r.l.	Sole director
Diamond TR S.r.l.	Sole director
Diesis SPV S.r.l.	Sole director
DRINA SPV S.r.l. in liquidazione	Liquidation administrator
Duomo SPV S.r.l.	Sole director
Elrond NPL 2017 S.r.l.	Sole director
Emerald Italy 2019 S.r.l.	Sole director
Energy SPV S.r.l.	Sole director
Epicuro SPV S.r.l.	Sole director
Erice Finance S.r.l. in liquidazione	Liquidation administrator
Eridano II SPV S.r.l.	Sole director
ERNA S.r.l.	Sole director
Estense Finance S.r.l. – in Liquidazione	Liquidation administrator
Eurohome (Italy) Mortgages S.r.l.	Sole director
Fenice SPV S.r.l.	Sole director
Gemma SPV S.r.l.	Sole director
Gironda SPV S.r.l.	Sole director
Grecale Rmbs 2015 S.r.l.	Sole director
IFIS ABCP Programme S.r.l.	Sole director
Igea SPV S.r.l.	Sole director
Impresa TWO S.r.l.	Sole director
Ingrid SPV S.r.l.	Sole director
Iron SPV S.r.l.	Sole director
ItalFinance Securitisation Vehicle 2 S.r.l.	Sole director
ITALFINANCE SECURITISATION VEHICLE S.r.l.	Sole director
Iustitia Futura S.r.l.	Sole director
K5 SPV S.r.l.	Sole director
Lady Moon SPV S.r.l.	Sole director
Lake Securitisation S.r.l.	Sole director
Lantana SPV S.r.l.	Sole director
Laurentina SPV S.r.l.	Sole director
LEASIMPRESA FINANCE SRL IN LIQUIDAZIONE	Liquidation administrator
Legion CQ S.r.l. in liquidazione	Liquidation administrator
Leila SPV S.r.l. in Liquidazione	Liquidation administrator
Life Mortgage S.r.l.	Sole director
Locam NPL Securitization S.r.l.	Sole director

Luce SPV S.r.l.	Sole director
Magnolia BTV S.r.l.	Sole director
MAJA FINANCE S.R.L.	Sole director
Marche M5 S.r.l. in liquidazione	Liquidation administrator
Marche Mutui 4 S.r.l. in Liquidazione	Liquidation administrator
MARCHE MUTUI SOC.PER LA CART. S.R.L. IN LIQUIDAZIONE	Liquidation administrator
Marmarole SPV S.r.l.	Sole director
Marte SPV S.r.l.	Director
Medioleasing Finance S.r.l. in Liquidazione	Liquidation administrator
Micro-E Finance S.r.l.	Sole director
Milo SPV S.r.l.	Sole director
Moka Bean S.r.l.	Sole director
Monviso Finance S.r.l.	Sole director
Morgana 1 S.r.l.	Sole director
Nabu SPV S.r.l.	Sole director
Nuova Frontiera SPV S.r.l.	Sole director
Oniro SPV S.r.l.	Sole director
Orazio SPV S.r.l.	Sole director
Panarea SPV S.r.l.	Sole director
Penelope SPV S.r.l.	Sole director
Peralba SPV S.r.l.	Sole director
Pietra Nera Uno S.r.l.	Sole director
Pigafetta SPV S.r.l. in liquidazione	Liquidation administrator
Pinzolo SPV S.r.l.	Sole director
Quadrivio RMBS 2013 S.r.l. in Liquidazione	Liquidation administrator
Quadrivio SME 2014 S.r.l. in liquidazione	Liquidation administrator
Quinto Sistema Sec. 2017 S.r.l.	Sole director
Raphael SPV S.r.l.	Sole director
Redlabrador S.r.l.	Sole director
RENI SPV S.r.l. in Liquidazione	Liquidation administrator
Reno SPV S.r.l.	Sole director
Rubidio SPV S.r.l.	Sole director
Senna SPV S.r.l. in Liquidazione	Liquidation administrator
SETAFIA SPV SRL	Sole director
Shape S.r.l.	Sole director
Sierra SPV S.r.l.	Sole director
Sirius SPV S.r.l.	Sole director
Sofia Mortgages S.r.l.	Sole director
Sole SPV S.r.l.	Sole director
Sorapiss SPV S.r.l.	Sole director
Steel Lion S.r.l.	Sole director
Stelvio SPV S.r.l.	Sole director
SWAN SPV S.r.l.	Sole director
Tamigi SPV S.r.l.	Sole director
Tanaro SPV S.r.l.	Sole director

Taurus 2017-1 IT S.r.l.	Sole director
Tersicore Finance S.r.l. in Liquidazione	Liquidation administrator
TIBERIUS SPV S.r.l.	Sole director
Tierre Securitisation S.r.l.	Sole director
TYNDARIS PRESTACAP SPV S.R.L.	Sole director
Valconca SPV S.r.l.	Sole director
Valsabbina Investimenti S.r.l.	Sole director
Valsabbina SME SPV S.r.l.	Sole director
Valsabbina SPV 1 Srl	Sole director
Vela ABS S.r.l.	Sole director
Vidal SPV S.r.l.	Sole director
Volga SPV S.r.l. in Liquidazione	Liquidation administrator
Zeno SPV S.r.l.	Sole director

#### 4. Capitalisation

The capitalisation of the Issuer as at the Issue Date is as follows:

<b>(a) Issued share capital</b>	
Registered capital divided into quotas (fully paid)	€10,000
<b>(b) Loan capital</b>	
Up to Euro 1,050,000,000.00 Class A Asset-Backed Floating Rate Notes due July 2039	€ 666,624,084.00
Up to Euro 465,000,000.00 Class J Asset-Backed Floating Rate Notes due July 2039	€ 295,219,237.20
Total loan capital	€ 961,843,321.20

Save for the foregoing, at the date of this Prospectus, the Issuer has no borrowings or indebtedness in the nature 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.

#### 5. Financial statements

Since its date of incorporation the Issuer has not commenced operations and no statutory financial statements have been made up as at the date of this Prospectus. The Issuer's financial year end is 31 December of each calendar year. The first financial statements of the Issuer will be published with respect to the period ending on 31 December 2019.

#### 6. Accounting treatment of the Receivables

Pursuant to the applicable regulations of the Bank of Italy, the accounting information relating to the Securitisation and to the previous securitisations (if any) will be contained in the Issuer's "*nota integrativa*" which, together with the balance sheet and the profit and loss statement form part of the

financial statements of an Italian limited liability company ("*società a responsabilità limitata*").

## THE CALCULATION AGENT

Securitisation Services S.p.A., a joint stock company with a sole shareholder whose registered office is at Conegliano (TV), Via Alfieri No. 1, share capital of Euro 2,000,000.00, fully paid up, tax code and registration number in the Register of Companies of Treviso – Belluno 03546510268, VAT Group “Gruppo IVA FININT S.P.A.” – VAT number 04977190265, currently enrolled under number 50 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 group known as “Gruppo Banca Finanziaria Internazionale”, registered with the register of the banking group held by the Bank of Italy, subject to direction and coordination (soggetta all'attività di direzione e coordinamento) by Banca Finanziaria Internazionale S.p.A..

Securitisation Services S.p.A. is an independent Italian financial services organisation, leading provider of services to the structured finance industry. 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, back-up calculation agent in several structured finance deals.

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

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

The information contained in this section "*The Calculation Agent*" relates to Securitisation Services S.p.A. and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Securitisation Services S.p.A., no facts have been omitted which would render the reproduced information inaccurate or misleading. 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 AGENTS

Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan – Monza – Brianza – Lodi number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy.

Citibank N.A. is a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

**The information contained in paragraphs above relates to Citibank and has been obtained from it. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Citibank, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Citibank since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.**

## SUMMARY OF PRINCIPAL DOCUMENTS

*The description of the principal Transaction Documents set out below is a summary of certain features of the agreements and is qualified by reference to the detailed provisions of the relevant agreements. Prospective Noteholders may inspect a copy of each Transaction Document upon request at the registered office of the Representative of the Noteholders. Capitalised terms used in the description below, to the extent not defined in this Prospectus, shall have the meanings ascribed to them in the Master Definition Agreement.*

### 1. THE TRANSFER AGREEMENT

#### General

On 2 October 2019, the Issuer and the Originator entered into the Transfer Agreement setting out, *inter alia*, the terms and conditions for the sale of the Initial Portfolio transferred by the Originator to the Issuer and the purchase by the Issuer of any other Subsequent Portfolio.

#### The Initial Portfolio

Under the Transfer Agreement the Issuer purchased, on 2 October 2019, the Portfolio from the Originator (with economic effects as of 20 September 2019 (excluded)), the Initial Purchase Price shall be funded through the net proceeds of the Notes.

#### Key features of the sale of the Portfolio

The Portfolio has been transferred without recourse (*pro soluto*), in accordance with the Securitisation Law and subject to the satisfaction of certain conditions set forth in the Transfer Agreement.

The Portfolio has been selected on the basis of the Criteria (for further details, see the section entitled "*The Portfolio*").

#### Representations and warranties as to matters affecting the Originator

The Transfer Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, among others:

- (a) all information and data provided by the Originator to the Issuer (including their respective agents and advisors) and the Rating Agency in relation to the Transfer Agreement, the other Transaction Documents and, in general in relation to the Securitisation, and concerning, but not limited to, the Originator itself, the Lease Agreements, the Instalments, the Lessees, the Assets, as well as the Criteria, are true, correct and complete in all respects;
- (b) the Originator is a legal entity, validly incorporated and which is existing and solvent in accordance with Italian law;
- (c) the Originator has taken all actions and obtained all authorisations necessary for the execution and the completion of the Transfer Agreement and all other Transaction Documents to which it is a party;

- (d) the execution and the completion by the Originator of the Transfer Agreement and all other Transaction Documents to which it is a party do not breach nor violate: (i) its constitutional documents or by-laws; (ii) any relevant laws or regulations in force; (iii) contracts, deeds, agreements or other documents which are binding upon the Originator; or (iv) any judicial proceedings, decisions, arbitral awards, injunctions or any decrees which are binding or influential upon the Originator or upon its assets;
- (e) the Transfer Agreement and all other Transaction Documents to which the Originator is a party (i) constitute obligations which are legal, valid and binding on the Originator and which are validly enforceable against it and (ii) have been entered into by the Originator in the course of its commercial activity;
- (f) no disputes, judicial proceedings, arbitral proceedings or legal actions exist, are pending or are threatened against the Originator in respect of its assets (including the Receivables) or its business activities nor are there any commenced or threatened disputes, judicial proceedings, arbitral proceedings or legal actions before any court or applicable regulatory authority which could prejudice on the capacity of the Originator to definitively and irrevocably transfer, with no possibility of revocation, the Receivables in accordance with the terms of the Transfer Agreement, or which could prejudice the Originator from diligently fulfilling its obligations under the Transfer Agreement and all other Transaction Documents to which it is a party;
- (g) no facts or circumstances exist which could render the Originator insolvent or otherwise unable to diligently fulfil its obligations or which could expose it to insolvency proceedings, nor has any step been taken for liquidation or winding up of the Originator, nor have any other acts been taken against the Originator which may prejudice its ability to acquire or sell the Receivables or to fulfil the obligations undertaken by it under the terms of the Transfer Agreement or fulfil its obligations under any other Transaction Documents to which the Originator is a party, nor shall the execution of the Transfer Agreement any other Transaction Documents to which it is a party cause the Originator to become insolvent;
- (h) in the administration and management of both the Receivables and the Lease Agreements, the Originator has complied with all applicable regulations on the protection of personal data and confidentiality, including, but not limited to, the provisions of the Privacy Law;
- (i) the financial statement as at 31 December 2018 has been prepared in compliance with the general accounting standards, in accordance with the Italian law, and has been positively certified by external auditors acknowledged at international level;
- (j) there has been no material adverse change in the financial and administrative condition of the Originator since the date of its most recent audited balance sheet which may prejudice the Originator's ability to comply with and diligently fulfil its obligations under the Transfer Agreement and all other Transaction Documents to which it is a party.

#### **Representations and warranties in relation to the Receivables**

The Transfer Agreement contains representations and warranties of the Originator in respect of the Receivables originated by it comprised in the Portfolio sold to the Issuer, including, among



others, that:

- (a) the Receivables are existent and constitute valid, legal and binding obligations of the Lessee and/or any Guarantors;
- (b) the prospectus of the Receivables attached to the Transfer Agreement provides in relation to the Receivables comprised in the Portfolio all information required by the terms of the Transfer Agreement and such information are true, correct and complete;
- (c) as at the Valuation Date and Transfer Date, (i) none of the Receivables relates to a Delinquent Lease Contract or a Defaulted Lease Contract, (ii) is in default pursuant to article 178, paragraph 1, of Regulation (EU) No. 575/2013;
- (d) all permits, approvals and authorisations have been obtained from and all registrations have been made with the relevant authorities, which are necessary for the transfer of the Receivables and for the payment of the same by the relevant Lessees and Guarantors;
- (e) the Receivables have been selected on the basis of and in accordance with the Criteria attached to the Transfer Agreement, and, with respect to Subsequent Portfolios, in accordance with the Criteria attached to the relevant Deed of Transfer;
- (f) the Receivables have been originated by the Originator in the course of its commercial activity and in compliance with underwriting parameters no less rigorous than those applied by the Originator to similar non-securitised exposures at the time of their origination;
- (g) each Lease Contract is governed by Italian law;
- (h) each Lease Contract, as well as any other contract, agreement, deed or document related thereto, has been executed in compliance with all applicable laws and regulations, including, but not limited to, the laws and regulations governing leasing activities, the Privacy Legislation, the Usury Law and the provision of article 1283 of the Italian Civil Code, as amended and supplemented from time to time;
- (i) each Lease Contract has been executed in compliance with the contractual standards utilised from time to time for lease contracts by the Originator and has been amended, among the relevant signing date and the transfer date, on the basis of the Collection Policies and the Transaction Documents;
- (j) the Originator has the exclusive title to the Receivables and the corresponding Assets and the Originator did not transfer (neither by way of outright transfer nor by way of security) to any third party, transfer in any community of property, create a mortgage over, create any lien on, any Receivables and/or Assets and it did not, and did not grant its consent to any third party to, create any lien, pledge, mortgage or any other encumbrances or rights or security rights for the benefit of third parties on any Receivables and/or Assets and it did not waive any of its rights deriving from the Receivables.
- (k) the Originator has possession of all complete and diligently kept books, registers, information and documents relating to each of its Lease Contracts, Receivables, Lessees and Assets;

- (l) as at the Valuation Date and Transfer Date, there are no disputes, judicial proceedings (civil or administrative), arbitral proceedings or legal proceedings in course, pending or threatened in relation to the Lease Contracts or the Receivables which may invalidate in any way the transfer of Receivables and/or the exercise of the rights relating to the Receivables;
- (m) as far as the Originator is aware on the basis of the information provided at the date of entering into of the relevant Lease Contract, all the real estate Assets comply with all applicable planning and building laws and regulations and all historical and architectural restrictions or, otherwise, a valid petition of amnesty with reference to any existing irregularity had been duly filed with the competent authorities;
- (n) the real estate Assets have been completed and are not under construction and conform with the description set out in the relevant Lease Contract and have been registered at the competent land registry or, otherwise, an application for such registration has been duly filed;
- (o) to the Originator's knowledge, having carried out all the necessary investigations, all real estate Assets comply with all applicable laws and regulations concerning health and safety and environmental protection (*legislazione in materia di igiene, sicurezza e tutela ambientale*);
- (p) the Lessees have entered into the Lease Contracts in the course of their commercial activity;
- (q) as far as the Originator is aware, no Lessee shall have any right to terminate, interrupt, suspend or reduce the payment of the instalments due, in case any of no recognition, delay, suspension or revocation of any of the contributions due pursuant to the Lease Contract;
- (r) all the Insurance Policies are legal and valid pursuant to the terms thereof. According to each Insurance Policy and, as far as the Originator is aware having carried out all the necessary investigations, any premium related to the Insurance Policies has been duly and timely paid;
- (s) the Originator is the beneficiary pursuant to each Insurance Policy (unless for such Insurance Policies covering Lease Contracts entered into within 1 October 2012 in relation to which there is no appendix (*appendice di vincolo*) in favour of the Originator) and the assignment by the Lessees of the rights owing to them under the insurance policies does not impact upon the validity of the Insurance Policies or the rights so assigned;
- (t) there is no possibility of set-off of receivables eventually claimed by the Lessees towards the Originator and the Receivables;
- (u) none of the Lease Contracts expressly provides for the possibility for the relevant Lessee to terminate in advance the relevant Lease Contract;
- (v) the Originator has not entered into any swap or other derivative contract with the Lessees in relation to the Receivables;

- (w) as far as the Originator is aware, the Assets of the Lease Contracts are not under enforcement proceedings or similar legal actions by third parties.

Each of the representations and warranties of the Originator under schedule 5 of the Transfer Agreement has been made as of the date of entering into of the Transfer Agreement, and shall be deemed to be repeated as of the Issue Date (or with regard to the different date indicated in specific representation warranties).

**Option to repurchase individual Receivables in respect of which the relevant representation or warranty has been breached**

As an alternative to the obligation of the Originator (provided by clause 20 (*Obblighi di Indennizzo dell'Originator*) of the Transfer Agreement) to indemnify the Issuer in the circumstances indicated therein, under clause 19 (*Opzione di acquisto sui singoli Crediti*) of the Transfer Agreement, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian Civil Code, the right to repurchase individual Receivables in respect of which a misrepresentation (related to any representation made under schedule 4–Part II of the Transfer Agreement) occurred, such right to be exercised within a period of 15 Local Business Days from the date on which the Originator has received an indemnity request.

If the Originator does not exercise such option within the time limit stated by clause 19 (*Opzione di acquisto su singoli Crediti*) of the Transfer Agreement or does not pay the repurchase price in relation to such Receivables in accordance with clause 19.3 (*Prezzo di Riacquisto*) of the Transfer Agreement, the Issuer will have the right to be indemnified in accordance with clause 20 (*Obblighi di Indennizzo dell'Originator*) of the Transfer Agreement.

**Indemnity obligations of the Originator**

Pursuant to clause 20 (*Obblighi di Indennizzo dell'Originator*) of the Transfer Agreement, the Originator has agreed to indemnify and hold harmless the Issuer from and against all damages, loss, claims, liabilities, costs and expenses incurred by it arising from, *inter alia*:

- (a) breach by the Originator of its obligations under the Transfer Agreement or any other Transaction Document to which it is a party or any laws or regulation applicable to the Transfer Agreement or the Servicing Agreement;
- (b) any representation or warranty made by the Originator under the Transfer Agreement or any Deed of Transfer or the Servicing Agreement or any Transaction Document being false, incomplete or incorrect;
- (c) the failure to collect or recover any Receivables as a consequence of the legitimate exercise by a Lessee of any set-off claim against such Originator.

**Representations and warranties as to matters affecting the Issuer**

The Transfer Agreement contains representations and warranties given by the Issuer as to matters of law and fact affecting the Issuer including, among others:

- (a) the Issuer is a limited liability company validly incorporated, which is existing and solvent in accordance with Italian law;

- (b) the Issuer has taken all actions and obtained all authorisations necessary for the execution and the completion of the Transfer Agreement and all other Transaction Documents to which it is a party;
- (c) the execution and the completion by the Issuer of the Transfer Agreement and all other Transaction Documents to which it is a party do not breach nor violate: (i) its constitution documents or by-laws; (ii) any relevant laws or regulations in force; (iii) contracts, deeds, agreements or other documents which are binding upon the Issuer; or (iv) any judicial proceedings, decisions, arbitral awards, injunctions or any decrees which are binding or influential upon the Issuer or upon its assets;
- (d) the Transfer Agreement, the other Transaction Documents and any further action described therein, constitute legal, valid and binding obligations which are fully and immediately enforceable against the Issuer subject to the terms and condition thereof; and
- (e) the Issuer is solvent and, to the best of its knowledge, information and belief, no facts or circumstances exist which could render the Issuer insolvent or otherwise unable to fulfil its obligations or which could expose it to insolvency proceedings, nor has the Issuer taken any steps to initiate its liquidation or winding up, nor have any other acts been taken against the Issuer which may prejudice the ability of the Issuer to acquire or sell the Receivables or to fulfil the obligations undertaken by the Issuer under the terms of the Transfer Agreement or of any other Transaction Documents to which the Issuer is a party, nor shall the execution of the Transfer Agreement any other Transaction Documents to which the Issuer is a party cause the Issuer to become insolvent.

### **Ramp-up Period**

For the entire duration of the Ramp-Up Period, the Originator will be entitled to transfer and the Buyer shall purchase one or more Subsequent Portfolios, subject to the provisions of Article 3 (I) and exclusively upon the fulfilment of the conditions listed in annex 3 thereto (*Condizioni per procedere all'Acquisto dei Portafogli Successivi*).

### **Purchase Price**

The Purchase Price of each Receivable comprised in the Initial Portfolio shall be equal to the sum of: (a) the Notes Initial Instalment and (b) if any, the Purchase Price of the Residual Optional Instalment.

The amount due to the Originator by the Issuer as Purchase Price of the Portfolio shall be the sum of (i) the aggregate of the Purchase Price of each Receivable comprised in the Portfolio, and (b) the Deferred Purchase Price.

The Notes Initial Instalment of the Portfolio shall be paid out of the proceeds arising from the issue of the Notes on the later of (a) the date on which all formalities set out in the Transfer Agreement have been perfected, and (b) the Issue Date.

### **Residual Optional Instalment**

The amount due to the Originator as Purchase Price of the Residual Optional Instalment shall be paid solely through the relevant Residual Optional Instalment received by the Issuer and shall be

paid on the Payment Date immediately following the Quarterly Settlement Period on which such Residual Optional Instalment was received by the Issuer in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

The Residual Optional Instalment shall not be part of the Issuer Available Funds and the relevant Purchase Price of the Residual Optional Instalment will be paid to the Originator outside of the applicable Priority of Payments and solely upon the effective collection by the Issuer.

#### **Deferred Purchase Price**

The amount due to the Originator as Deferred Purchase Price shall be paid, following the Transfer Date, by the Issuer on each Payment Date falling after the date of completion of the formalities and, in any case, using the Issuer Available Funds as at such date and in accordance with the applicable Priority of Payments. Moreover, the Parties acknowledged that the obligation to pay the Deferred Purchase Price is future and uncertain.

#### **Option to repurchase all of the Receivables comprised in the Portfolio**

Under the Transfer Agreement, the Issuer has irrevocably granted to the Originator an option (the "**Portfolio Call Option**"), pursuant to article 1331 of Italian Civil Code, to repurchase (in whole but not in part) the Portfolio.

The Portfolio Call Option can be exercised on (i) each Payment Date falling after the Quarterly Settlement Date on which the aggregate of the Outstanding Amount of the Portfolio is equal to or less than 10% of the Initial Purchase Price of the Portfolio or (ii) each date after the First Payment Date on which the Class A Notes can be repaid in full at their Principal Amount Outstanding being sufficient Issuer Available Funds for such purpose (therefore, without the Issuer being required to sell the Portfolio and using the proceeds deriving therefrom for such purpose) or (iii) when the Issuer exercises its right to repay the Notes upon occurrence of the events set out in Condition 9.4 (*Redemption for Taxation*), in each case, in accordance with and subject to the terms and conditions provided for by the Transfer Agreement. Upon exercise of the Portfolio Call Option by the Originator, the Issuer shall use the relevant repurchase price of the Portfolio paid by Alba Leasing in order to fund and effect the early redemption of the Notes in accordance with Condition 9.3 (*Redemption, Purchase and cancellation – Optional Redemption*).

In order to exercise the Portfolio Call Option, Alba Leasing shall:

1. send a written notice to the Issuer at least 15 Local Business Days before the relevant Payment Date;
2. have obtained all the necessary approvals and authorizations provided by the Transfer Agreement;
3. deliver to the Issuer the following documents:
  - (i) a certificate signed by its legal representative stating that it is solvent; and
  - (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the Companies Register office and dated not more than 4 Local Business Days before the date on which the Portfolio Call Option will be exercised.

Pursuant to the Transfer Agreement and the Intercreditor Agreement, Alba Leasing will be entitled to exercise the Portfolio Call Option provided that the Issuer will have, upon receipt of the purchase price of the Receivables (determined in accordance with clause 27.4 (*Prezzo di riacquisto dei Crediti*) of the Transfer Agreement) sufficient funds (taking into account any other Issuer Available Funds available on the date on which the Notes will be redeemed) to discharge in full all amounts owing to the holders of the Notes to be redeemed in accordance with Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*), and amounts ranking in priority thereto or *pari passu* therewith.

Following the exercise of the Portfolio Call Option by Alba Leasing, the Issuer shall promptly exercise its option to early redeem the Notes in accordance with the terms set out under Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*).

#### **Condition Subsequent and letter of discharge**

The Transfer Agreement is subject to the condition subsequent of the issue of the Notes in the context of the Securitisation by no later than 24 December 2019 (or any following date agreed between the parties thereto). Failure to issue the Notes by such term shall prejudice the effectiveness of the Transfer Agreement and therefore the Portfolio shall be re-transferred to the Originator as at the relevant date.

#### **Governing Law and Jurisdiction**

The Transfer Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Transfer Agreement.

## **2. SERVICING AGREEMENT**

#### **General**

Pursuant to the Servicing Agreement entered into on 2 October 2019, between the Originator and the Issuer, the Servicer agreed to administer and service the Receivables comprised in the Portfolio in compliance with the Securitisation Law and, in particular, to (i) collect and recover amounts due in respect of the Receivables; (ii) administer relationships with the Lessees; and (iii) carry out certain activities in relation to the Receivables, in accordance with the Servicing Agreement and the Collection Policies.

The Servicer acts, for the purpose of the Servicing Agreement, in its quality of "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" within the meaning of article 2, paragraph 3 (c) of the Securitisation Law, taking therefore the responsibility referred to in article 2, paragraph 6–*bis* of the Securitisation Law.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Collections Policies, any activities related to the management of the Defaulted Lease Contracts and the Delinquent Lease Contracts, including activities in connection with the enforcement and recovery of the Defaulted Lease Contracts and the Delinquent Lease Contracts.

Under the terms of the Servicing Agreement, the Servicer may delegate to third parties certain

activities concerning the Receivables, without prejudice however to the responsibilities of the Servicer for any activities so delegated.

### **Obligations of the Servicer**

Under the terms of the Servicing Agreement the Servicer has undertaken, among others:

- (a) to supervise the compliance by the Lessees with their payment obligations provided for by the Lease Contracts;
- (b) to administer and make Collections in accordance with the provisions of the Servicing Agreement and the Collection Policies;
- (c) to exercise the rights owing to the Issuer relating to the Receivables and to carry out all the actions against the Lessees which are necessary or appropriate in order to defend such rights;
- (d) to take all necessary acts to maintain the validity and enforceability of the Receivables and any relevant security;
- (e) to carry out the management, administration and collection of the Receivables and to manage the recovery of the Defaulted Lease Contracts;
- (f) to maintain effective accounting and auditing procedures so as to ensure the compliance with the provisions of the Servicing Agreement;
- (g) not to authorise, other than in certain limited circumstances specified in the Servicing Agreement, any waiver in respect of any Receivables or other security interest, lien or privilege pursuant to or in connection with the Lease Contracts and not to authorise any modification thereof which may be prejudicial to the Issuer's interests unless such waiver or modification is imposed by law, by judicial or other authority or is authorised by the Issuer;
- (h) to ensure that the interest rates applicable in accordance with the Lease Contracts do not breach the Usury Law;
- (i) comply with the provisions of the Italian anti-money laundering laws and comply with the other obligations of such laws, including to (a) maintain the sole database (*archivio unico informatico*); (b) monitoring the clients; and (c) provide the competent authorities with all required information;
- (j) ensure the segregation of the Collections from the other assets of the Servicer and from other securitisation transactions;
- (k) prepare and deliver the Quarterly Servicer Reports, as better specified below;
- (l) in case the Notes can be used as eligible collateral for the implementation of reverse transactions with the Eurosystem, deliver to the European Central Bank all the information in relation to the Securitisation and prepare and deliver all the reports in accordance with the terms and the information requirements applicable in relation to the "ABS Loan Level Initiative" of the European Central Bank;

- (m) to carry out the activities and fulfill the obligations imposed on the servicer pursuant to any applicable provision, law and regulation and to the Bank of Italy Supervisory Regulations in relation to the servicing activity.

The activities to be carried out by the Servicer include also the processing of administrative and accounting data in relation to the Receivables and the management of such data. The Servicer has represented to the Issuer that it has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Servicing Agreement.

The Servicer has undertaken to use all due diligence to maintain all accounting records in respect of the Receivables and on the Defaulted Lease Contracts and shall supply all relevant information to the Issuer to enable it to prepare its financial statements.

The Issuer and the Representative of the Noteholders have the right to inspect and take copies of the documentation and records relating to the Receivables in order to verify the performance by the Servicer of its obligations pursuant to the Servicing Agreement to the extent the Servicer has been informed reasonably in advance of such inspection.

#### **Payment of Collections and Recoveries into the Collection Account**

Under the terms of the Servicing Agreement, the Servicer shall collect the Receivables on behalf of the Issuer and shall, subject to below, pay any such Collections (or procure the payment thereof) into the Collection Account on the Local Business Day immediately succeeding the date on which such sums have been received, except for any Late Payments, Agreed Prepayments and Residual Optional Instalments which – to the extent that the sum of such Late Payments, Agreed Prepayments and Residual Optional Instalments does not exceed Euro 300,000.00 – shall be paid into the Collection Account on or before the last Local Business Day of the calendar month in which such Late Payments, Agreed Prepayments and Residual Optional Instalments have been received by the Servicer. In the event that during any calendar month the sum of Late Payments and Agreed Prepayments exceeds Euro 300,000.00, then the Servicer will credit such amount (or procure that such sums be credited) to the Collection Account on the Local Business Day immediately following the date on which the above limit of Euro 300,000.00 has been exceeded.

#### **Servicer Account**

Under the terms of the Servicing Agreement, the Servicer has undertaken to open with the Servicer Account Bank a bank account (the "**Servicer Account**") for the deposit of all the sums due in respect of the Receivables. The Servicer has undertaken to procure that (i) all the sums due in respect of the Receivables are paid directly into the Servicer Account (ii) no right of set-off can be exercised by the Servicer and the Servicer Account Bank in respect of the sums standing to the credit of such Servicer Account; and (iii) any Collection paid into the Servicer Account shall be transferred, upon instruction of the Servicer, into the Collection Account on a daily basis and, in any event, no later than 17.00 (Milan time) of the Local Business Day following the date on which the relevant payment into the Servicer Account is made.

In addition, under the terms of the Servicing Agreement the Servicer has procured that (i) such account has been opened and is and will be treated and maintained with a bank having the Minimum Rating and in accordance with, and subject to, article 3, paragraphs 2-*ter* of the Securitisation Law and (ii) any amount standing to the credit of the Servicer Account will be



transferred by the Servicer Account Bank on a daily basis (to the extent that such day is a Local Business Day) into the Collection Account pursuant to the terms of the Servicing Agreement.

### **Performance**

Under the terms of the Servicing Agreement, the Servicer shall perform the duties provided for by the Servicing Agreement and take any steps and decisions in relation to the management, servicing, recovery and collection of the Receivables in compliance with:

- (a) the Collection Policies;
- (b) the Securitisation Law and any other applicable laws and regulations with the best of its care (*diligenza*) and professional integrity (*correttezza professionale*) requested to an operator of its quality and in accordance with the prudent practice of a qualified servicer; and
- (c) the instructions which may be given by the Issuer in accordance with the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicer has undertaken (i) to perform its duties in compliance with the applicable law and any instructions received from the Issuer (or, where relevant, the Representative of Noteholders), and (ii) to act at all times in good faith and with utmost professional diligence. The Servicer's obligations include also maintaining accurate and complete records and operating an efficient filing and data-storage system and providing access to the same in accordance with the terms thereof.

### **Delegation of activities**

The Servicer is entitled to delegate to one or more entities certain activities entrusted to it pursuant to the Servicing Agreement provided that the Servicer will remain directly responsible for the performance of all duties and obligations delegated to any of such entities and will be liable for the conduct of all of them.

### **Report of the Servicer**

The Servicer has undertaken to prepare and deliver the Quarterly Servicer Report to the Issuer, the Account Bank, the Calculation Agent, the Back-Up Servicer, the Corporate Services Provider, the Representative of the Noteholders, the Rating Agency, the Senior Notes Underwriter, on each Quarterly Servicer Report Date.

### **Renegotiation**

Save as provided under clause 14 (*Rinegoiazione dei Contratti di Leasing*) of the Servicing Agreement, the Servicer shall not, without written consent of the Issuer and of the Representative of the Noteholders, *inter alia*, amend the terms of the Lease Contracts if such amendment results in, *inter alia*:

- reducing the amounts due of any Instalment and/or Agreed Prepayment;
- changing the timing of the payments due and in general the timing intervals in respect of which the Instalments are due or the scheduled due dates of the Instalments;

- reducing or restructuring the amounts due to be received in relation to any Instalment or Residual Optional Instalment.

The Servicer shall not amend its corporate business or the Collection Policies (in this latter case save the changes in respect of which the Issuer and the Representative of the Noteholders have provided its consent), if such amendment would, *inter alia*, (i) reduce the amounts due of any Instalment and/or Agreed Prepayment; (ii) compromise the segregation of the Receivables and the collectability of the Instalments or of the Agreed Prepayments; (iii) change the timing of the payments due; (iv) delay the commencement of legal actions against any defaulted Lessees or of any other action concerning the payment of other amounts related to the Receivables; and/or (v) in general, negatively affect the servicing of the Portfolio and the collectability of the Receivables.

Pursuant to the terms of the Servicing Agreement, the Issuer has authorised the Servicer to renegotiate the interest rate and reschedule the Lease Contracts where the Servicers may consider opportune in light of the Collection Policies or in line with prudent financial practices, according to the terms and conditions and within the limits provided by the Servicing Agreement, including the following:

- in relation to the renegotiation of the interest rate of the Lease Contract, Alba Leasing shall pay to the Issuer an amount equal to the difference between the Outstanding Principal of the Lease Contract which is the subject of the renegotiation prior to and immediately after the renegotiation;
- in relation to rescheduling agreement, the last maturity date of the renegotiated Instalment cannot fall later than the 24<sup>th</sup> month prior to Final Maturity Date of the Notes;
- the aggregate Outstanding Principal of the Lease Contracts which are subject to renegotiation cannot exceed 5% of the Initial Purchase Price.

### **Repurchase of Receivables**

As an alternative to the renegotiation power granted to the Servicer under the Servicing Agreement, the Servicer has been granted the power to repurchase Receivables from the Issuer. The amount of repurchases shall not exceed the percentage limits indicated in the Servicing Agreement.

### **Excess Indemnity Amount**

In the event that the Issuer (or the Servicer, in its name and on its behalf), following the exercise of executive actions against a Lessee or a Guarantor, has recovered an amount that, when added to the amount collected by the Issuer on the relevant receivable for any reason (including by way of Indemnities), is equal to any amount owed by it with respect to such assigned receivable, any additional amount recovered or collected by the Issuer (also through the Servicer) in respect of such receivable (the "***Excess Indemnity Amount***") will not form part of the Issuer Available Funds and will be paid to Alba Leasing on the first Payment Date following the end of the Quarterly Settlement Period during which such amounts have been collected and in an amount not exceeding such collected amounts.

### **Servicing Fee**

In return for the services provided by the Servicer, the Issuer will pay to the Servicer the following

Servicing Fee, out of the Issuer Available Funds, in accordance with the terms of the Cash Allocation, Management and Payment Agreement and of the Intercreditor Agreement:

- (a) for the administration, management and collection of the Receivables in bonis and any other activities carried out under the Servicing Agreement (other than the recovery and compliance activities specified, respectively, in paragraphs (b) and (c) below): on each Payment Date a fee equal to 0.006 per cent. (plus VAT, if applicable) of the Outstanding Amount of the Receivables in bonis, for each of such Receivables as of the beginning of the Quarterly Settlement Period immediately preceding the relevant Payment Date;
- (b) for the administration, management, monitoring and collection of Receivables in relation to the Defaulted Lease Contracts and Delinquent Lease Contracts (other than the compliance activities specified in paragraph (c) below): on each Payment Date for the immediately preceding Quarterly Settlement Period, a fee equal to 0.005 per cent. (plus VAT, if applicable), of the Outstanding Amount of the Receivables relating to any Lease Contract classified as a Defaulted Lease Contract or Delinquent Lease Contract on the last day of the Quarterly Settlement Period immediately preceding the relevant Payment Date, subject to a quarterly minimum fee of Euro 500 (plus VAT, if applicable); and
- (c) for the activity of compliance (i.e. compliance with duties imposed by the applicable regulation and/or reporting and communication duties), on each Payment Date a fee equal to Euro 500 (plus VAT, if applicable).

#### **Servicer Termination Events**

Pursuant to the Servicing Agreement, the Issuer may, or shall, if so requested in writing by the Representative of the Noteholders, terminate the appointment of the Servicer if events takes place, including *inter alia*:

- (a) subject to applicable law, an order is made by any competent judicial authority providing for the admission of the Servicer to any insolvency proceedings or a resolution is passed by the Servicer for the admission of the Servicer to any insolvency proceedings;
- (b) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited within 5 Local Business Days after the due date thereof, except where such failure is attributable to strikes, technical delays or other justified reason;
- (c) failure by the Servicer to comply with any other terms and conditions of the Servicing Agreement which failure to comply is not remedied within a period of 20 Local Business Days from the date on which the Servicer receives written notice of such non-compliance from the Issuer;
- (d) any of the representation and warranties given by the Servicer under the Servicing Agreement is incorrect or incomplete, unless the Servicer provides a remedy within 20 Local Business Days from the date on which such representation or warranty is contested.

As a result of such termination, the appointment of the Back-Up Servicer as Successor Servicer pursuant to the Back-Up Servicing Agreement shall become effective. Should, for whatever reason, what provided in the previous paragraph not be possible, the Issuer, with the

collaboration of the Servicer, shall promptly appoint a substitute Servicer (subject to the written consent of the Representative of the Noteholders, which shall act in accordance with the provisions of the Intercreditor Agreement and the Terms and Conditions).

If prior to the occurrence of an event of revocation of the Servicer's appointment, any event which does not allow the Back-Up Servicer to carry on the role of substitute Servicer, occurs including, *inter alia*, an insolvency event in relation to the Back-Up Servicer, the Issuer (failure which, the Representative of the Noteholders) with the collaboration of the Servicer shall appoint a new Back-Up Servicer within 60 days, with prior notice to the Rating Agency and prior consent of the Representative of the Noteholders.

Upon termination of the Servicer's appointment, the Servicer shall cooperate with the Back-Up Servicer (or any different substitute Servicer) so that the latter promptly delivers to the Lessees appropriate payment instructions to pay any future payment in relation to the Receivables into the Collection Account or a different account opened in the name of the Issuer with an Eligible Institution. Should satisfactory evidence not be provided to the Issuer and the Representative of the Noteholders that such communication to the Lessees is made within 15 Business Days from the day of termination of the Servicer's appointment, the Issuer shall send, through the Corporate Services Provider, such communication.

#### **Assignment**

Under the terms of the Servicing Agreement, the Servicer may not assign the Servicing Agreement or transfer any or all of its rights, benefits and/or obligations under the Servicing Agreement to any entity without the prior written consent of the Issuer and the prior notice to the Rating Agency.

#### **Governing Law and Jurisdiction**

The Servicing Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Servicing Agreement

### **3. THE CORPORATE SERVICES AGREEMENT**

Pursuant to the Corporate Services Agreement entered into on 2 October 2019 between the Issuer, the Corporate Services Provider, the Representative of the Noteholders and the Servicer, the Corporate Services Provider has agreed to provide the Issuer with certain corporate administration and management services. These services include, *inter alia*, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholders and directors, maintaining the quotaholders' register, preparing VAT and other tax and accounting records, preparing the Issuer's annual balance sheet, administering all matters relating to the taxation of the Issuer and liaising with the Representative of the Noteholders.

#### **Governing law and jurisdiction**

The Corporate Services Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in

respect of the Corporate Services Agreement.

#### **4. THE STICHTING CORPORATE SERVICES AGREEMENT**

Pursuant to the Stichting Corporate Services Agreement entered into on or about the Issue Date, between the Issuer, the Stichting Corporate Services Provider and the Sole Quotaholder, the Stichting Corporate Services Provider has agreed to provide the Sole Quotaholder with a number of services including, *inter alia*, the provision of accounting and financial services and the management and administration of the Sole Quotaholder.

##### **Governing law and jurisdiction**

The Stichting Corporate Services Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Stichting Corporate Services Agreement.

#### **5. BACK-UP SERVICING AGREEMENT**

Pursuant to the Back-Up Servicing Agreement entered into on or about the Issue Date, between Securitisation Services, as Back-Up Servicer, Alba Leasing, as Servicer, the Sub-Back-Up Servicers and the Issuer, the Back-Up Servicer has agreed to be appointed and act as substitute Servicer under the same terms and conditions as those on which the Servicer was appointed under the Servicing Agreement (excluding for the fees for acting as substitute Servicer which have been agreed separately on the Back-Up Servicing Agreement).

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer, notwithstanding its direct responsibility under article 2, paragraph 3 of the Securitisation Law, without limitation and in express derogation of article 1717, paragraph 2, of the Civil Code, has delegated to the Sub-Back-Up Servicers certain activities, concerning (i) the management of the IT aspects, and (ii) the execution of the administrative activities and the management of recovery procedures. Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer shall substitute Alba Leasing as Servicer in the event that the Servicer is removed from its duty pursuant to the Servicing Agreement within 30 days from the receipt of the communication of the Servicer's revocation.

Pursuant to the terms of the Back-Up Servicing Agreement, the Back-Up Servicer has represented and warranted, *inter alia*, that it satisfies the requirements for a Back-Up Servicer provided for by the Back-Up Servicing Agreement.

Pursuant to the terms of the Back-Up Servicing Agreement, starting from the appointment of Securitisation Servicer as substitute servicer, the Servicer has undertaken (i) to cooperate with the Back-Up Servicer and the Sub-Back-Up Servicers for a period of 6 (six) months, and (ii) to provide the Back-Up Servicer with a remote access to its information systems.

Before the occurrence of a Servicer Termination Event, if (i) the Back-Up Servicer does no longer have the characteristics set forth in clause 6 ( *Dichiarazioni e Garanzie del Back-Up Servicer e dei Sub-Back-Up Servicers*) of the Back-Up Servicing Agreement; or (ii) the Back-Up Servicer is no longer capable of performing the activities proper of the role of the Successor Servicer (in the event of bankruptcy or other insolvency proceedings or termination or invalidity of the Back-Up

Servicing Agreement), or (iii) if the appointment of the Back-Up Servicer and / or the execution of the back-up servicing activities by the Back-Up Servicer have an adverse effect on the rating of the Senior Notes, the Back-up Servicer or the Servicer (as the case may be) shall give notice of the occurrence of any of the above-mentioned circumstances to the Sub-Back-Up Servicers, the Issuer, the Representative of the Noteholders, the Rating Agency, the Senior Noteholder. Upon receipt of such notice, the Issuer, after consultation with the Representative of the Noteholders, shall terminate the appointment of Securitisation Services S.p.A. as Back-Up Servicer.

Upon termination of the appointment of Securitisation Services S.p.A. as Back-Up Servicer, the Issuer shall, with the cooperation of the Servicer, (i) within 60 days from the receipt of the notice indicated above, appoint as new back-up servicer another entity, complying with the requirements provided for the appointment of a Successor Servicer, and (ii) give notice of such appointment to the Rating Agency.

The fees due to Securitisation Services for the role of Back-Up Servicer and, following termination of the Servicer's appointment, as substitute Servicer shall be due and payable by the Issuer. The fees due to the Sub-Back-Up Servicers shall be paid by the Back-Up Servicer.

#### **Governing Law and Jurisdiction**

The Back-Up Servicing Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Back-Up Servicing Agreement.

### **6. THE CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT**

On or about the Issue Date, the Issuer, the Calculation Agent, the Account Bank, the Paying Agents, the Cash Manager, the Originator, the Servicer, the Corporate Services Provider and the Representative of the Noteholders have entered into the Cash Allocation, Management and Payment Agreement.

Pursuant to the Cash Allocation, Management and Payment Agreement, the Calculation Agent, the Account Bank, the Paying Agents and the Cash Manager have agreed to provide the Issuer with certain calculation, notification, reporting and agency services, together with certain account handling, investment and cash management services.

After the Issue Date, the Issuer, with the consent of the Representative of the Noteholders, may appoint an Investment Account Bank and open the Investment Account in accordance with the Cash Allocation, Management and Payment Agreement. The Investment Account Bank shall be an Eligible Institution and it shall agree to the provisions of and accede to the Intercreditor Agreement and the Cash Allocation Management and Payments Agreement.

If any of the following events occurs in respect of any of the Paying Agents, the Calculation Agent, the Account Bank or the Cash Manager:

- (a) any of the Agents, as the case may be, becomes legally incapable of acting in accordance with the Cash Allocation, Management and Payment Agreement,
- (b) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of any of the

Agents;

- (c) any of the Agent admits in writing its insolvency or inability to pay its debts as they fall due;
- (d) an administrator or liquidator of any of the Agents or the whole or any part of the undertaking, assets and revenues of such Agent is appointed (or application for any such appointment is made);
- (e) any of the Agents takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness;
- (f) an order is made or an effective resolution is passed for the winding-up of any of the Agents,
- (g) any event occurs which has an analogous effect to any of the foregoing,
- (h) any of the Agents (except for the Calculation Agent and the Cash Manager) ceases to be, or to be deemed, an Eligible Institution;
- (i) any withholding or deduction for or on account of tax from any payments to be made by the Agent to the Issuer under the Transaction Documents is imposed, only to the extent that both the following conditions are met: (i) such deduction or withholding becomes applicable because of the relevant Agent (including, without limitation, in the event that this is the consequence of the Issuer not being in the position to provide the information required by the relevant competent authority for the purpose of the FATCA Withholding tax); and (ii) a replacement of the relevant Agent would avoid such application, and it has a substantial economic adverse effect for the Notes and/or the Transaction);
- (j) any change to the Specified Office of any Agent occurs, provided that the Issuer and the Representative of the Noteholders have grounds to believe that such change may prejudice the Noteholders' rights under the Transaction;
- (k) in respect of the Cash Manager only, the appointment of the Servicer under the Servicing Agreement is terminated pursuant to the Servicing Agreement, and
- (l) any of the Agent breach any of the terms or provisions of the Cash Allocation, Management and Payment Agreement or of any other Transaction Documents to which it is expressed to be a party, and such breach has not been remedied within 30 days of the notification of such failure by the Issuer,

*then* the Representative of the Noteholders or the Issuer may, provided that (in the case of the Issuer) the Representative of the Noteholders consents in writing to such termination, at once or at any time subsequently while such event continues, by notice in writing to the relevant Agent, copied to the other Parties and the Rating Agency, terminate the appointment of the relevant Agent under the terms of the Cash Allocation, Management and Payment Agreement, with effect from a date (not earlier than the date of the notice) specified in the notice.

The Issuer may appoint a successor Agent and additional Agent and shall forthwith give notice in

writing of any such appointment to the continuing Agents, the Representative of the Noteholders, the Rating Agency and (in the case of the appointment of a successor of the Paying Agent only) the Noteholders pursuant to Condition 18 (*Notices*), whereupon the Issuer, the continuing Agents and the additional or successor Agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of Cash Allocation, Management and Payment Agreement. It remains understood that any additional or successor Agent shall (i) be (except for the Calculation Agent and the Cash Manager) in any case an Eligible Institution and, (ii) sign an accession letter in accordance with clause 23.1 (*Acknowledgement and acceptance*) of the Intercreditor Agreement.

### **Governing Law and Jurisdiction**

The Cash Allocation, Management and Payment Agreement and all non contractual obligations arising out or in connection with the Cash Allocation, Management and Payment Agreement governed by, and shall be construed according to Italian law. The courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the parties out of or in connection with the validity, effectiveness, interpretation, enforceability and/or rescission of the Cash Allocation, Management and Payment Agreement.

## **7. INTERCREDITOR AGREEMENT**

On or about the Issue Date, the Issuer, the Representative of the Noteholders (on its own behalf and as agent of the Noteholders) and the Other Issuer Creditors have entered into the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (on its own behalf and as agent of the Noteholders) and the Other Issuer Creditors have agreed to, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the applicable Priority of Payments; (ii) the limited recourse nature of the obligations of the Issuer; (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio and (iv) that, subject to the occurrence of a Trigger Event and the delivery of a Trigger Notice, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise all the Issuer's non-monetary rights arising out of the Transaction Documents to which the Issuer is a party.

Pursuant to the Intercreditor Agreement, each of the Noteholders and the Other Issuer Creditors waived any rights of set-off (including by way of *eccezione*) between any amount payable by the Issuer for any reason to any of Noteholders and the Other Issuer Creditors, and any amount owed by any of the Noteholders and the Other Issuer Creditors to the Issuer pursuant to the provisions of any of the Transaction Documents or otherwise, except as expressly permitted under any of the Transaction Documents.

### **Disposal of the Portfolio following the delivery of a Trigger Notice**

Pursuant to the Intercreditor Agreement, following the delivery of a Trigger Notice and in accordance with the Terms and Conditions, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes) direct the Issuer to, dispose of the Portfolio if:



1. a sufficient amount would be realised from such disposal to allow (taking into account any other Issuer Available Funds of the Issuer) discharge in full of all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith or, if such amount would not be realised, a certificate issued by a reputable bank or financial institution stating that the purchase price for the Portfolio is adequate (based upon such bank or financial institution's evaluation of the Portfolio) has been obtained by the Issuer or by the Representative of the Noteholders;
2. the relevant purchaser has obtained all the necessary approvals and authorisations;
3. the relevant purchaser has produced:
  - (i) a certificate signed by its legal representative stating that such purchaser is solvent; and
  - (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent Companies Register office and dated not more than 5 (five) Local Business Days before the date on which the Portfolio will be disposed,

provided that, without prejudice to the conditions under letter (a) and (b) above, the Originator shall have in such circumstance a pre-emption right to purchase the Portfolio ("Pre-Emption Right").

In addition, the Representative of the Noteholders may, at its discretion, carry out any further research or investigation for obtaining satisfactory evidence of the solvency of the relevant purchaser.

#### **Disposal of the Portfolio following the occurrence of a Tax Event**

Pursuant to the Intercreditor Agreement, following the occurrence of a Tax Event and in accordance with the Terms and Conditions,

- (A) the Issuer may, or
- (B) the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Notes) direct the Issuer to dispose of the Portfolio or any part thereof to finance the early redemption of the relevant Notes under Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*) if:
  - (a) a sufficient amount would be realised from such disposal to allow (taking into account any other Issuer Available Funds of the Issuer) discharge in full of all amounts owing to the holders of the relevant Notes to be redeemed in accordance with Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for taxation*), and amounts ranking in priority thereto or *pari passu* therewith;
  - (b) the relevant purchaser has obtained all the necessary approvals and authorisations; and
  - (c) the relevant purchaser has produced:
    - (i) a certificate signed by its legal representative stating that such

purchaser is solvent; and

- (ii) a solvency certificate (*certificato di iscrizione nella sezione ordinaria*) issued by the competent Companies Register and dated not more than 5 (five) Local Business Days before the date on which the Portfolio will be disposed,

provided that, without prejudice to the conditions under letter (a) and (b) above, the Originator shall have in such circumstance a Pre-Emption Right in accordance with clause 21.1 (*Disposal of the Portfolio following the delivery of a Trigger Notice*) of the Intercreditor Agreement.

In addition, the Representative of the Noteholders may, at its discretion, carry out any further research or investigation for obtaining satisfactory evidence of the solvency of the relevant purchaser.

It is understood that, if the Representative of the Noteholders directs the Issuer to dispose of the Portfolio or any part thereof in the absence of an Extraordinary Resolution of the Most Senior Class of Notes then outstanding as described above and the Representative of the Noteholders does not receive from the Issuer a full and unconditional acceptance of its proposal within 5 (five) Business Days following the delivery of the relevant proposal, any disposal of the Portfolio shall be resolved by the Extraordinary Resolution of the Most Senior Class of Notes then outstanding in accordance with the Rules of the Organisation of the Noteholders and then the Issuer shall dispose of the Portfolio in accordance with such resolution.

#### **Securitisation Regulation and Risk Retention Requirements**

Under the Intercreditor Agreement and the Senior Notes Subscription Agreement, Alba Leasing, in its capacity as Originator, has undertaken to the Issuer and the Representative of the Noteholders (also on behalf of the Noteholders) that, in accordance with Regulation (EU) 2402/2017 (the "**Securitisation Regulation**"), it will (i) retain with effect from the Issue Date and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction in accordance with option (3)(d) of Article 6 of the Securitisation Regulation ("**Article 6**") or any permitted alternative method thereafter and (ii)(a) comply with the requirements from time to time applicable to originators set forth in articles 7 and 9 of the Securitisation Regulation and (b) provide (or cause to be provided) all information to the Noteholders that is required to enable the Noteholders to comply with article 5 of the Securitisation Regulation, including, for the avoidance of doubts, all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties.

Furthermore, the Alba Leasing as originator has undertaken to the Issuer and the Representative of the Noteholders that:

- (i) it shall not change the manner in which the net economic interest set out above is held until the Final Maturity Date, unless a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of retained interest in the Securitisation;
- (ii) it will notify to the Issuer and the Representative of the Noteholders any change, made pursuant to point (i) above, to the manner in which the net economic interest set out above is held;
- (iii) it shall disclose that it continues to fulfil the obligation to maintain the material net economic

interest in the Securitisation in accordance with the option 3(d) of Article 6 and give relevant information to the Noteholders and prospective investors in this respect on a quarterly basis through the Quarterly Servicing Report and any investors report under the Cash Administration and Agency Agreement; and

- (iv) it will not subject the material net economic interest requirement to any credit risk mitigation, any short position or any other hedge, within the limits of Article 6 of the Securitisation Regulation and the applicable regulatory technical standards drafted by ESMA pursuant to the Securitisation Regulation (RTS) (the “**Regulatory Technical Standard**”).

Furthermore, Alba Leasing as originator was designated and will act as reporting entity (the “**Reporting Entity**”) in accordance with and for the purposes of article 7, paragraph 2, of the Securitisation Regulation. In this respect:

- (i) the Originator accepted such appointment and agreed to act as Reporting Entity and perform any related duty in accordance with article 7, paragraph 2, of the Securitisation Regulation, and
- (ii) the Parties acknowledged that the Originator shall be responsible for complying with article 7 of the Securitisation Regulation pursuant to the Transaction Documents.

Under the Intercreditor Agreement and the Senior Notes Subscription Agreement, the Originator, in its capacity as Reporting Entity, has accepted to act as such in the context of the Securitisation and has confirmed to make available the relevant information through, as the case may be, the Temporary Website (as defined below) or the Securitisation Repository (as defined below).

The Reporting Entity has undertaken to:

- (i) as soon as reasonably practicable upon a securitisation repository pursuant to article 10 of the Securitisation Regulation having been authorised by ESMA and enrolled within the relevant register, appoint an authorised data repository (the entity so appointed, the “**Securitisation Repository**”);
- (ii) make available through the Securitisation Repository the information required to be disclosed to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and perspective noteholders, in accordance with article 7 of the Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority);
- (iii) for so long no Securitisation Repository is registered in accordance with article 10 of the Securitisation Regulation, make available, on the website located at [www.eurodw.eu](http://www.eurodw.eu) (the “**Temporary Website**”) managed by European DataWarehouse, the information required to be disclosed to the Noteholders, the competent authorities referred to in article 29 of the Securitisation Regulation and perspective noteholders, in accordance with article 7 of the Securitisation Regulation (and any implementing regulation or technical standards adopted by the European Commission and any applicable or binding guidance of any regulatory, tax or governmental authority).

The Originator, as Reporting Entity, has undertaken to the other Parties that it will, on a quarterly basis within each Sec Reg Report Date:

- (i) at its own expenses, prepare and make available also through the Servicer, on the Temporary Website or through the Securitisation Repository, a report (substantially in the form provided under the Intercreditor Agreement or in such other form as may be proposed by the Originator in order to comply with the Securitisation Regulation and, upon entry into force, its applicable Regulatory Technical Standard) (the “**Loan Tape**”) based on the information available to it, and containing all the information set forth under article 7(1)(a) of the Securitisation Regulation as specified in annex IV of the CRA 3 Regulation and, upon entry into force of the Regulatory Technical Standard, as specified by such Regulatory Technical Standard;
- (ii) make available, in accordance with the provisions of the Cash Allocation, Management and Payment Agreement, the Regulatory Investor Report produced by the Calculation Agent. In particular, the Originator, within 30 Business Days prior to each Sec Reg Report Date, has undertaken to deliver to the Calculation Agent all the information available to the Originator for the purposes of allowing the Calculation Agent to deliver to the Originator, 15 days prior to each Sec Reg Report Date, in accordance with the provisions of clause 11.3 of the Cash Allocation Management and Payments Agreement the Regulatory Investor Report. In providing such information, the Originator has undertaken to comply with the provisions of article 7(1)(e) of the Securitisation Regulation as specified in annex VIII of the CRA 3 Regulation and, upon entry into force of the relevant Regulatory Technical Standard, as specified by such Regulatory Technical Standard and to the relevant technical standards which, from time to time, will be in force. In particular, upon entering into force of the Regulatory Technical Standard, the Originator shall promptly conform the information to be provided by it to the Calculation Agent pursuant to article 7(1)(e) of the Securitisation Regulation to the relevant newly adopted Regulatory Technical Standard and shall propose in writing to the Calculation Agent the revised form of the Regulatory Investor Report in accordance with clause 11.3 of the Cash Allocation Management and Payments Agreement. Upon receiving the Regulatory Investor Report from the Calculation Agent pursuant to clause 11.3 of the Cash Allocation Management and Payments Agreement, the Originator shall make available the Regulatory Investor Report to the Noteholders, the prospective transferees of the Notes and the competent authorities required under the Securitisation Regulation on the Temporary Website or through the Securitisation Repository, within each Sec Reg Report Date; and
- (iii) in compliance with articles 7(1)(f) and 7(1)(g) of the Securitisation Regulation, make available the report prepared by the Calculation Agent in accordance with clause 11.4 of the Cash Allocation, Management and Payment Agreement (substantially in the form attached to the Intercreditor Agreement (the “**Significant Event Report**”). In particular, the Originator, within 30 Business Days prior to each Sec Reg Report Date, has undertaken to deliver to the Calculation Agent all the information available to the Originator for the purposes of allowing the Calculation Agent to deliver to the Originator, 15 days prior to each Sec Reg Report Date, in accordance with the provisions of clause 11.4 of the Cash Allocation Management and Payments Agreement, the Significant Event Report. Upon receiving the Significant Event Report from the Calculation Agent pursuant to clause 11.4 of the Cash Allocation Management and Payments Agreement, the Originator shall make available on the Temporary Website or through the Securitisation Repository to the Noteholders, the competent authorities set forth under the Securitisation Regulation and prospective noteholders any significant event relating to the Securitisation such as:

- (a) a material breach of the obligations provided for in any of the Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;
- (b) a change in the structural features that can materially impact the performance of the Securitisation;
- (c) a change in the risk characteristics of the Securitisation or of the Receivables that can materially impact the performance of the Securitisation;
- (d) any material amendment to the Transaction Documents;
- (e) any inside information relating to the Securitisation that the Reporting Entity is obliged to make public in accordance with Article 17 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation (if applicable),

it being understood that the Originator shall make available the Significant Event Report, without delay, also upon occurrence of any significant event relating to the Securitisation;

- (iv) comply with any other requirement imposed by the Securitisation Regulation and its applicable implementing Regulatory Technical Standards on originators which have agreed to retain on an ongoing basis a material net economic interest in securitisations and to act as reporting entities in compliance with the Securitisation Regulation.

Moreover, with reference to the further information which from time to time may be deemed necessary under articles 5, 6 and 7 of the Securitisation Regulation, in accordance with the market practice and not covered under the Intercreditor Agreement, such information will be provided, upon request or as differently provided by the Securitisation Regulation and its implementing Regulatory Technical Standard (to the extent such Regulatory Technical Standard are in force) by the Originator.

Finally, the Originator has undertaken that it will make available on the Temporary Website or through the Securitisation Repository to the Noteholders, the competent authorities set forth under the Securitisation Regulation and prospective noteholders, before pricing, the Transaction Documents and all other documents listed under article 7(1)(b) of the Securitisation Regulation.

### **Governing Law and Jurisdiction**

The Intercreditor Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Intercreditor Agreement.

## **8. THE DEED OF PLEDGE**

### **General**

On or about the Issue Date, in addition and without prejudice to the segregation provided by the Securitisation Law, as security for the Secured Obligations, the Issuer, the Account Bank and the

Representative of the Noteholders (acting on behalf of the Noteholders and the Other Issuer Creditors) have entered into the Deed of Pledge in order to create a pledge over (i) all existing and future monetary claims and rights deriving from certain Transaction Documents (other than the Subscription Price of the Notes, the Receivables and the Collections and including, but not limited to, any claim, indemnity, damage, penalty, sanction, credits, security interest and guarantee) and (ii) any existing or future pecuniary claim and any right and any sum credited from time to time to certain Accounts. In addition, the Issuer has undertaken to grant, in favour of the Noteholders and the Other Issuer Creditors, a first priority pledge over the Eligible Investments (if any) deposited, from time to time, with the Investment Account Bank.

#### **Governing Law and Jurisdiction**

The Deed of Pledge and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Deed of Pledge.

### **9. THE LETTER OF UNDERTAKING**

#### **General**

On or about the Issue Date, the Originator, the Issuer and the Representative of the Noteholders have entered into the Letter of Undertaking.

Pursuant to the Letter of Undertaking, the Originator has undertaken to provide the Issuer with all necessary monies in order for the Issuer to pay certain losses, costs, expenses or liabilities indicated therein.

#### **Governing law and jurisdiction**

The Letter of Undertaking and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Letter of Undertaking.

### **10. THE QUOTAHOLDER AGREEMENT**

#### **General**

On or about the Issue Date, the Issuer, the Sole Quotaholder and the Representative of the Noteholders have entered into the Quotaholder Agreement.

Pursuant to the Quotaholder Agreement, the Sole Quotaholder has given certain undertakings in relation to the management of the Issuer and the exercise of its rights as Sole Quotaholder of the Issuer.

The Sole Quotaholder has also agreed not to dispose of, or charge or pledge, the quotas in the Issuer without the previous written consent of the Representative of the Noteholders.

#### **Governing law and jurisdiction**

The Quotaholder Agreement and all non contractual obligations arising out or in connection with such agreement are governed by, and shall be construed according to Italian law and the Courts

of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of the Quotaholder Agreement.

## 11. THE SENIOR NOTES SUBSCRIPTION AGREEMENT

### General

Pursuant to the terms of a senior notes subscription agreement entered into on or prior to the Issue Date among the Issuer, the Originator, the Representative of the Noteholders, the Senior Notes Underwriter (the "**Senior Notes Subscription Agreement**"), the Senior Notes Underwriter has agreed, upon the terms and subject to the conditions specified therein, to subscribe, respectively, the Class A Notes pays the relevant Subscription Price. Pursuant to the Senior Notes Subscription Agreement, Securitisation Services has been appointed as legal representative of the Senior Noteholders.

### Governing law and jurisdiction

The Senior Notes Subscription Agreement is governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of such agreement.

## 12. THE JUNIOR NOTES SUBSCRIPTION AGREEMENT

### General

Pursuant to the terms of a junior notes subscription agreement entered into on or prior to the Issue Date among the Issuer, the Representative of the Noteholders and the Junior Notes Underwriter (the "**Junior Notes Subscription Agreement**"), the Junior Notes Underwriter has agreed, upon the terms and subject to the conditions specified therein, to subscribe the Class J Notes. Pursuant to the Junior Notes Subscription Agreement, Securitisation Services has been appointed as legal representative of the Junior Noteholders.

### Governing law and jurisdiction

The Junior Notes Subscription Agreement is governed by, and shall be construed according to Italian law and the Courts of Milan shall have exclusive jurisdiction in relation to any disputes arising in respect of such agreement.

## 13. THE MASTER DEFINITIONS AGREEMENT

### General

Pursuant to the terms of a master definitions agreement entered into on or prior to the Issue Date between all the parties to each of the Transaction Documents (the "**Master Definitions Agreement**"), the definitions of certain terms used in the Transaction Documents have been set out.

### Governing law and jurisdiction

The Master Definitions Agreement shall be governed by, and shall be construed in accordance with the laws of the Republic of Italy.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the entire text of the terms and conditions of the Class A Notes and the Class J Notes (as defined below) (the "**Terms and Conditions**"). In these Terms and Conditions, references to the "**holder**" or to the "**Noteholder**" of a Class A Note and a Class J Note or to a Class A Noteholder and a Class J Noteholder are to the ultimate owners of the Class A Notes and the Class J Notes as the case may be, issued in bearer form and held in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998 and (ii) Regulation jointly issued on 13 August 2018 by the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") and the Bank of Italy, as amended from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).*

*In these Terms and Conditions, references to (i) any agreement or other document shall include such agreement or other document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Terms and Conditions.*

## INTRODUCTION

The up to Euro 1,050,000,000.00 Class A Asset Backed Floating Rate Notes due July 2039 (the "**Class A Notes**" or the "**Senior Notes**"), and the up to Euro 465,000,000.00 Class J Asset Backed Notes Euro due July 2039 (the "**Class J Notes**") have been issued by Alba 11 WH S.r.l. (the "**Issuer**") on the Issue Date (as defined below) in the context of a securitisation transaction (the "**Securitisation**") to finance the purchase of certain portfolios of Receivables arising out of Lease Contracts entered into between Alba Leasing S.p.A. (the "**Originator**"), as lessor, and the Lessees thereunder.

The Class A Notes are referred to as the "**Senior Notes**". The Class J Notes are referred to as the "**Junior Notes**".

Capitalised words and expressions in these Terms and Conditions shall, except otherwise specified or so far as the context otherwise requires, have the meanings set out herein in Condition 1 (*Definitions and Interpretation*) below.

Any reference, in these Terms and Conditions, to the "**Notes**" shall be a reference, on any given date, to all the Senior Notes and the Junior Notes which are outstanding up to any such date.

Any reference, in these Terms and Conditions, to a "**Class**" of Notes or a "**Class**" of holders of Notes shall be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective holders thereof.

Upon issuance, the Senior Notes will be listed on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT and are expected to be rated privately by Scope Ratings GmbH. The Junior Notes will not be listed on any stock exchange and are not expected to be assigned any credit rating.



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 the Receivables arising out of the Lease Contracts entered into between the Originator, as lessor, and the Lessees thereunder.

The Receivables have been purchased and will be purchased by the Issuer from the Originator pursuant to the terms of a transfer agreement entered into on 2 October 2019 between the Issuer and the Originator (the "**Transfer Agreement**").

In particular, pursuant to the Transfer Agreement, the Issuer has purchased on a without recourse basis (*pro soluto*), an initial portfolio of monetary claims arising out of the Lease Contracts (the "**Initial Portfolio**") and has undertaken to purchase, subject to the terms and conditions indicated therein, during the Ramp-Up Period, subsequent portfolios of Receivables (the "**Subsequent Portfolios**" and each of the Initial Portfolio and any Subsequent Portfolio, a "**Portfolio**" and, collectively, the "**Portfolios**"), pursuant to deeds of transfer to be entered into from time to time between the Issuer and the Originator in compliance with the terms of the Transfer Agreement (the "**Deeds of Transfer**" and each a "**Deed of Transfer**").

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, any monetary claim accrued by the Issuer in the context of the Securitisation, the relevant collections and the financial assets purchased using such collections will be segregated from all other assets of the Issuer (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Therefore, any cash-flow deriving therefrom (to the extent identifiable) will be exclusively available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors (as defined below) in accordance with the applicable Priority of Payments.

The Initial Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of (i) the Issuer Available Funds available to such purpose in accordance with the applicable Priority of Payments and (ii) should the amounts under (i) not be sufficient to such purpose, the Notes Further Instalment Payments.

In the context of the Securitisation, the Account Bank, *inter alia*, (i) represented and warranted that the Eligible Accounts have been opened and are and will be treated and maintained in accordance with the provisions set forth under Article 3, paragraph 2-bis the Securitisation Law, (ii) acknowledged that any sum standing to the credit of the Eligible Accounts is not part of the assets of the Account Bank and is segregated from the other accounts of the Account Bank so that such sums can be attached only by the Noteholders, and (iii) undertook to keep any such amount segregated from any other amount of the Issuer standing to the credit of any other account held by the Account Bank and to keep appropriate and separate evidence in its accounting books, electronic system and in any other document evidencing sums standing to the credits of any accounts.

The Aggregate Portfolio (as defined below) may not be seized or attached in any form by creditors of the Issuer (including for avoidance of doubts, noteholders and the Issuer's other creditors in respect of any other securitisation transactions carried out by the Issuer) other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation of the Notes.

The Servicer has procured that, as long as payments from the Debtors are made on the Servicer Account, such account has been opened and is and will be treated and maintained with a bank having the Minimum Rating and in accordance with, and subject to, Article 3, paragraph 2-*ter* of the Securitisation Law.

Under the terms of the Transfer Agreement, the Originator has given certain representations and warranties to the Issuer in relation to, *inter alia*, itself and the Receivables comprised in each Portfolio and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the purchase and ownership of such Receivables.

In addition, pursuant to the Transfer Agreement, the Issuer has granted to the Originator a call option pursuant to which the Originator will have the option to purchase from the Issuer all the Receivables which are comprised in the Aggregate Portfolio as of the date on which the call option is exercised by the Originator (the "**Portfolio Call Option**"). In accordance to the Transfer Agreement, subject to certain conditions the Originator shall be entitled to direct the Issuer to sell the Aggregate Portfolio (in whole or in part) to a securitisation vehicle incorporated under the Securitisation Law, (the "**SPV**"). Should the SPV purchase only part of the outstanding Receivables, the residual part of the Receivables will be repurchased by the Originator in accordance with and subject to the terms and conditions provided for by the Transfer Agreement.

Under the terms of a servicing agreement entered into on 2 October 2019 between the Issuer and Alba Leasing (the "**Servicing Agreement**"), Alba Leasing has been appointed as Servicer to carry out the administration, management, collection and recovering of the Receivables comprised in each Portfolio in accordance with the terms thereof and in compliance with the Securitisation Law.

Under the terms of a corporate services agreement entered into on 2 October 2019 between the Issuer, the Corporate Services Provider, the Servicer and the Representative of the Noteholders (the "**Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide the Issuer with certain administrative and corporate services.

Under the terms of a back-up servicing agreement entered into on or about the Issue Date between the Issuer, Securitisation Services S.p.A., Agenzia Italia S.p.A., Trebi Generalconsult s.r.l. and the Servicer (the "**Back-Up Servicing Agreement**"), Securitisation Services S.p.A. has been appointed as Back-Up Servicer and has agreed to act as substitute Servicer subject to, *inter alia*, the appointment of Alba Leasing as Servicer being terminated, in accordance with the terms of the Servicing Agreement, and has delegated the execution of certain administrative activities to Agenzia Italia S.p.A. and Trebi Generalconsult s.r.l., each of which has been appointed as *Sub-Back-Up Servicer*.

Under the terms of a letter of undertaking entered into on or about the Issue Date between the Issuer, the Originator and the Representative of the Noteholders (the "**Letter of Undertaking**"), the Originator has undertaken to provide the Issuer with all necessary monies in order for the Issuer to pay certain losses, costs, expenses or liabilities indicated therein.

Under the terms of an intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors (the "**Intercreditor Agreement**") provision has been made as to, *inter alia*, (i) the application of the Issuer Available Funds in accordance with the Priority of Payments, (ii) the limited

recourse nature of the obligations of the Issuer, (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Aggregate Portfolio and (iv) the Representative of the Noteholders has been authorised, subject to the delivery of a Trigger Notice, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

Under the terms of a cash allocation, management and payment agreement entered into on or about the Issue Date between the Issuer, the Calculation Agent, the Account Bank, the Paying Agents, the Cash Manager, the Originator, the Servicer, the Corporate Services Provider and the Representative of the Noteholders and the Back-up Servicer (the "**Cash Allocation, Management and Payment Agreement**"), the Calculation Agent, the Account Bank, the Paying Agents and the Cash Manager have agreed to provide the Issuer with certain agency services and certain calculation, notification and reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of the Accounts. Pursuant to the terms of the Cash Allocation, Management and Payment Agreement, amounts standing from time to time to the credit of the Investment Account which may be opened by the Issuer in accordance the provisions of the Cash Allocation, Management and Payment Agreement may be invested in Eligible Investments in accordance with the terms and conditions provided thereunder.

Under the terms of a deed of pledge entered into on or about the Issue Date between the Issuer, the Account Bank and the Representative of the Noteholders (the "**Deed of Pledge**"), in addition and without prejudice to the segregation provided by the Securitisation Law, as security for the Secured Obligations the Issuer has, *inter alia*, pledged in favour of the Noteholders and the Other Issuer Creditors (i) all existing and future monetary claims and rights deriving from certain Transaction Documents, and (ii) any existing or future pecuniary claim and any right and any sum credited from time to time to certain Accounts.

Under the Senior Notes Subscription Agreement, the Class A Notes Underwriter has agreed, upon the terms and subject to the conditions specified therein, to subscribe for the Senior Notes and pay the Senior Notes Further Instalment Payments. Pursuant to the Senior Notes Subscription Agreement, Securitisation Services S.p.A. has been appointed as legal representative of the Senior Noteholders.

Under the Junior Notes Subscription Agreement, the Junior Notes Underwriter has agreed, upon the terms and subject to the conditions specified therein, to subscribe for the Junior Notes and pay the Junior Notes Further Instalment Payments. Pursuant to the Junior Notes Subscription Agreement, Securitisation Services S.p.A. has been appointed as legal representative of the Junior Noteholders.

Under the terms of a master definitions agreement entered into on or about the Issue Date between all the parties to the Transaction Documents (the "**Master Definitions Agreement**"), the definitions of certain terms used in such Transaction Documents have been set out.

The Issuer has established:

- (1) with the Account Bank the following accounts: (i) Collection Account; (ii) the Debt Service Reserve Account; and (iii) the Payments Account;

- (2) with UniCredit S.p.A., the Expenses Account; and
- (3) with Banca Monte dei Paschi di Siena S.p.A., the Quota Capital Account.

In addition, after the Issue Date the Issuer may establish the Investment Account with the Investment Account Bank in accordance with the relevant provisions of the Cash Allocation, Management and Payment Agreement.

The Issuer will manage such accounts as provided by the terms and conditions set out in the Cash Allocation, Management and Payment Agreement and the other Transactions Documents.

These Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection during normal business hours at the office of the Representative of the Noteholders, being, as at the Issue Date, Securitisation Services S.p.A., Via V. Alfieri 1, 31015 Conegliano (Treviso), Italy.

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. In particular, each Noteholder recognises that the Representative of the Noteholders is its representative and accepts to be bound by the terms of those Transaction Documents which have been signed by the Representative of the Noteholders as if it had signed such documents itself.

The rights and powers of the Noteholders may only be exercised in accordance with the Rules of Organisation of the Noteholders which are attached to these Terms and Conditions as Exhibit 1 and which are deemed to form part an integral and substantial part of these Terms and Conditions and the Noteholders shall be bound by the provisions of such Rules of Organisation of the Noteholders as if they had been set out herein in full. Copies of the Transaction Documents are available for inspection during normal business hours at the registered office of the Representative of the Noteholders.

## 1. DEFINITIONS AND INTERPRETATION

In these Terms and Conditions, unless otherwise specified or unless the context otherwise requires:

- (a) the exhibit hereto constitute an integral and essential part of these Terms and Conditions and shall have the force of and shall take effect as covenants; and
- (b) headings and subheadings are for ease of reference only and shall not affect the construction of these Terms and Conditions.

In these Terms and Conditions and otherwise in the Prospectus the following expressions shall, except where the context otherwise requires and save where defined therein, have the following meanings:

**"Account"** means any of the Eligible Accounts, the Quota Capital Account and the Expenses Account, and **"Accounts"** means any of them.

**"Account Bank"** means Citibank, Milan Branch.

**"Agents"** means the Paying Agents, the Calculation Agent, the Account Bank and the Cash Manager, and **"Agent"** means each of them.

**"Aggregate Portfolio"** means, on any date, the aggregate amount of Receivables in the Initial Portfolio and in the Subsequent Portfolios (if any) purchased, up to that date, by the Issuer in accordance with the Transfer Agreement.

**"Agreed Prepayment"** means a portion of the Prepayment Amount agreed between the Originator and the Lessee upon the early termination of a Lease Contract, provided that any such early termination is subject to the prior consent of the Originator and that the Agreed Prepayments shall be an amount at least equal to the Balance of the Outstanding Amount as at the date of the early termination of the relevant Lease Contract.

**"Alba 11 WH"** means Alba 11 WH S.r.l., a limited liability company with a sole quotaholder incorporated under the laws of the Republic of Italy, whose registered office is at Via V. Alfieri No. 1, 31015 Conegliano (TV), Italy, Fiscal Code and registration with the Companies' Register of Treviso – Belluno No. 05021510267, with quota capital of Euro 10,000 (fully paid up), enrolled under No. 35636.0 in the register of the società veicolo held by Bank of Italy pursuant to article 4 of the Bank of Italy's Regulation dated 7 June 2017, and having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

**"Alba Leasing"** means Alba Leasing S.p.A., a joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via Sile 18, 20139, Milan, Italy, with fully paid-in share capital of Euro 357,953,058.13 with Fiscal Code and registration with the Companies' Register of Milan – Monza – Brianza – Lodi No. 06707270960, enrolled under No. 32 in the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act.

**"Amortisation Period"** means the period which will commence on the Payment Date (included) immediately following the Ramp-Up Period End Date, and will end on the Cancellation Date. It is understood such period will commence on the Payment Date falling in October 2020 (included) if no Purchase Termination Event Notice or Trigger Notice has been delivered prior to such Payment Date.

**"Applicable Law"** means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any Party is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any Party.

**"Asset"** means any real estate asset, registered and unregistered movable properties leased under a Lease Contract.

**"Asset Coverage Tests"** means the difference, calculated on each Payment Report Date immediately preceding a Payment Date during the Ramp Up Period (taking into account all payments expected to be made on such Payment Date), between (a) and (b), where:

(a) is equal to:

- (i) the aggregate of the Outstanding Amount of all Receivables comprised in the Collateral Portfolio as at the immediately preceding Quarterly Settlement Date (and including the Initial Purchase Price of the Subsequent Portfolio which is due, subject to the terms of the Transfer Agreement and the Subscription Agreements, on such Payment Date); plus
- (ii) the balance of the Debt Service Reserve Account as of such Payment Date (taking into account any Debt Service Reserve Further Amount due on such Payment Date); plus
- (iii) the Collateral Integration Amount in relation to such Payment Date;

(b) is equal to:

- (i) the Principal Amount Outstanding of the Notes on such Payment Date taking into account the Notes Further Instalment Payments to be made on such Payment Date; multiplied by
- (ii) 0.98.

**"Authorised Person"** means any person who is designated in writing by the Issuer from time to time to give Instructions to the Agents under the terms of the Intercreditor Agreement.

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

**"Back-Up Servicer"** means Securitisation Services S.p.A. or any other entity acting as back-up servicer pursuant to the Back-Up Servicing Agreement from time to time.

**"Back-Up Servicing Agreement"** means the back-up servicing agreement entered into on or about the Issue Date between Alba Leasing, the Issuer, the Back-Up Servicer and the Sub-Back-Up Servicers, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Back-Up Servicing Event"** means each of the events provided by clause 2 (*Nomina del Back-Up Servicer*) of the Back-Up Servicing Agreement.

**"Balance of the Outstanding Amount"** means, in respect to a certain date and to each Receivable, an amount equal to the Outstanding Principal, plus the Instalments unpaid and accrued, plus any relevant penalties.

**"Bank of Italy Circular No. 272/2008"** means the circular of Bank of Italy No. 272 of 30 July 2008 bearing the "Accounts Matrix", as subsequently amended and supplemented.

**"Bank of Italy Supervisory Regulations"** means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

**"Banca Akros"** means Banca Akros S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy and registered with the Bank of Italy pursuant to article 13 of the Banking Law under number 5328 whose registered office is at Viale Eginardo, 29, 20149, Milan, Italy incorporated with Fiscal Code number, Vat number and registration number with the Register of Enterprises of Milan – Monza – Brianza – Lodi 03064920154, ABI Code no. 3045, part of the Gruppo Bancario Banco BPM, agreed into the Fondo Interbancario di Tutela dei Depositi and into the Fondo Nazionale di Garanzia.

**"Banca IMI"** means Banca IMI S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Largo Mattioli 3, 20121 Milan, Italy, incorporated with Fiscal Code number, VAT number and registration number with the Register of Enterprises of Milan – Monza – Brianza – Lodi under No. 04377700150, and registered with the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under number 5570.

**"Business Day"** means, (A) with reference to and for the purposes of any payment obligation, indexation and fixing provided for under the Transaction Documents, a TARGET Day and, (B) with reference to any other provision specified under the Transaction Documents, any TARGET Day on which banks are generally open for business in Milan, Luxembourg, Dublin and London (excluding for the sake of clarity Saturdays and Sundays).

**"Calculation Agent"** means Securitisation Services or any other entity acting as calculation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Cancellation Date"** means the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date; and
- (c) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that, in its sole and reasonable opinion, there are no more Issuer Available Funds to be distributed as a result of the Issuer having no additional amount or asset relating to each Portfolio. Any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled on such date.

**"Capital Requirements Directive"** or **"CRD IV"** means Directive 2013/36/EU (as amended and supplemented from time to time) of the European Parliament and of the Council of 26 June 2013 relating to the taking up and pursuit of the business of credit institutions.

**"Capital Requirements Regulation"** or **"CRR"** means Regulation (EU) 2013/575 of the European Parliament and of the Council of 26 June 2013 relating to the prudential requirements for credit institutions, as amended and supplemented from time to time, including pursuant to Regulation (EU) 2017/2401.

**"Cash Allocation, Management and Payment Agreement"** means the cash allocation management and payment agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Calculation Agent, the Account Bank, the Paying Agents, the Cash Manager, the Originator, the Servicer, the Back-Up Servicer, the Corporate Services Provider and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Cash Manager"** means Alba Leasing S.p.A. or any other entity acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Cash Trapping Condition"** means, with reference to each Payment Date starting from October 2020, the event occurring when the Gross Cumulative Default Ratio exceeds, as the immediately preceding Quarterly Settlement Date, the percentages set out in the percentage column below against the corresponding Payment Date:

Payment Date falling on	%
October 2020	4.50%
January 2021	5.00%
April 2021	5.00%
July 2021	6.00%
Thereafter	6.00%

**"Citibank, London Branch"** means Citibank N.A., London Branch, a bank incorporated under the laws of United States of America, acting through its London branch, registered in the United Kingdom under number BR001018, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.

**"Citibank, Milan Branch"** means Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan – Monza – Brianza – Lodi number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy.

**"Class"** shall be a reference to a class of Notes, being the Senior Notes or the Junior Notes and **"Classes"** shall be construed accordingly.

**"Class A Noteholder"** mean any Senior Noteholder.

**"Class A Notes"** means the Senior Notes or the up to Euro 1,050,000,000.00 Class A Asset Backed Floating Rate Notes due July 2039 issued on the Issue Date.



**"Class A Notes Underwriter"** means Alba Leasing.

**"Class A Principal Payment"** means, with reference to each Payment Date during the Amortisation Period, prior to the delivery of a Trigger Notice, an amount equal to the lower of (a) the Target Amortisation Amount on such Payment Date, (b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payments, and (c) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**"Class J Noteholders"** means the ultimate owners of the Class J Notes, each a **"Class J Noteholder"**.

**"Class J Notes"** means the up to Euro 465,000,000.00 Class J Asset Backed Floating Rate Notes due July 2039 issued on the Issue Date, or the Junior Notes.

**"Class J Notes Underwriter"** means Alba Leasing.

**"Class J Principal Payment"** means, with reference to each Payment Date during the Amortisation Period, prior to the delivery of a Trigger Notice, an amount equal to the lower of (a) the Target Amortisation Amount on such Payment Date less the Class A Principal Payment, (b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class J Notes in accordance with the Pre-Enforcement Priority of Payments, and (c) the Principal Amount Outstanding of the Class J Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**"Clearstream"** means Clearstream Banking, société anonyme with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended.

**"Collateral Integration Amount"** means, in relation to any Payment Date during the Ramp Up Period, an amount equal to the positive difference between (i) the Principal Deficiency Amount as at the immediately preceding Payments Report Date and (ii) the Initial Purchase Price of any Subsequent Portfolio paid on such Payment Date under item (vii)(a) of the applicable Priority of Payments.

**"Collateral Portfolio"** means, on any given date, all the Receivables arising from Lease Contracts that are not, as of such date, Defaulted Lease Contracts.

**"Collection Account"** (*Conto Incassi*) means the Euro denominated account opened with the Account Bank with IBAN IT97D0356601600000129006013, or any other Euro denominated account opened with any Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement, to which all the Collections and Recoveries made and the Indemnities paid in respect of the Portfolios will be credited, in accordance with the Servicing Agreement.

**"Collection Policies"** (*Procedura di Riscossione*) means the documents setting forth the procedures for the collection and recovery of the Receivables annexed to the Servicing Agreement.

**"Collections"** means any amount received in respect of the Receivables comprised in the Portfolios except any amount received as Recoveries.

**"CONSOB"** means *Commissione Nazionale per le Società e la Borsa*.

**"Consolidated Banking Act"** means Legislative Decree No. 385 of 1 September 1993, as subsequently amended and implemented from time to time.

**"Consolidated Financial Act"** means Legislative Decree No. 58 of 24 February 1998, as subsequently amended and implemented from time to time.

**"Contractual Interest Rate"** means the interest rate provided in each Lease Contract, as subsequently amended or renegotiated by the Originator with the relevant Lessee.

**"Contractual Rights"** has the meaning ascribed to such term in clause 3.1 (*Subject Matter*) of the Intercreditor Agreement.

**"Corporate Services Agreement"** means the corporate services agreement entered into on 2 October 2019 between the Issuer, the Corporate Services Provider, the Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Corporate Services Provider"** means Securitisation Services or any other entity acting as corporate services provider pursuant to the Corporate Services Agreement from time to time.

**"CRA Regulation"** means the Regulation (EC) No. 1060/2009, as amended from time to time.

**"Criteria"** (*Criteri*) means the objective criteria for the identification of the Receivables comprised in each Portfolio, as set out in Annex 1 to the Transfer Agreement.

**"DBRS"** means any entity of DBRS Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

**"DBRS Equivalent Rating"** means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or Standard & Poor's Ratings Services:

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+

AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

**"DBRS Minimum Rating"** means:

- (a) if a public long term senior debt rating by Fitch Ratings Limited ("**Fitch**"), a public long term senior debt rating by Moody's and a public long term senior debt rating by Standard & Poor's Ratings Services ("**S&P Rating Services**") in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such public long term ratings from such rating agencies (provided that (i) if such public long term rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one public long

term rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such public long term ratings shall be so disregarded);

- (b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but public long term senior debt ratings by any two of Fitch, Moody's and S&P Rating Services are available at such date, the DBRS Equivalent Rating of the lower such public long term rating (provided that if such public long term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);
- (c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but public long term senior debt ratings by any one of Fitch, Moody's and S&P Rating Services are available at such date, then the DBRS Equivalent Rating will be such public long term rating (provided that if such public long term rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**"Debt Service Reserve Account"** means the Euro denominated account with IBAN IT87G0356601600000129006021 which will be held with the Account Bank or any other account held with an Eligible Institution for the deposit of the Debt Service Reserve Amount in accordance with the Cash Allocation, Management and Payment Agreement.

**"Debt Service Reserve Amount"** means

- (a) on the Issue Date, an amount equal to the Debt Service Reserve Initial Amount;
- (b) with respect to any Payment Date during the Ramp-Up Period, an amount equal to 1% of the Principal Amount Outstanding of the Notes on such Payment Date (taking into account the Notes Further Instalment Payments to be made on such Payment Date but excluding the relevant Debt Service Reserve Further Amount, the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid);
- (c) with respect to any other Payment Date until, but excluding, the Release Date, an amount equal to the higher between (i) the aggregate of any Notes Initial Instalment Payments and any Notes Further Instalment Payments (but excluding the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid) multiplied by 0.4%; and (ii) the Principal Amount Outstanding of the Notes as of the relevant Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments and excluding the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid), multiplied by 1%; and
- (d) on the Release Date and on any Payment Date falling thereafter, 0 (zero).

**"Debt Service Reserve Initial Amount"** means Euro 9,523,201.13.

**"Debt Service Reserve Further Amount"** means, with reference to any Notes Further Instalment Payment Date, an amount equal to 1% of the aggregate of (i) the Senior Notes Further Instalment Payment and (ii) the Junior Notes Further Subordination Payment.

**"Debtor"** means the Lessee or any other person or entity liable for payment in respect of a Receivable.

**"Decree 170"** means the Legislative Decree No. 170 of 21 May 2004.

**"Decree 239 Deduction"** means any withholding or deduction for or on account of *"imposta sostitutiva"* under Decree No. 239.

**"Decree No. 239"** means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

**"Deed of Pledge"** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer, the Account Bank and the Representative of the Noteholders (acting on behalf of the Noteholders and as agent of the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Deed of Transfer"** means, collectively, with reference to each Subsequent Portfolio, the Offer Notice of a Subsequent Portfolio and the relevant acceptance.

**"Defaulted Instalment"** means any Instalment which remains unpaid for more than 180 days after the date scheduled for payment thereof in the relevant Lease Contract or which arises from a Lease Contract which has been classified as Non-Performing or from a Lease Contract which has been classified as Unlikely to Pay or from a Lease Contract which has been classified as Due and Impaired 180.

**"Defaulted Lease Contract"** means (a) (i) a Lease Contract classified as "Non-performing exposure past due and impaired 180" or (ii) a Lease Contract classified as Sofferenza or (iii) a Lease Contract classified as Unlikely to Pay or (b) a Lease Contract with respect to which there is at least one Instalment which remains unpaid for more than 180 days after the date scheduled for payment thereof in the relevant Lease Contract and a number of Delinquent Instalments equal to or higher than (i) 6 (six) in relation to Lease Contracts which provide for monthly payments; (ii) 3 (three) in relation to Lease Contracts which provide for two-month payments; (iii) 2 (two) in relation to Lease Contracts which provide quarterly payments; (iv) 2 (two) in relation to Lease Contracts which provide for four-monthly payments; or (v) 1 (one) in relation to Lease Contracts which provide for semi-annual payments.

**"Defaulted Receivables"** means the Receivables which arise from Defaulted Lease Contracts, and

**"Defaulted Receivable"** means each of them.

**"Deferred Purchase Price"** means the second portion, if any, of the Purchase Price due by the Issuer in respect of each Portfolio being equal to the difference (if positive), on each Payments Report Date with reference to the immediately following Payment Date, between:

- (a) the Issuer Available Funds, and
- (b) the sum of any amount due and payable on such Payment Date by the Issuer out of the Issuer Available Funds in priority to the relevant Deferred Purchase Price in accordance with the applicable Priority of Payments.

It is understood that if at the relevant Payment Date the Issuer has purchased more than one Portfolio, the amount calculated in accordance with paragraphs (a) and (b) above will be allocated with reference to the Portfolios pro rata according to the Outstanding Amount of the Receivables included in any Portfolio as at the Quarterly Settlement Date immediately preceding such Payment Date.

**"Delinquency Ratio"** means, on each Quarterly Settlement Date, the average percentage of the three previous periods between: (i) the Outstanding Amount of all the Receivables arising from Delinquent Lease Contracts comprised in the Collateral Portfolio as of the last Business Day of each month of the relevant Quarterly Settlement Period; and (ii) the Outstanding Amount of all the Receivables comprised in the Collateral Portfolio as of the last day of each month of the relevant Quarterly Settlement Period.

**"Delinquent Instalment"** means, in respect of any Receivables, any Instalment which remains unpaid by the related Lessee for 30 days or more after the scheduled date for payment thereof and which is not a Defaulted Instalment.

**"Delinquent Lease Contract"** means a Lease Contract with respect to which there is one or more Delinquent Instalment(s) but which is not a Defaulted Lease Contract.

**"DK Guarantees"** means any guarantee issued by a bank in favour of the Originator (a) to secure the payment of the amount due by a Lessee under the relevant Leasing Contract, and (b) qualified by the Originator as "DK Guarantee" (and such qualification has been notified to the Issuer).

**"Eligible Account"** means each of the Collection Account, the Debt Service Reserve Account, the Payments Account and the Investment Account, and **"Eligible Accounts"** means all of them.

**"Eligible Institution"** means any depository institution organised under the laws of any State which is a member of the European Union or of the United States:

- (a) whose deposit rating is at least "Baa2" by Moody's, or whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose deposit rating is at least "Baa2" by Moody's; and

- (b) whose long-term unsecured, unsubordinated and unguaranteed debt obligations, or whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A" by DBRS, *provided that* a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of a depository institution which does not have a private rating nor a public rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the DBRS Minimum Rating or which is deemed by DBRS as an Eligible Institution in accordance with DBRS criteria;
- (c) (c) whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations, or whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose long-term and short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least, respectively, "BBB" and "S-2" 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.

**"Eligible Investments"** means:

- (a) euro-denominated money market funds which have a long-term rating of "Aaamf" by Moody's and, if rated by DBRS, "AAA" by DBRS and permit daily liquidation of investments or have a maturity date falling before the next following Eligible Investments Maturity Date provided that such money market funds are disposable without penalty or loss for the Issuer;
- (b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date; and (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
- (c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date and (iii) such repurchase transactions provide a

fixed principal amount at maturity (such amount not being lower than the initially invested amount);

*provided that with* exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued or held by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least:

- (i) "A3" by Moody's in respect of long-term debt or such other lower rating being compliant with the criteria established by Moody's from time to time; and
- (ii) (A) "R-1 (low)" by DBRS in respect of short-term debt or "A" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than one month; (B) "R-1 (middle)" by DBRS in respect of short-term debt or "AA (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity between one and three months; (C) "R-1 (high)" by DBRS in respect of short-term debt or "AA" by DBRS in respect of long-term debt, with regard to investments having a maturity between three and six months; or (D) such other rating as acceptable to DBRS from time to time; provided that a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of debt securities or other debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution which does not have a private rating nor a public rating from DBRS, then the minimum rating requirements of the relevant debt instrument for DBRS will be defined having reference to the DBRS Minimum Rating;

*provided further that*, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

**"Eligible Investment Maturity Date"** means the Business Day prior to each Payments Report Date.

**"EURIBOR"** means at or about 11:00 a.m. (Brussels time) on the Interest Determination Date:

- (a) the Euro Interbank Offered Rate for three months Euro deposit (except in respect of the Initial Interest Period, where an interpolated interest rate based on interest rates for three months and six months deposits in Euro will be substituted for EURIBOR) which appears on the display page designated EURIBOR 01 on Thomson Reuters); or
- (b) in the case of (a), EURIBOR shall be determined by reference to such other page as may replace the relevant Thomson Reuters page on that service for the purpose of displaying such information; or



- (c) in the case of (a), EURIBOR shall be determined, if the Thomson Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (c) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**"); and

- (d) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:
  - (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or
  - (ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or
  - (iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which subparagraph (a) above shall have applied; and
- (e) if such rate is also unavailable at such time for Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to Condition 8.9 (*Fallback Provisions*).

"**Euro**", "**€**" and "**cents**" refer 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 from time to time.

"**Euroclear**" means Euroclear Bank S.A./N.V. with registered office at 1 Boulevard du Roi Albert II, B – 1210 Brussels, as operator of the Euroclear System.

"**European Union Insolvency Regulation**" means European Council Regulation (EC) No. 1346 of 29 May 2000 on insolvency proceeding, as amended and supplemented from time to time.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**"Excess Indemnity Amount"** means the excess indemnity amount to be paid by the Issuer to the Originator in accordance with clause 15 (*Importi recuperati in relazione ai crediti a seguito di azioni esecutive*) of the Servicing Agreement.

**"Expenses"** means any documented fees, costs and expenses required to be paid to any third party creditor (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Transaction, and any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

**"Expenses Account"** means the Euro denominated account opened with UniCredit S.p.A., with IBAN IT58F0200861624000105761017 or any other account opened in accordance with the Cash Allocation, Management and Payment Agreement.

**"Extraordinary Payment Date"** means the 15<sup>th</sup> Local Business Day after the delivery from the Originator of the notice relating to the exercise of the Portfolio Call Option in accordance with clause 27 (*Diritto di Opzione di Riacquisto sulla totalita' dei Crediti e Diritto di Prelazione*) of the Transfer Agreement.

**"Extraordinary Payments Report Date"** means the 7<sup>th</sup> Local Business Day before the Extraordinary Payment Date.

**"Extraordinary Quarterly Settlement Date"** means the last calendar day of the month immediately preceding the Extraordinary Payment Date.

**"Extraordinary Resolution"** means a resolution passed at a Meeting of the relevant Noteholders, duly convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

**"Extraordinary Resolution of the Most Senior Class of Notes"** means a resolution passed at a joint Meeting of the holders of the Most Senior Class of Notes, duly convened and held in accordance with the provisions contained in the Rules to resolve on the objects set out in article 18 of the Rules.

**"FATCA"** means:

- (a) sections 1471 to 1474 of the Code, any related regulation and any official interpretation;
- (b) any treaty, law or regulation of any other jurisdiction or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**"FATCA Withholding"** means a deduction or withholding from a payment under the Notes required by FATCA.

**"Final Maturity Date"** means the Payment Date falling in July 2039.

**"First Payment Date"** means the Payment Date falling on 27 January 2020.

**"First Quarterly Settlement Date"** means the day falling on 31 December 2019.

**"Floating Rate Lease Contracts"** means the Lease Contracts which provide for floating interest rate.

**"Formalities"** means jointly (i) the publication of the notice of the assignment of the Receivables in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the registration of such notice with the competent companies' register.

**"Further Issue"** has the meaning ascribed to such expression pursuant to Condition 6.4 (*Further Issues*).

**"Further Securitisation"** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 6.3 (*Further Securitisations*).

**"GDPR"** means the "*Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC*", as amended and supplemented from time to time.

**"Gross Cumulative Default Ratio"** means on each Quarterly Settlement Date the ratio between: (a) the aggregate of the Outstanding Amount (as of the date on which the relevant Lease Contract have become Defaulted Lease Contract) related to all the Receivables comprised in the Portfolios arising from Lease Contracts which have become Defaulted Lease Contracts in the period starting from the relevant Valuation Date (excluded) and ending on such Quarterly Settlement Date (included); and (b) the aggregate of the Outstanding Principal of the Receivables comprised in the Aggregate Portfolio at the relevant Valuation Date.

**"Guarantor"** means any person, other than the Debtor, who has granted a guarantee in favor of the Originator as collateral for the Receivables, and / or any of its successors.

**"IAF Initial Purchase Price of the Portfolio"** means the portion of the Purchase Price of any Subsequent Portfolio to be paid out of the Issuer Available Funds in accordance with the Pre-Enforcement Priority of Payments for an amount not exceeding the applicable Principal Deficiency Amount.

**"Indemnified Person"** has the meaning ascribed to such term under clause 10.1 (*Issuer's indemnification undertaking*) of the Senior Notes Subscription Agreement.

**"Indemnities"** means the "*Indennizzi da Perdita*" and the "*Indennizzi da Polizze*", each term as defined in the Master Definitions Agreement.

**"Index Rate"** means the base component of the interest rate applicable to each Floating Rate Lease Contract.

**"Individual Purchase Price"** means the individual purchase price of each Receivable equal to, in relation to such Receivable, (i) the Initial Purchase Price, plus (ii) if due, the Purchase Price of the Residual Optional Instalment.

**"Industry"** means the economic industry (identified by the group of RAE code (*codice di ramo di attività economica*), in which the relevant Debtor carries its business activity.

**"Initial Interest Period"** means the Interest Period that shall begin, in relation to each Class of Notes, on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**"Initial Portfolio"** means the initial portfolio of Receivables purchased by the Issuer from the Originator in accordance with article 2.1 (*Cessione del Portafoglio Iniziale*) of the Transfer Agreement.

**"Initial Purchase Price"** means the initial portion of the Purchase Price to be paid in respect of the Receivables comprised in each Portfolio, equal to the Outstanding Principal of such Receivables as calculated at the relevant Valuation Date and, in respect of the Initial Portfolio, an amount equal to Euro 952,320,113.11.

**"Insolvency Event"** means in respect of any company or corporation that:

- (a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordi di ristrutturazione*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the reasonable opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the reasonable opinion of the Representative

of the Noteholders, the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

- (c) such company or corporation takes any action for a re-adjustment of deferment of a substantial part of its obligations or makes a general assignment or a general arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of a substantial part of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganisation or reconstruction) or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation.

**"Insolvency Proceeding"** means any applicable bankruptcy, liquidation, administration, insolvency, composition or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria*", "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*" and "*accordi di ristrutturazione*" each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy.

**"Instalment"** means each periodic lease instalment (excluding in any case the Residual Optional Instalment) due from Lessees under the Lease Contracts (net of VAT) the Receivables of which have been assigned under the terms of the Transfer Agreement. In case the receivables arising out of any Lease Contract are assigned only in part to the Issuer, Instalment shall mean only such periodic lease instalments which are included in the object of the relevant assignment.

**"Instructions"** means any written notices, written directions or written instructions received by the Agents in accordance with the provisions of the Intercreditor Agreement from an Authorised Person or from a person reasonably believed by the Agents to be an Authorised Person.

**"Insurance Policy"** means any insurance policies executed by a Debtor or by the Originator with respect to, or as condition of, a Lease Contract, including, without limitation, the policies for the coverage of the risks regarding the Assets.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as amended from time to time in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereto.

**"Interest Amount"** means the Euro amount accrued on the Notes in respect of each Interest Period, calculated according to Condition 8.3 (*Interest – Determination of the Rate of Interest and Calculation of the Interest Amount*).

**"Interest Determination Date"** means (i) with respect to the Initial Interest Period the date falling two TARGET Days prior to the relevant Issue Date, and (ii) with respect to each subsequent Interest Period, the date falling two TARGET Days prior to the Payment Date at the beginning of such Interest Period.

**"Interest Period"** means (a) the Initial Interest Period, and (b) each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**"Investment Account"** means the Euro denominated deposit account and the securities investment account which may be opened by the Issuer with the Investment Account Bank in accordance with the Cash Allocation, Management and Payment Agreement.

**"Investment Account Bank"** means the Eligible Institution to be appointed by the Issuer pursuant to clause 7 (*Investment Account and Investment Services*) of the Cash Allocation, Management and Payment Agreement) with whom the Investment Account may be opened after the Issue Date.

**"Investment Account Bank Report"** means the report setting out the details of the Eligible Investments which shall be delivered by the Investment Account Bank (if any) to the Issuer, the Cash Manager, the Calculation Agent, the Representative of the Noteholders and the Corporate Services Provider, no later than one Business Day prior to each Quarterly Servicer Report Date, or at any time upon request by the Representative of the Noteholders, according to article 7.12 (*Investment Account Bank Report*) of the Cash Allocation, Management and Payment Agreement.

**"Investment Letter"** means the investment letter that can be delivered by the Cash Manager to the Investment Account Bank, in accordance with clause 7.2 of the Cash Allocation, Management and Payment Agreement, as amended and supplemented from time to time.

**"Investor Report"** means the report setting out certain information with respect to each Portfolio and the Notes which shall be delivered by the Calculation Agent to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Paying Agents, the Account Bank, the Cash Manager, the Corporate Services Provider, the Underwriters, the Rating Agency, the Joint Arrangers and the Originator on each Investor Report Date pursuant to the Cash Allocation, Management and Payment Agreement.

**"Investor Report Date"** means the first Business Day after each Payment Date.

**"Issue Date"** means 17 October 2019, or any other subsequent date agreed in writing among the Issuer, the Class A Underwriter and the Junior Notes Underwriter.

**"Issue Price"** means 100 per cent. of the nominal amount of the Senior Notes or the Junior Notes, as the case may be, to be paid subject to and in accordance with the terms of the Senior Notes Subscription Agreement or the Junior Notes Subscription Agreement, as the case may be.

**"Issuer"** means Alba 11 WH S.r.l..

**"Issuer Available Funds"** means, on each Payment Date, the aggregate amounts (without duplication) of:

- (i). all Collections received in respect of the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account (including, for the avoidance of doubt, penalties, Indemnities and/or the Agreed Prepayments received and any other sums paid by the Lessees pursuant to the relevant Lease Contracts in respect of the Receivables);
- (ii). all Recoveries received in respect of the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account;
- (iii). all amounts received by the Issuer from the Originator pursuant to the Transfer Agreement or by the Servicer pursuant to the Servicing Agreement during the immediately preceding Quarterly Settlement Period (other than the Collections and the Recoveries) and credited to the Payments Account;
- (iv). any interest accrued and credited on the Accounts (other than the Expenses Account and the Quota Capital Account) as of the last day of the immediately preceding Quarterly Settlement Period;
- (v). any amounts credited into the Debt Service Reserve Account on the Issue Date or, as the case maybe, on the immediately preceding Payment Date (including any relevant Debt Service Reserve Further Amount due on such date);
- (vi). the net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of the Accounts (other than the Expenses Account and the Quota Capital Account) in respect of the Quarterly Settlement Period immediately preceding such Payment Date;
- (vii). any amount provisioned into the Payments Account on the immediately preceding Payment Date under items *(vii(b))*, *(ix)* and *(xii)* of the Pre-Enforcement Priority of Payments;
- (viii). all proceeds arising from the sale of the Receivables effected by the Issuer in accordance with the Transaction Documents (also if credited to the Eligible Accounts following the Quarterly Settlement Date immediately preceding such Payment Date);
- (ix). any other amount received in respect of the Securitisation in respect of the Quarterly Settlement Period immediately preceding such Payment Date, not included in any of the items above (but excluding any amount expressly excluded from the Issuer Available Funds pursuant to any of the items above and below);

*but excluding:* (i) any Residual Optional Instalment collected by the Issuer in the immediately preceding Quarterly Settlement Period and (ii) any Excess Indemnity Amount.

**"Issuer's Rights"** means any and all the Issuer's rights and powers under the Transaction Documents.

**"Italian Bankruptcy Law"** means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

**"Italian Paying Agent"** means Citibank, Milan Branch, or any other entity acting as Italian paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Joint Arrangers"** means Banca IMI, Banca Akros and Société Générale, and each of them a **"Joint Arranger"**.

**"Joint Regulation"** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time.

**"Junior Noteholder"** means any holder of a Junior Note and **"Junior Noteholders"** means all of them.

**"Junior Notes"** means the Class J Notes.

**"Junior Notes Further Instalment Payment"** means any further instalment payment made by the Junior Noteholders on each Payment Date, as the case may be, falling in the Ramp-Up Period, in accordance with the Junior Notes Subscription Agreement.

**"Junior Notes Further Instalment Payment Date"** means the Payment Date falling immediately after the delivery of a Junior Notes Further Instalment Request.

**"Junior Notes Further Instalment Request"** means the request of irrevocable order of payment made by the Calculation Agent (on behalf of the Issuer) with respect to a Junior Notes Further Instalments pursuant to the Junior Notes Subscription Agreement.

**"Junior Notes Further Instalment Request Date"** means with reference to each Junior Notes Further Instalment Payment, the 5<sup>th</sup> Business Day prior to the Payment Date falling after the execution of the relevant Deed of Transfer.

**"Junior Notes Further Subordination Payment"** means an amount equal to the Junior Notes Ratio multiplied by the positive difference between:

- (i) the Initial Purchase Price of the Subsequent Portfolio to be paid in accordance with the Transfer Agreement and the relevant Deed of Transfer; less
- (ii) the IAF Initial Purchase Price of the Portfolio.

**"Junior Notes Initial Instalment Payment"** means the initial instalment payment of the Issue Price made by the Junior Notes Underwriter in respect of the Junior Notes on the Issue Date, in accordance with the Junior Notes Subscription Agreement.

**"Junior Notes Instalment Payment"** means, together, the Junior Notes Initial Instalment Payment and the Junior Notes Further Instalment Payments.

**"Junior Notes Nominal Amount"** means Euro 465,000,000.00.



**"Junior Notes Ratio"** means 30%.

**"Junior Notes Subscription Agreement"** means the junior notes subscription agreement in relation to the Class J Notes entered into on or about the Issue Date, between the Issuer, the Junior Notes Underwriter and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto and regulating, inter alia, the terms and conditions for the subscription and issuance of the Class J Notes.

**"Junior Notes Underwriter"** means Alba Leasing.

**"Late Payments"** means payments in respect of Receivables which have been made after the due date thereof.

**"Latest Report"** means the latest available Quarterly Servicer Report.

**"Lease Contract"** means each financial leasing agreement between the Originator and a Lessee for the lease of an Asset (as subsequently amended and supplemented), from which the Receivables comprised in the Portfolios (satisfying and as selected pursuant to the Criteria) arise.

**"Lease Contract classified as Non-performing exposure past due and impaired 180"** (*Contratto di Locazione Finanziaria classificato come Scaduto Deteriorato 180*) means a Lease Contract, other than a Lease Contract classified as Sofferenza and from a Lease Contract classified as Unlikely to Pay, in relation to which the relevant Debtor has credit exposures past due and/or impaired from over 180 days and which exceed a preset materiality threshold equal to the ratio expired/exposure >5%.

**"Lease Contract classified as Sofferenza"** (*Contratto di Locazione Finanziaria classificato come Sofferenza*) means a Lease Contract in relation to which the relevant Debtor is in a state of insolvency or similar situations, and the credit exposure to such Debtor has been classified as "sofferenza" in accordance with the Bank of Italy Circular No. 272/2008.

**"Lease Contract classified as Unlikely to Pay"** (*Contratto di Locazione Finanziaria classificato come Inadempienza Probabile*) means a Lease Contract, other than a Lease Contract classified as Sofferenza and from a Lease Contract classified as Non-performing exposure past due and impaired 180, with credit exposures vis-à-vis the relevant Debtor for which Alba Leasing considers unlikely that, without recourse to actions such as the enforcement of collaterals, the Debtor may fully fulfill its payment obligations (principal and/or interest) arising from the relevant Lease Contract and which have been classified as "*inadempienza probabile* (unlikely to pay)" in accordance with the Bank of Italy Circular No. 272/2008.

**"Lessees"** means the parties which have signed the Lease Contracts with the Originator, and **"Lessee"** means each of them.

**"Letter of Undertaking"** means the letter of undertaking entered into on or about the Issue Date among the Issuer, the Representative of the Noteholders and the Originator, in accordance with

the provisions therein contained, and including any agreement or other document expressed to be supplemental thereto.

**"Limited Industries"** means the economic industry in which the relevant Lessee carries its business activity identified by the following ATECO codes (economic industry sector): 68; 411; 412; 551; 552; 681; 682; 683; 4110; 4120; 4312; 4329; 4339; 4399; 5510; 5520; 6810; 6820; 6831; 6832; 41100; 41200; 43120; 43290; 43390; 43990; 55100; 55201; 55202; 55203; 55204; 55205; 68100; 68200; 68310; 68320; 411000; 412000; 431200; 432901; 432902; 432909; 433901; 433909; 439901; 39902; 439909; 551000; 552010; 552020; 552030; 552040; 552051; 552052; 681000; 682001; 682002; 683100; 683200.

**"Local Business Day"** means any day (other than Saturday or Sunday) on which banks are open for business in Milan and which is a TARGET Day.

**"Master Definitions Agreement"** means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Meeting"** means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

**"Minimum Rating"** means (a) a short-term rating at least equal to "R-1(low)" by DBRS and/or (b) a long-term rating at least equal to "Baa2" by Moody's, *provided that*, for the purpose of this definition, a reference to a rating by Moody's shall be deemed to be referred to the deposit rating of the relevant entity.

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

**"Monte Titoli Account Holder"** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

**"Moody's"** means Moody's Investors Service Ltd.

**"Most Senior Class of Noteholders"** means, at any given date, the holders of the Most Senior Class of Notes.

**"Most Senior Class of Notes"** means the Class of Notes outstanding which ranks highest in accordance with the applicable Priority of Payments.

**"Noteholders"** means the holders of the Senior Notes and the Junior Notes, collectively, and **"Noteholder"** means any of them.

**"Notes"** means, collectively, the Senior Notes and the Junior Notes issued from time to time, and **"Note"** means any of them.

**"Notes Further Instalment Payment Date"** means, as the case may be, the Senior Notes Further Instalment Payment Date or the Junior Notes Further Instalment Payment Date.

**"Notes Further Instalment Request Date"** means a Senior Notes Further Instalment Request Date or a Junior Notes Further Instalment Request Date, as the case may be.

**"Notes Further Instalments Payments"** means, collectively, the Senior Notes Further Instalment Payment and the Junior Notes Further Instalment Payment.

**"Notes Further Instalments Request"** means a Senior Notes Further Instalment Request or a Junior Notes Further Instalment Request, as the case may be.

**"Notes Initial Instalments Payments"** means, with reference to the Senior Notes, the Senior Notes Initial Instalment Payment and, with reference to the Junior Notes, the Junior Notes Initial Instalment Payments.

**"Notes Instalment Payment"** means the Senior Notes Instalment Payment or the Junior Notes Instalment Payment, as the case may be.

**"Notice in GU"** means the publication of the notice of the assignment of the relevant Portfolio in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) in accordance with clause 23 (b) (*Impegni delle Parti ai sensi e per gli effetti di cui alla Legge sulla Cartolarizzazione*) of the Transfer Agreement.

**"Offer Notice"** means in respect of any Subsequent Portfolio, the relevant sale notice as provided for by the Transfer Agreement, to be sent by the Originator to the Issuer and **"Offer Notices"** means all of them.

**"Official Gazette"** means the *Gazzetta Ufficiale della Repubblica Italiana*.

**"Optional Redemption"** has the meaning set out in Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*).

**"Organisation of the Noteholders"** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**"Originator"** means Alba Leasing.

**"Other Issuer Creditors"** means the Originator, the Representative of the Noteholders, the Paying Agents, the Calculation Agent, the Account Bank, the Stichting Corporate Services Provider, the Servicer, the Cash Manager, the Corporate Services Provider, the Sole Quotaholder, the Class A Notes Underwriter, the Junior Notes Underwriter and the Back-Up Servicer.

**"Outstanding Amount"** means, on any date and with respect to each Receivable, the sum of:

- (a) all the Principal Instalments due but unpaid, outstanding as of such date pursuant to the amortisation schedule of the relevant Lease Contract, and
- (b) the Outstanding Principal.

**"Outstanding Principal"** means, on any date and with respect to each Receivable, the difference between

- (a) the sum of all the Instalments plus the Residual Optional Instalment that are not yet due as of such date pursuant to the amortization schedule of the relevant Lease Contract, discounted at the Contractual Interest Rate as of such date; and
- (b) the Residual Optional Instalment.

**"Paying Agents"** means, collectively, the Principal Paying Agent and the Italian Paying Agent.

**"Payment Date"** means (a) the First Payment Date and thereafter the 27<sup>th</sup> day of each of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day, and (b) the Extraordinary Payment Date.

**"Payments Account"** means the Euro denominated account with IBAN: IT81R0356601600000129006048 opened with the Account Bank or any other account opened in accordance with the Cash Allocation, Management and Payment Agreement with any Eligible Institution for the deposit, *inter alia*, of all amounts received from any party to a Transaction Documents to which the Issuer is a party, other than amounts expressly provided to be paid on other Accounts.

**"Payments Report"** means the report setting out all payments and information set forth in the Cash Allocation, Management and Payment Agreement to be delivered by the Calculation Agent on each Payments Report Date in accordance with the provisions thereof.

**"Payments Report Date"** means the date falling 5 (five) Business Days prior to each relevant Payment Date and, with reference to the Extraordinary Payment Date, the Extraordinary Payments Report Date.

**"Pledge"** means the pledge granted over the Subject Matter of the Pledge and any supplemental pledge, which is or will be granted or created pursuant to the terms of the Deed of Pledge.

**"Pledged Accounts"** means, collectively, the Collection Accounts, the Investment Account, the Debt Service Reserve Account and the Payments Account.

**"Pledged Claims"** has the meaning ascribed to such term in clause 2.1 (*Pledged Claims*) of the Deed of Pledge.

**"Pledgor"** means the Issuer.

**"Pool"** means, as the case may be, the Pool No. 1, the Pool No. 2, the Pool No. 3 and the Pool No. 4.

**"Pool No. 1"** means those Receivables originated under Lease Contracts the related Assets of which are vehicles, motor-vehicles, cars, light lorries, commercial vehicles, industrial vehicles or other motorised vehicles excluding aircrafts.

**"Pool No. 2"** means those Receivables originated under Lease Contracts the related Assets of which are instrumental assets (e.g. machinery, equipment and/or plants).

**"Pool No. 3"** means those Receivables originated under Lease Contracts the related Assets of which are real estate assets.

**"Pool No. 4"** means those Receivables originated under Lease Contracts the related Assets of which are ships, airplanes, vessels or trains.

**"Portfolio"** means any portfolio of Receivables purchased by the Issuer pursuant to the Transfer Agreement.

**"Portfolio Call Option"** has the meaning ascribed to it under article 27.1 (*Diritto di Opzione*) of the Transfer Agreement.

**"Post-Enforcement Priority of Payments"** means the order of priority in which the Issuer Available Funds shall be applied after the delivery of a Trigger Notice in accordance with Condition 7.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

**"Pre-emption Right"** has the meaning ascribed to such term in clause 21.1.3 of the Intercreditor Agreement.

**"Pre-Enforcement Priority of Payments"** means the order of priority in which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with Condition 7.1 (*Priority of Payments – Pre-Enforcement Priority of Payments*).

**"Prepayment Amount"** means in relation to a Lease Contract, the amount payable to the Originator by the relevant Lessee upon the early termination of such Lease Contract, provided that (a) any such early termination is subject to the prior consent of the Originator and (b) the Prepayment Amount is equal to the sum of:

- (a) the accrued and unpaid Instalments plus any relevant penalties; and
- (b) the nominal value of all future Instalments and of the Residual Optional Instalment, discounted back at a rate determined by the Originator as at the date of the early termination of the relevant Lease Contract.

**"Principal Amount Outstanding"** means, on any day:

- (a) with respect to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class;
- (b) with respect to a Note, the aggregate of the relevant Notes Initial Instalment Payment and of all relevant Notes Further Instalment Payments made in respect thereof, less the aggregate amount of all principal payments in respect of that Note that have been made by the Issuer on or prior to that date.

**"Principal Amounts"** means the Euro amounts payable on the Notes as principal in accordance with the Conditions.

**"Principal Deficiency Amount"** means the amount, as calculated by the Calculation Agent on each

Payments Report Date immediately preceding a Payment Date during the Ramp Up Period, equal to the difference, if positive, between (i) the Principal Amount Outstanding of the Notes (without taking into account the Notes Further Instalment Payments to be made on such Payment Date) and (ii) the Outstanding Amount of the Collateral Portfolio on the immediately preceding Quarterly Settlement Date plus the Debt Service Reserve Amount to be credited into the Debt Service Reserve Account on such Payment Date (without taking into account any Debt Service Reserve Further Amount due on such Payment Date).

**"Principal Instalments"** means, with respect to each Receivable, the principal component of the Instalments of such Receivables (excluding for the avoidance of doubt the Residual Optional Instalment).

**"Principal Paying Agent"** means Citibank, London Branch, or any other entity acting as principal paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Priority of Payments"** means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

**"Privacy Law"** or **"Privacy Code"** means the Legislative Decree No. 196 of 30 June 2003.

**"Privacy Legislation"** means any legislation applicable on data protection, including the GDPR, the Privacy Law, all applicable provisions adopted by the Italian Data Protection Authority and the national legislation implementing the GDPR.

**"Pro Rata Share"** (*Quota Parte*) means, in respect of each Receivables, the percentage equivalent to the ratio between:

- (a) the sum of:
  - (i) the value, discounted at the relevant estimate date and determined in accordance with the relevant Index Rate, of the Instalments and of the Residual Optional Instalment not yet due as such date; and
  - (ii) the aggregate sum of all the Instalments and the Residual Optional Instalment comprised in such Receivable, due but unpaid as of such date and any relevant penalty payments (net of VAT); and
- (b) all Instalments and the Residual Optional Instalment comprised in such Receivable, not yet due, discounted at the relevant estimate date in accordance with the relevant Index Rate, plus the Instalments and the Residual Optional Instalment due but unpaid comprised in the Lease Contract, plus and any relevant penalty payments, plus the Residual Optional Instalment, plus accrued VAT.

**"Prospectus"** means the prospectus of the Notes required under the Securitisation Law and approved by Borsa Italiana dated on or about the Issue Date.

**"Purchase Notice"** means the prior written notice which the Originator shall sent to the Issuer and

the Senior Noteholders, with copy to the Junior Noteholder and the Calculation Agent pursuant to the Senior Notes Subscription Agreement and Condition 3.3 (Senior Notes Further Instalment Payments), to inform them of its intention to sell a Subsequent Portfolio and that, for purchasing such Subsequent Portfolio, the Issuer shall request Notes Further Instalment Payments.

**"Purchase Price"** means (A) in respect of each Receivable, the Individual Purchase Price of such Receivable; and (B) in respect of each Portfolio, the sum of (i) the aggregate of the Individual Purchase Prices of each Receivables comprised in each Portfolio and (ii) the Deferred Purchase Price.

**"Purchase Price of the Residual Optional Instalment"** means, in respect of each Payment Date and with respect to each Receivable, an amount equal to the Residual Optional Instalment of such Receivable collected by the Issuer upon the exercise by the relevant lessee of the option to purchase the relevant Asset, or in case such a term refers to a Portfolio, the sums of the purchase prices of the residual optional instalments of each Portfolio.

**"Purchase Termination Event"** has the meaning ascribed to such term in Condition 16 (*Purchase Termination Event*).

**"Purchase Termination Event Notice"** has the meaning ascribed to such term in Condition 16 (*Purchase Termination Event*).

**"Quarterly Servicer Report"** means a report which the Servicer has undertaken to deliver on each Quarterly Servicer Report Date, setting out, *inter alia*, the performance of the Receivables, to be prepared substantially in the form of schedule 2 of the Servicing Agreement.

**"Quarterly Servicer Report Date"** means the 7<sup>th</sup> Local Business Day following a Quarterly Settlement Date.

**"Quarterly Settlement Date"** means the last calendar day of December, March, June and September of each year and with reference to the Extraordinary Payment Date, the Extraordinary Quarterly Settlement Date.

**"Quarterly Settlement Period"** means each three months period commencing on (but excluding) a Quarterly Settlement Date and ending on (and including) the immediately following Quarterly Settlement Date, *provided that* (a) the first Quarterly Settlement Period commences on the Valuation Date (excluded) and ends on the First Quarterly Settlement Date (included) and (b) the Quarterly Settlement Period ending on the Extraordinary Quarterly Settlement Date may be shorter than a period of three months.

**"Quota Capital Account"** means the Euro denominated account opened by the Issuer with Banca Monte dei Paschi di Siena S.p.A., with IBAN IT51J0103061622000001849518, to which the contributed quota capital of the Issuer is deposited, or any other account that shall be opened by the Issuer in substitution of such account in accordance with the Cash Allocation, Management and Payment Agreement.

**"Quotaholder Agreement"** means the quotaholder agreement entered into between the Issuer, the

Representative of the Noteholders, and the Sole Quotaholder on or about the Issue Date, including any agreement or other document expressed to be supplemental thereto.

**"Ramp-Up Period"** means the first phase of the Securitisation, which will start on the Issue Date and end on the Ramp-Up Period End Date.

**"Ramp-Up Period End Date"** means the earlier of (i) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (ii) the Payment Date falling in July 2020.

**"Rate of Interest"** shall have the meaning ascribed to it in Condition 8.2 (*Interest – Rate of Interest*).

**"Rating Agency"** means Scope Ratings GmbH.

**"Receivable"** means, with reference to each Portfolio, each and any claims (save as stated below) arising from the Lease Contracts (and each contract, deed, agreement or document related to those Lease Contracts), satisfying the Criteria on the relevant Valuation Date (or the different date provided in respect of each Criteria) included in the relevant Portfolio and excluding any amount due on or before the relevant Valuation Date (included), including, without limitation:

- (a) the Instalments;
- (b) the Agreed Prepayments and the Prepayment Amounts;
- (c) the Residual Optional Instalment;
- (d) default interest and/or other interest due by the Debtors arising as a consequence of payment deferrals granted by the Originator, in each case, accrued and unpaid until the date of purchase of such Receivable and/or any other such interest payments which are to mature thereafter, on all amounts outstanding from the Lessees under the Lease Contracts which are the object of the assignment under the other points of this definition;
- (e) amounts due as penalties;
- (f) any increase in Instalments as a result of any amendment to the Lease Contracts, which do not result in an increase in the overall principal amount of the Receivable existing at the date on which the amendment is executed;

but excluding in all cases:

- (i) amounts due by way of VAT;
  - (ii) expenses due by the Lessee pursuant to the relevant Lease Contract; and
  - (iii) default interests in respect of amounts due under (a) and (b) above,
- provided always that if only part of the Instalments under a Lease Contract have been assigned, the receivables under item (d) and (e) above will be deemed to have been assigned only with respect to the relevant Pro Rata Share.

**"Records"** has the meaning ascribed to such term in the Cash Allocation, Management and Payment Agreement.



**"Recoveries"** means the recoveries, surety payments, insurance proceeds and penalties received in respect of any Defaulted Receivables, and **"Recovery"** means each such recovery.

**"Redemption for Taxation"** has the meaning set out in Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

**"Reference Banks"** means three (3) major banks in the Euro-Zone inter-bank market selected by the Issuer with the approval of the Representative of the Noteholders in accordance with Condition 8.7 (*Interest – Reference Banks and paying agent*). The initial Reference Banks shall be JP Morgan, BNP Paribas and Barclays Bank plc.

**"Regulation S"** means Regulation S promulgated under the U.S. Securities Act.

**"Release Date"** means the earlier of: (i) the Cancellation Date; (ii) the Payment Date on which the Issuer Available Funds to be applied on such date, minus all payments or provisions which have a priority or *pari passu* ranking with the payment of principal on the Senior Notes in accordance with the Pre-Enforcement Priority of Payments, are sufficient to redeem the Senior Notes in full; and (iii) the Payment Date immediately succeeding the service of a Trigger Notice.

**"Representative of the Noteholders"** means Securitisation Services or any other entity acting as representative of the Noteholders pursuant to the Subscription Agreements and/or the Terms and Conditions from time to time.

**"Requirements"** has the meaning ascribed to the definition "*Requisiti*" in clause 7.1 (*Revoca del Back-up Servicer*) of the Back-Up Servicing Agreement.

**"Residual Optional Instalment"** means the residual price (*riscatto*) due from a Lessee at the end of the contractual term of a Lease Contract (if the Lessee elects to exercise its option to purchase the related Asset) the Receivables of which have been assigned under the terms of the Transfer Agreement. In case the transfer of the relevant Portfolio has as object only part of the receivables deriving from the relevant Lease Contracts, Residual Optional Instalments shall refer only to the one comprised in the transfer.

**"Retention Amount"** means Euro 25,000.

**"Rules of the Organisation of the Noteholders"** or the **"Rules"** means the rules of the organisation of the Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereof.

**"S&P"** means Standard & Poor's Credit Market Services France S.A.S..

**"Secured Creditors"** means the Noteholders and the Other Issuer Creditors.

**"Secured Obligations"** means all of the Issuer's obligations *vis-à-vis* the Secured Creditors under the Notes and the Transaction Documents.

**"Securitisation"** means the securitisation of the Receivables made by the Issuer through the

issuance of the Notes pursuant to articles 1 and 5 of the Securitisation Law.

**"Securitisation Law"** means Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**"Securitisation Services"** means Securitisation Services S.p.A. a company with a sole shareholder incorporated as a *"società per azioni unipersonale"*, 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 *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, 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.. **"Security"** means the security created under the Deed of Pledge.

**"Security Documents"** means the Deed of Pledge and any other security document entered into from time to time.

**"Security Interest"** means any mortgage, charge, pledge, lien, 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.

**"Senior Noteholder"** means any holder of a Senior Note and **"Senior Noteholders"** means all of them.

**"Senior Notes"** means the Class A Notes.

**"Senior Notes Further Instalment Payment"** means any further instalment payment made by the Senior Noteholders on each Payment Date falling in the Ramp-Up Period, in accordance with the Senior Notes Subscription Agreement.

**"Senior Notes Further Instalment Payment Date"** means the Payment Date falling immediately after the delivery of a Senior Notes Further Instalment Request.

**"Senior Notes Further Instalment Request"** means the request of irrevocable order of payment made by the Calculation Agent (on behalf of the Issuer) with respect to a Senior Notes Further Instalments pursuant to the Senior Notes Subscription Agreement.

**"Senior Notes Further Instalment Request Date"** means with reference to each Senior Notes Further Instalment Payment, 5<sup>th</sup> Business Day prior to the Payment Date falling after the execution of the relevant Deed of Transfer.

**"Senior Notes Initial Instalment Payment"** means the initial instalment payment made by the Class A Notes Underwriter in respect of the Senior Notes on the Issue Date, in accordance with the Senior Notes Subscription Agreement.

**"Senior Notes Instalment Payments"** means, together, the Senior Notes Initial Instalment Payment and the Senior Notes Further Instalment Payments.

**"Senior Notes Nominal Amount"** means Euro 1,050,000,000.00.

**"Senior Notes Ratio"** means 70%.

**"Senior Notes Subscription Agreement"** means the senior notes subscription agreement in relation to the Class A Notes entered into on or about the Issue Date, between the Issuer, the Joint Arrangers, the Class A Notes Underwriter, the Originator and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto and regulating, *inter alia*, the terms and conditions for the subscription and issuance of the Class A Notes.

**"Senior Notes Underwriter"** means the Class A Notes Underwriter.

**"Servicer"** means Alba Leasing or any other entity acting as Servicer pursuant to the Servicing Agreement from time to time.

**"Servicer Account"** means the Euro denominated account with IBAN: IT74 B 03069 12711 100000010865 established in the name of the Servicer with the Servicer Account Bank, or with any other bank having the Minimum Rating, for the collection of the Receivables, managed by the Servicer pursuant to the Servicing Agreement.

**"Servicer Account Bank"** means Intesa Sanpaolo S.p.A. and any of its successors and assignees.

**"Servicer Termination Event"** has the meaning ascribed to it in clause 10.2 of the Servicing Agreement.

**"Servicer's Fee"** means the fee due to the Servicer pursuant to clause 9 of the Servicing Agreement.

**"Services"** has the meaning ascribed to such term in clause 2 (*Appointment and Services of the Corporate Services Provider*) of the Corporate Services Agreement.

**"Servicing Agreement"** means the servicing agreement entered into on 2 October 2019 between the Issuer and the Servicer in order to administer and service the Receivables comprised in each Portfolio and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Société Générale"** or **"SG"** means Société Générale, a French limited liability company (*société anonyme*) whose registered office is at 29 Boulevard Haussman, 75009 Paris, France, and whose head office is at 17 cours Valmy, 97972 Paris-La Défense Cedex – France, enrolled in France in the Commercial Register under number 552120222.

**"Sole Quotaholder"** means Stichting Vivalto.

**"Specified Office"** means the office of (i) the Account Bank located at Via dei Mercanti, 12, 20121 Milan, Italy; or (ii) the Principal Paying Agent located at Citigroup Centre, Canada Square, Canary

Wharf, London, E14 5LB, United Kingdom; or (iii) the Italian Paying Agent located at Via dei Mercanti, 12, 20121 Milan, Italy; or (iv) the Calculation Agent located at Via Alfieri 1, 31015 Conegliano (TV), Italy; or (v) the Cash Manager located at Via Sile No.18, 20139 Milan, Italy, as the case may be, or the different offices changed in accordance with the Cash Allocation, Management and Payment Agreement.

**"Stichting Vivalto"** means Stichting Vivalto, a foundation (*Stichting*) incorporated under the laws of The Netherlands and having its registered office at Barbara Strozzi 101, 1083HN Amsterdam, The Netherlands and enrolled at the Chamber of Commerce in Amsterdam at the no. 74821067, fiscal code no. 97818900157.

**"Stichting Corporate Services Agreement"** means the Stichting Corporate Services Agreement entered into on or about the Issue Date between the Issuer, the Stichting Corporate Services Provider and the Sole Quotaholder as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Stichting Corporate Services Provider"** means Wilmington Trust SP Services (London) Limited, 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, or any other entity acting as Stichting Corporate Services Provider from time to time and any of its permitted successors and assignees, pursuant to the Stichting Corporate Services Agreement.

**"Sub-Back-Up Servicers"** means Agenzia Italia S.p.A. and Trebi Generalconsult S.r.l. or any other entity acting as sub-back-up servicer pursuant to the Back-Up Servicing Agreement from time to time.

**"Sub-Delegate"** has the meaning ascribed to it in clause 8 (*Sub-Delegation*) of the Corporate Services Agreement.

**"Subject Matter of the Mandate"** has the meaning ascribed to such term in clause 3.1 (*Subject Matter*) of the Intercreditor Agreement.

**"Subject Matter of the Pledge"** has the meaning ascribed to such term in article 1.1 of the Deed of Pledge.

**"Subscription Agreements"** means, collectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

**"Subsequent Portfolio"** means any portfolio of Receivables which will be transferred by the Originator to the Issuer during the Ramp-Up Period pursuant to the Transfer Agreement and the relevant Deed of Transfer.

**"Successor Corporate Services Provider"** has the meaning ascribed to such term in clause 11 (*Termination*) of the Corporate Services Agreement.

**"Successor Servicer"** has the meaning ascribed to definition "*Successore del Servicer*" contained in

clause 10.4 of the Servicing Agreement.

**"Supervisory Regulations"** means the Supervisory Regulations for the Banks or the Supervisory Regulations for Financial Intermediaries as the context requires.

**"Supervisory Regulations for the Banks"** means the "*Disposizioni di vigilanza per le banche*" issued by the Bank of Italy by Circular No. 285 of 71 December 2013, as amended and supplemented from time to time.

**"Supervisory Regulations for Financial Intermediaries"** means the "*Disposizioni di Vigilanza per gli Intermediari Finanziari*" issued by the Bank of Italy by Circular No. 288 of 3 April 2015, as amended and supplemented from time to time.

**"Supplemental Deed"** has the meaning ascribed to such term in the schedule 2 attached to the Deed of Pledge.

**"Target Amortisation Amount"** means, in respect of any Payment Date during the Amortisation Period, an amount calculated in accordance with the following formula:

$$A - CP - R$$

Where:

A = the Principal Amount Outstanding of the Notes as at the immediately preceding Payments Report Date;

CP = the Outstanding Amount of the Collateral Portfolio as at the immediately preceding Quarterly Settlement Date;

R = the Debt Service Reserve Amount calculated with reference to the relevant Payment Date.

**"TARGET Day"** means any day on which the Transfer-European Automated Real Time Gross Settlement Express Transfer (TARGET 2) System (or any successor thereto) is open.

**"Tax"** means any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority and **Taxes, taxation, taxable** and comparable expressions shall be construed accordingly.

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function including the Irish Revenue Commissioners, H.M. Revenue and Customs, the Italian Revenue Agency (*Agenzia delle Entrate*) and the Luxembourg direct and indirect tax administrations (*Administration des contributions directes* and *Administration de l'Enregistrement et des Domaines*).

**"Tax Deduction"** means any deduction or withholding for or on account of Tax.

**"Tax Event"** shall have the meaning ascribed to such term in Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

**"Terms and Conditions"** means the terms and conditions of the Notes, and **"Condition"** means any of those.

**"Transaction"** means the Securitisation.

**"Transaction Documents"** means the Transfer Agreement, the Servicing Agreement, the Deeds of Transfer, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payment Agreement, the Deed of Pledge, the Corporate Services Agreement, the Subscription Agreements, the Quotaholder Agreement, the Stichting Corporate Services Agreement, the Master Definitions Agreement, the Letter of Undertaking, the Terms and Conditions and any other deed, act, document or agreement executed in the context of the Securitisation, including for the avoidance of doubt any deed, act, document and agreement entered into in connection with the issuance and subscription of the Notes designated as such by the Issuer and the Representative of the Noteholders.

**"Transfer Agreement"** means the transfer agreement entered into on 2 October 2019, as amended from time to time in accordance with the provisions contained therein, between the Issuer and the Originator setting forth the terms and conditions of the transfer from the Originator to the Issuer of the Portfolios and including any agreement or other document expressed to be supplemental thereto.

**"Transfer Date"** means the date from which takes effect the assignment of each Portfolio executed pursuant to the Transfer Agreement, and in particular means: (a) in relation to the Initial Portfolio, the signing date of the Transfer Agreement; (b) in relation to each Subsequent Portfolio the date on which the Originator has received the acceptance of the relevant Offer Notice executed by the Issuer.

**"Transparency Directive"** means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

**"Trigger Event"** means any of the events described in Condition 14 (*Trigger Events*).

**"Trigger Event Report"** means the Payments Report that the Calculation Agent shall deliver upon request of the Representative of the Noteholders upon the occurrence of a Trigger Event, according to clause 11 (*Reporting Obligations of the Calculation Agent*) of the Cash Allocation, Management and Payment Agreement.

**"Trigger Notice"** means the notice described in Condition 14 (*Trigger Events*).

**"Underwriters"** means the Senior Notes Underwriter and the Junior Notes Underwriter, collectively, and **"Underwriter"** means any of them.

**"U.S. Securities Act"** means the U.S. Securities Act of 1933, as amended and the rules and regulations promulgated pursuant thereto.

**"Usury Law"** means Italian Law No. 108 of 7 March 1996 (*Disposizioni in materia di usura*) and the law decree No. 394 of 29 December 2000 as converted by law No. 24 of 28 February 2001 (including the provisions set forth in article 1, paragraph 2 and 3 of the aforementioned decree), as subsequently amended and supplemented.

**"Usury Thresholds"** means the usury thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the latest of such decrees having been issued on 21 December 2012).

**"Valuation Date"** means (i) in relation to the assignment of the Initial Portfolio, 20 September 2019, and (ii) in relation to the assignment of any Subsequent Portfolio, the date specified as such in the Offer Notice.

**"Volcker Rule"** means the provision under the Dodd–Frank Act which restricts the ability of banking entities to sponsor or invest in private equity or hedge funds or to engage in certain proprietary trading activities involving securities, derivatives, commodity futures, and options on those instruments for their own account.

**"Wilmington Trust"** means Wilmington Trust SP Services (London) Limited, 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.

## 2. ISSUANCE AND SUBSCRIPTION OF THE NOTES

On the Issue Date the Issuer shall issue:

- (i) up to Euro 1,050,000,000.00 Class A Asset Backed Floating Rate Notes due July 2039 ("**Class A Notes**")
- (ii) up to Euro 465,000,000.00 Class J Asset Backed Floating Rate Notes due July 2039 ("**Class J Notes**" or "**Junior Notes**" and, together with the Class A Notes, the "**Notes**")

## 3. PARTLY PAID NOTES

### 3.1 Partly paid notes

The Notes will be issued on a partly paid basis, pursuant to the terms provided for under this Condition 3 ("**Partly paid notes**"), and as a consequence thereof:

- (a) on the Issue Date the following initial instalment payments will be made in respect of each Class of Notes: (i) Euro 666,624,084.00 in respect of the Senior Notes (the "**Senior Notes Initial Instalment Payment**"); and (ii) Euro 295,219,237.20 in respect of the Junior Notes (the "**Junior Notes Initial Instalment Payment**" and together with the Junior Notes Initial Instalment Payment, the "**Notes Initial Instalment Payments**"); and
- (b) during the Ramp–Up Period, each of the Senior Noteholders and the Junior Noteholders may be requested, in accordance with the Transaction Documents, to make further instalment

payments in respect of the relevant Class of Notes held by it and, in particular: (i) the Senior Notes, up to the Senior Notes Nominal Amount; (ii) the Junior Notes, up to the Junior Notes Nominal Amount (such further instalment payments, the **"Notes Further Instalment Payments"**).

Each of the Class A Notes Underwriter and the Class J Notes Underwriter is entitled to sell, transfer, assign or dispose in whole or in part of any of the relevant Notes subject to, and in accordance with the provisions of the relevant Subscription Agreement, provided that each of them will be discharged from any obligation, including those in respect of the payment of the relevant Notes Further Instalment Payments, only to the extent that, upon purchase of the Senior Notes or the Junior Notes, the relevant Senior Noteholder or Junior Noteholder, as the case may be, have acceded, by means of a deed of accession, to the Intercreditor Agreement.

### 3.2 Notes Initial Instalment Payments

On the Issue Date, the respective Notes Initial Instalment Payment will be paid by the Junior Notes Underwriter and the Class A Notes Underwriter, in accordance with the relevant Subscription Agreement.

### 3.3 Senior Notes Further Instalment Payments

During the Ramp-Up Period the Originator will, not later than 32 (thirty-two) calendar days prior to any Payment Date, send a written notice to the Issuer, the Senior Noteholders and the Junior Noteholder(s) with copy to the Calculation Agent, by e-mail the Purchase Notice, to inform them of its intention to sell a Subsequent Portfolio and that, for purchasing such Subsequent Portfolio, the Issuer shall request (i) Senior Notes Further Instalment Payments, in accordance with the provisions set out under the Senior Notes Subscription Agreement and (ii) Junior Notes Further Instalment Payments in accordance with the Junior Notes Subscription Agreement.

Subject to the delivery of the Purchase Notice, the Issuer will request the Senior Noteholders, by making a request of irrevocable order of payment (the **"Senior Notes Further Instalment Request"**), to effect one further payment in the minimum amount of Euro 1,000,000 (one million/00), in order to fund the payment of the Initial Purchase Price of one Subsequent Portfolio and increase the Principal Amount Outstanding of the Senior Notes by paying to the Issuer a Senior Notes Further Instalment Payment equal to the difference between:

- (a) the positive difference between:
  - (i) the Initial Purchase Price of the Subsequent Portfolio to be paid in accordance with the Transfer Agreement and the relevant Deed of Transfer; and
  - (ii) the IAF Initial Purchase Price of the Portfolio; and
- (b) the Junior Notes Further Subordination Payment;

*provided that:*



- (A) the total amount of the Senior Notes Further Instalment Payments calculated in accordance with paragraphs (a) and (b) above will be allocated between the Senior Noteholders pro-rata according to the Senior Notes respectively held by each Senior Noteholder;
- (B) the Issuer may request the Senior Noteholders to pay the relevant Senior Notes Further Instalment Payment for an amount not higher than the difference between the Senior Notes Nominal Amount and the aggregate of (i) the Senior Notes Initial Instalment Payments and (ii) any Senior Notes Further Instalment Payments previously made to the Issuer and
- (C) the Senior Notes Further Instalment Request will be effective only following its acceptance of the Purchase Notice from each Senior Noteholder in accordance to the provisions of the Senior Notes Subscription Agreement.

Each Senior Notes Further Instalment Request shall be sent by the Issuer (or the Calculation Agent on its behalf) to the Senior Noteholders, by e-mail not later than the Payments Report Date immediately prior to the Payment Date falling after the execution of the relevant Deed of Transfer, (the “**Senior Notes Further Instalment Request Date**”) and shall include the following information:

- (i) the relevant Senior Notes Further Instalment Payment as calculated by the calculation Agent in the relevant Payments Report;
- (ii) the portion of the Initial Purchase Price of the Subsequent Portfolio to be paid out of such Notes Further Instalment Payment and the Payment Date for such payment pursuant to the Transfer Agreement and the relevant Deed of Transfer;
- (iii) confirmation that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing;

Each Purchase Notice may be accepted by the relevant Senior Noteholder, by means of a written notice to be sent to the Issuer and the Originator with copy to the other Senior Noteholder(s), the Junior Noteholder(s) and the Calculation Agent by e-mail not later than two Business Days following the receipt of the Purchase Notice. Should the acceptance of the Purchase Notice not be sent by one of the Senior Noteholders within two Business Days following the receipt of the Purchase Notice, (a) the Senior Notes Further Instalment Request will be deemed ineffective, (b) the Senior Noteholders will not be obliged to pay the Senior Notes Further Instalment Payment and (c) the purchase of the Subsequent Portfolio (if any) will be resolved in accordance with the provisions of the Transfer Agreement, subject in any case to the provisions of the Senior Notes Subscription Agreement.

Upon (and subject to) acceptance by each Senior Noteholder of the Purchase Notice and receipt of the Senior Notes Further Instalment Request, and relevant communication by the Paying Agent to Borsa Italiana at least 3 Business Days prior to the Senior Notes Further Instalment Payment Date, the Senior Noteholders shall pay on the relevant Payment Date, falling immediately after the

delivery of a Senior Notes Further Instalment Request (the “**Senior Notes Further Instalment Payment Date**”), the Senior Notes Further Instalments Payment specified in the relevant Senior Notes Further Instalment Request in accordance with the terms of this Agreement, provided that on such Senior Notes Further Instalment Payment Date the Senior Noteholders have received the closing certificate signed by the Issuer pursuant to the Senior Notes Subscription Agreement and confirmation that on such date the conditions precedent set forth therein have been satisfied or waived by the Senior Noteholders and without prejudice in any case to what provided by the Transfer Agreement.

Against payment by the Senior Noteholders of the relevant Senior Notes Further Instalment Payments, the Issuer shall procure that each such Senior Notes Further Instalment Payments is duly communicated by the Paying Agent to Monte Titoli, in order to allow the registration by the Monte Titoli Account Holders for the account of the Senior Noteholders.

No Senior Notes Further Instalment Payments may be requested by the Issuer following the expiry of the Ramp-Up Period.

If at the end of the Ramp-Up Period the Outstanding Principal Amount of the Senior Notes is less than the Senior Notes Nominal Amount, (i) the Issuer will procure that the Paying Agent registers with Monte Titoli the principal amount paid up in respect of each Senior Note, in order to determine the final pool factor of the Senior Notes, and (ii) starting from the first Payment Date after the end of the Ramp-Up Period, on each Payment Date the Senior Notes will be redeemed reducing, accordingly, the relevant pool factor.

### **3.4 Junior Notes Further Instalment Requests**

During the Ramp-Up Period the Originator will, not later than 32 (thirty-two) calendar days prior to any Payment Date, send the Purchase Notice to the Issuer, the Senior Noteholders and the Junior Noteholder(s), by e-mail, to inform them of its intention to sell a Subsequent Portfolio and that, for purchasing such Subsequent Portfolio, the Issuer shall request (i) Junior Notes Further Instalment Payments in accordance with the provisions set out under the Junior Notes Subscription Agreement and (ii) the Senior Notes Further Instalment Payments in accordance with the Senior Notes Subscription Agreement.

Subject to the delivery of the Purchase Notice, the Issuer will request the Junior Noteholder(s), by making a request of irrevocable order of payment (the “**Junior Notes Further Instalment Request**”), to effect one further payment in the minimum amount of Euro 1,000,000 (one million/00), in order to fund the payment of the Initial Purchase Price of one Subsequent Portfolio and increase the Principal Amount Outstanding of the Junior Notes by paying to the Issuer a Junior Notes Further Instalment Payment equal to the aggregate of:

- (i) the Junior Notes Further Subordination Payment; and
- (ii) the Debt Service Reserve Further Amount.

*provided that* (A) the Issuer may request the Junior Noteholders to pay the relevant Junior Notes Further Instalment Payment for an amount not higher than the difference between the Junior Notes Nominal Amount and the aggregate of (i) the Junior Notes Initial Instalment Payment and (ii) any Junior Notes Further Instalment Payment previously made to the Issuer and (B) the Junior Notes Further Instalment Request will be effective only following the acceptance of the Purchase Notice by each Senior Noteholders pursuant to the Senior Notes Subscription Agreement.

Each Junior Notes Further Instalment Request shall be sent by the Issuer (or the Calculation Agent on its behalf) to the Junior Noteholders, by e-mail not later than the Payments Report Date immediately prior to the Payment Date falling after the execution of the relevant Deed of Transfer, (the “**Junior Notes Further Instalment Request Date**”) and shall include the following information:

- (i) the relevant Junior Notes Further Instalment Payment as calculated by the calculation Agent in the relevant Payments Report;
- (ii) the portion of the Initial Purchase Price of the Subsequent Portfolio to be paid out of such Notes Further Instalment Payment and the Payment Date for such payment pursuant to the Transfer Agreement and the relevant Deed of Transfer;
- (iii) the Debt Service Reserve Further Amount;
- (iv) confirmation that no Trigger Event or Purchase Termination Event has occurred or arisen and is continuing.

Each Purchase Notice may be accepted by the relevant Junior Noteholder by means of a written notice in accordance with Condition 3.4 (*Junior Notes Further Instalment Payments*) above. Should the acceptance of the Purchase Notice not be sent by one of the Junior Noteholders within the two Business Days following the receipt of the Purchase Notice (a) the Junior Notes Further Instalment Request will be deemed ineffective, (b) the Junior Noteholder(s) will not be obliged to pay the Junior Notes Further Instalment Payment and (c) the purchase of the Subsequent Portfolio (if any) will be resolved in accordance with the provisions of the Transfer Agreement, subject in any case to the provisions of the Junior Notes Subscription Agreement.

Upon (and subject to) acceptance by each Junior Noteholders of the Purchase Notice and receipt of the Junior Notes Further Instalment Request, the Junior Noteholders shall pay on the relevant Payment Date, falling immediately after the delivery of a Junior Notes Further Instalment Request (the “**Junior Notes Further Instalment Payment Date**”), the Junior Notes Further Instalments Payment specified in the relevant Junior Notes Further Instalment Request in accordance with the terms of this Agreement, provided that on such Junior Notes Further Instalment Payment Date the Junior Noteholder has received the closing certificate signed by the Issuer pursuant to the provisions of the Junior Notes Subscription Agreement and confirmation that on such date the conditions precedent set forth therein have been satisfied or waived by Junior Noteholder(s) and without prejudice in any case to what provided by the Transfer Agreement.

Against payment by the Junior Noteholder of the relevant Junior Notes Further Instalment Payments, the Issuer shall procure that each such Junior Notes Further Instalment Payments is duly communicated by the Paying Agent to Monte Titoli, in order to allow the registration by the Monte Titoli Account Holders for the account of the Junior Noteholder.

No Junior Notes Further Instalment Payments may be requested by the Issuer following the expiry of the Ramp-Up Period.

If at the end of the Ramp-Up Period the Outstanding Principal Amount of the Junior Notes is less than the Junior Notes Nominal Amount, (i) the Issuer will procure that the Paying Agent registers with Monte Titoli the principal amount paid up in respect of each Junior Note, in order to determine the final pool factor of the Junior Notes, and (ii) starting from the first Payment Date after the end of the Ramp-Up Period, on each Payment Date the Junior Notes will be redeemed reducing, accordingly, the relevant pool factor.

#### **4. FORM, DENOMINATION AND TITLE**

##### **4.1 Form**

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear.

##### **4.2 Denomination**

The Senior Notes will be issued in the denomination of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

The Junior Notes will be issued in the denomination of Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

##### **4.3 Title**

The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be evidenced by, and title thereto will be transferable by means of, book entries in accordance with the provisions of (i) article 83-*bis* of the Legislative Decree No. 58 of 24 February 1998; and (ii) the Joint Regulation. No physical document of title will be issued in respect of the Notes.

##### **4.4 Security Documents**

Each Note is issued subject to and has the benefit of the Security Documents.

#### **5. STATUS, PRIORITY AND SEGREGATION**

##### **5.1 Status**

The Notes constitute limited recourse obligations of the Issuer and, accordingly, the extent of the

obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of any Portfolio and the other Issuer's Rights. Notwithstanding any other provision of these Terms and Conditions, the obligation of the Issuer to make any payment under the Notes shall be equal to the lesser of (a) the nominal amount of such payment and (b) the Issuer Available Funds which may be applied for the relevant purpose in accordance with the applicable Priority of Payments, provided that, if the Issuer Available Funds are insufficient to pay any amount due and payable to the Noteholders on any Payment Date in accordance with the applicable Priority of Payments and without prejudice to Condition 13(a) item (i) (*Trigger Events – Non-payment*), the shortfall then occurring will not be due and payable until a subsequent Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments and provided however that any claim towards the Issuer shall be deemed waived and cancelled on the Cancellation Date.

Without prejudice to the foregoing, any payment obligations of the Issuer under the Notes which has remained unpaid to the extent referred to above upon the Cancellation Date, shall be deemed extinguished and the relevant claims irrevocably relinquished, waiver and surrendered by the Noteholders to the Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under Article 1469 of the Italian Civil Code.

## **5.2 Segregation**

The Notes are secured by certain assets of the Issuer pursuant to the Security Documents and in addition, by operation of the Securitisation Law, the Issuer's right, title and interest in and to the Aggregate Portfolio is segregated from all other assets of the Issuer. Amounts deriving from the Aggregate Portfolio will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in accordance with the applicable Priority of Payments and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer to such third party creditors in relation to the Transaction and to the corporate existence and good standing of the Issuer.

## **5.3 Ranking**

Either prior to or after the service of a Trigger Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Junior Notes; the Junior Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the Senior Notes.

## **5.4 Conflict of interest**

The Intercreditor Agreement contains provisions regarding the fact that the Representative of the

Noteholders shall, as regards the exercise and performance of all its powers, authorities, duties and discretion have regard to the interests of all Class of Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders (i) there is a conflict between their interests, the Representative of the Noteholders will have regard solely to the interests of the Noteholders; or (ii) there is a conflict between the interests of the holders of different Classes, the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Notes then outstanding; or (iii) there is a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Priority of Payments for the payment of the amounts therein specified.

## 6. COVENANTS

### 6.1 Covenants by the Issuer

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save (a) with the prior written consent of the Representative of the Noteholders (and subject to the provisions of the Intercreditor Agreement) (save in relation to 6.3 (*Further Securitisations*) and 6.4 (*Further Issues*) below), or (b) as provided in or contemplated by any of the Transaction Documents:

6.1.1 *Negative pledge:* create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets (save for any Security Interest created in connection with any Further Securitisation or Further Issue (as defined below) and to the extent that such Security Interest is created over assets which form part of the segregated assets of such Further Securitisation) or sell, lend, part with or otherwise dispose of all or any part of the Aggregate Portfolio or any of its other assets; or

6.1.2 *Restrictions on activities:*

- (i) save as provided under Conditions 6.3 (*Further Securitisations*) and 6.4 (*Further Issues*) below, engage in any activity whatsoever which is not incidental to or necessary in connection with any Further Securitisation or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or
- (ii) have any società *controllata* (subsidiary) or *società collegata* (affiliate) (as defined in article 2359 of the Italian Civil Code) or any employees or premises; or
- (iii) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or
- (iv) become the owner of any real estate asset; or

6.1.3 *Dividends or Distributions:* pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, or increase its capital, save as required by the Applicable Law; or

- 6.1.4 *De-registrations*: ask for de-registration from the register of the *società veicolo* held by Bank of Italy, for as long as any Applicable Law or regulation requires an issuer of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered therein; or
- 6.1.5 *Borrowings*: incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person, other than for the purposes of the Securitisation or any Further Securitisation or any Further Issue; or
- 6.1.6 *Merger*: consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person; or
- 6.1.7 *No variation or waiver*: subject to the provisions of the Intercreditor Agreement and save as provided under Conditions 6.3 (*Further Securitisations*) and 6.4 (*Further Issues*) below, permit any of the Transaction Documents to which it is party to be amended, terminated or discharged if such amendment, termination or discharge may negatively affect the interest of the Most Senior Class of Noteholders, or exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party which may negatively affect the interest of the Most Senior Class of Noteholders permit any party to any of the Transaction Documents to which it is a party to be released from such obligations, if such release may negatively affect the interest of the Most Senior Class of Noteholders; or
- 6.1.8 *Bank Accounts*: have an interest in any bank account other than the Accounts, the Quota Capital Account, any other bank account opened in relation to the Securitisation or any bank account opened in relation to any Further Securitisation or any Further Issue; or
- 6.1.9 *Statutory Documents*: amend, supplement or otherwise modify its *statuto* or *atto costitutivo*, except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities; or
- 6.1.10 *Centre of Main Interest*: become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administrated in Italy or cease to have its "centre of main interest" (as that term is used in Article 3(1) of the European Union Insolvency Regulation) in Italy; or
- 6.1.11 *Branch outside Italy*: establish any branch or "establishment" (as that term is used in article 2(h) of the European Union Insolvency Regulation) outside the Republic of Italy; or
- 6.1.12 *Corporate Records, financial statements and books of account*: permit or consent to any of the following occurring:
  - a. its books and records being maintained with or co-mingled with those of any other person or entity;
  - b. its bank accounts and the debts represented thereby being co-mingled with those

of any other person or entity;

c. its books and records (if any) relating to the Securitisation being maintained with or co-mingled with those relating to any other securitisation transaction perfected by the Issuer; or

d. its assets or revenues being co-mingled with those of any other person or entity,

and, in addition and without limitation to the above, the Issuer shall procure that, with respect to itself: (i) separate financial statements in relation to its financial affairs are maintained; (ii) all corporate formalities with respect to its affairs are observed; (iii) separate stationery, invoices and cheques are used; (iv) it always holds itself out as a separate entity; and (v) any known misunderstandings regarding its separate entity are corrected as soon as possible; or

6.1.13 *Further Securitisations and Further Issues*: carry out any other securitisation transaction or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, act, deed or agreement in connection with any other securitisation transaction except that in accordance with Condition 6.3 (*Further Securitisations*) below or perform any Further Issue or incur in any bridge indebtedness in respect thereof except in accordance with Condition 6.4 (*Further Issues*) below; or

6.1.14 *Other agreements*: enter into any agreement containing any provision that would be violated or breached by the performance of the Issuer's obligations under these Conditions or under any Transaction Document; or

6.1.13 *Corporate Formalities*: cease to comply with all necessary corporate formalities.

## 6.2 Undertaking of the Issuer

So long as any of the Issuer's obligations under the Notes or any Transaction Documents remains outstanding, the Issuer shall, to the extent permitted by the Transaction Documents:

6.2.1. notify the Representative of the Noteholders and the Rating Agency, to the best of the Issuer's knowledge, of the occurrence of any event which would give the Issuer the right to terminate the appointment of any of its agents under any Transaction Document to which it is a party (to the purpose of this Condition 6.2, the "**Termination Event**") or of any event which would be (with the expiry of a grace period, the giving of notice or the making of any determination under such Transaction Document or any combination of them) a Termination Event and the steps, if any, being taken to remedy it. The Issuer shall promptly supply to the Representative of the Noteholders such information regarding its financial condition as the Representative of the Noteholders may reasonably request; or

6.2.2. (i) preserve and/or exercise and/or enforce all of its rights and perform and observe all of its obligations under the Transaction Documents, and (ii) promptly upon receipt of a request of the Representative of the Noteholders, take all necessary or advisable action in



order to enforce its rights under the Transaction Documents vis-à-vis the Originator, the Servicer and/or any other party to the Transaction Documents and notify the Rating Agency about the receipt of such request from the Representative of the Noteholders.

### 6.3 Further Securitisations

Without prejudice to the provisions set forth under the Terms and Conditions, nothing in the Transaction Documents shall prevent or restrict the Issuer from carrying out any one or more other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implementing, entering into, making or executing any document, deed or agreement in connection with any other securitisation transaction (each, a "**Further Securitisation**"), provided that subject to the provisions of the Intercreditor Agreement and these Terms and Conditions, the Issuer confirms in writing to the Representative of the Noteholders or the Representative of the Noteholders (which, for such purpose, may rely on the advice of any certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert) is otherwise satisfied that:

- (a) each Class of Noteholders has given its consent to the Issuer to carry out such Further Securitisation;
- (b) the transaction documents entered into in the context of the relevant Further Securitisation constitute valid, legally binding and enforceable obligations of the parties thereto under the relevant governing law;
- (c) in the context of the relevant Further Securitisation the Sole Quotaholder gives undertakings in relation to the management of the Issuer, the exercise of its rights as quotaholder or the disposal of the quotas of the Issuer which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to the undertakings provided for in the Quotaholder Agreement;
- (d) the terms and conditions of the notes issued under the Further Securitisation contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised therein;
- (e) all the participants to the relevant Further Securitisation and the holders of the notes issued in the context of such Further Securitisation (a) will accept non-petition provisions and limited recourse provisions in all material respects equivalent to those provided in Condition 10 (*Non Petition and Limited Recourse*) and (b) will agree and acknowledge that the obligations of the Issuer to such party in connection with such Further Securitisation are limited recourse obligations of the Issuer, limited to some or all of the assets of such Further Securitisation and that each creditor in respect of such Further Securitisation or the representative of the holders of such further notes will agree to limitations on its ability to take action against the Issuer, including in respect of insolvency proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor

Agreement;

- (f) the security deeds or agreements entered into in connection with the relevant Further Securitisation do not comprise or extend over any of the Receivables or any of the Issuer's Rights;
- (g) the notes to be issued in the context of the relevant Further Securitisation:
  - (i) are not cross-collateralised or cross-defaulted with the Notes or any note issued by the Issuer in the context of any other previous Further Securitisations; and
  - (ii) include provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to those provided for by the Intercreditor Agreement;
- (h) the relevant Further Securitisation does not adversely affect the rating of any of the Senior Notes; Scope has been notified in respect of such further securitization;
- (i) the assets relating to the relevant Further Securitisation are segregated in accordance with the Securitisation Law;

In giving any confirmation on the foregoing, the Representative of the Noteholders (subject to the provisions of this Conditions) may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient or appropriate (in its reasonable discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer or as to the matters contained therein.

For the avoidance of doubt, the provisions contained in Article 28 of the Rules of the Organisation of the Noteholders (*Exoneration of the Representative of the Noteholders*) will also apply (where appropriate) to the Representative of the Noteholders when acting under this Condition 6.3 (*Further Securitisations*).

#### 6.4 Further Issues

For so long as any amount remains outstanding in respect of the Notes, the Issuer shall not, save if so requested by Extraordinary Resolutions of the meeting of the Senior Noteholders:

- (i) acquire further Receivables of monetary claims in addition to the Receivables from the Originator, to be included in the "*patrimonio separado*" of the Issuer created in the context of the Securitisation, backing further issues of additional notes – to be fungible or non-fungible with the Notes – in the context of the Securitisation (the "**Further Issues**"); or
- (ii) securitise such further portfolios through Further Issues or incurrence of any bridge indebtedness in respect thereof;

*provided that* nothing shall prohibit the Issuer from entering into any Further Securitisation and issuing any further notes thereunder pursuant to Condition 6.3 (*Further Securitisations*) above.

## **7. PRIORITY OF PAYMENTS**

### **7.1 Pre-Enforcement Priority of Payments**

On each Payment Date prior to the delivery of a Trigger Notice, the Issuer Available Funds shall be applied in making or providing for the following payments in accordance with the following Priority of Payments (in each case, only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all costs and taxes due and payable by the Issuer required to be paid to maintain the rating of the Senior Notes and in connection with the listing, registration and deposit of the Notes (as the case may be), or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
- (ii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of:
  - (a) any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
  - (b) the replenishment of the Expenses Account by an amount to bring the balance of such account up to the Retention Amount;
- (iii) in or towards satisfaction of the fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iv) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Cash Manager, the Paying Agents, the Calculation Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, the Back-Up Servicer and the Servicer, to the extent not specifically provided under the following items;
- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Interest Amounts due and payable in respect of the Senior Notes;
- (vi) until the Release Date (excluded), to credit to the Debt Service Reserve Account an amount (if any) to bring the balance of such account up to the Debt Service Reserve Amount (taking into account any Debt Service Further Amount due on such date);
- (vii) during the Ramp-Up Period, (a) to pay to the Originator all amounts due and payable (including any amount past due) as Initial Purchase Price in respect of any Subsequent Portfolio purchased on the Transfer Date immediately preceding such Payment Date pursuant to the Transfer Agreement and the relevant Deed of Transfer, for an amount not

exceeding the applicable Principal Deficiency Amount provided that, should the Formalities in respect of a Subsequent Portfolio not be perfected within the relevant Payment Date, the relevant amounts will be credited to the Payments Account and paid once the Formalities will be completed in accordance with the Transaction Documents, and (b) to provision into the Payments Account the Collateral Integration Amount;

- (viii) during the Amortisation period to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Class A Principal Payment;
- (ix) upon occurrence of the Cash Trapping Condition, to provision any residual amount to the Payments Account;
- (x) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price and to the extent not already provided under the other items of this Priority of Payments) due and payable (including any amount past due) by the Issuer to (a) the Senior Noteholders and the Joint Arrangers as any indemnity due under the Senior Notes Subscription Agreement and as any other amount due under the Transaction Documents; and (b) after payments due under item (a) above, any Other Issuer Creditor and any Junior Noteholder pursuant to the Transaction Documents, other than amounts due in respect of the Junior Notes;
- (xi) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of Interest Amount due and payable in respect of the Junior Notes;
- (xii) upon the redemption in full of the Senior Notes, during the Amortisation Period, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) the Class J Principal Payment in any case up to an amount that makes the Principal Amount Outstanding of the Junior Note not lower than Euro 100,000 and (b) on the Final Maturity Date, all amounts of principal due and payable, if any, on the Junior Notes, *provided that* any additional amount which is not applied to repayment of the Notes as a consequence of the limitation under paragraph (a) above will remain credited into the Payments Account and will form part of the Issuer Available Funds on the next succeeding Payment Dates; and
- (xiii) in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator in respect of the Portfolios;

*provided that:*

- (a) should the Calculation Agent not receive the Quarterly Servicer Report within the third Business Day following the relevant Quarterly Servicer Report Date, it shall prepare the relevant Payments Report by applying any amount standing to the credit of the Issuer's Accounts to pay item from (i) to (v) of the Pre-Enforcement Priority of Payments, provided that, (i) in respect to any amount to be calculated on the basis of the Quarterly Servicer Report, the Calculation Agent shall take into account the amounts indicated in the latest available Quarterly Servicer Report (the "**Latest Report**") and (ii) any amount that would otherwise have been payable under items from (vi) to (xiii) of the Pre-Enforcement Priority of

Payments:

1. will not be included in such Payments Report and shall not be payable on the relevant Payment Date;
  2. shall be payable in accordance with the applicable Priority of Payments on the first following Payment Date on which there are enough Issuer Available Funds and on which details for the relevant calculations will be timely provided to the Calculation Agent (for the avoidance of doubt, interest shall not accrue on any amount unpaid and deferred); and
  3. failure to pay any principal amount under the Notes on the relevant Payment Date shall not be deemed as a Trigger Event under Condition 14(a)(ii);
- (b) the Calculation Agent on the immediately following Payments Report Date, subject to having received the relevant Quarterly Servicer Report, shall prepare a Payments Report which shall provide for the necessary adjustment in respect of payments made on the basis of the Latest Report and in respect of amounts unpaid in the preceding Payment Date.

The Issuer shall, if necessary, make the payments set out under items (i) and (i) (a) of the Pre-Enforcement Priority of Payments also during the relevant Interest Period.

## 7.2 Post-Enforcement Priority of Payments

Following the delivery of a Trigger Notice or under Condition 9.3 (*Optional Redemption*) and Condition 9.4 (*Redemption for Taxation*), the Issuer Available Funds shall be applied on each Payment Date in making or providing for the following payments in the following Priority of Payments (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) in or towards satisfaction of any and all costs and taxes due and payable by the Issuer required to be paid to maintain the rating of the Senior Notes and in connection with the listing, registration and deposit of the Notes (as the case may be), or any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
- (ii) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of
  - (a) any due and payable Expenses (to the extent that the amount then standing to the balance of the Expenses Account is insufficient to pay such Expenses);
  - (b) replenishment of the Expenses Account by an amount to bring the balance of such account up to the Retention Amount;
- (iii) in or towards satisfaction of the fees, costs and expenses of, and all other amounts due and

payable to, the Representative of the Noteholders;

- (iv) in or towards satisfaction *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts due and payable to the Account Bank, the Cash Manager, the Paying Agents, the Calculation Agent, the Corporate Services Provider, the Stichting Corporate Services Provider, the Back-Up Servicer and the Servicer, to the extent not specifically provided under the following items;
- (v) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Interest Amounts due and payable in respect of the Senior Notes;
- (vi) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Principal Amount Outstanding of the Senior Notes;
- (vii) in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of any amounts (other than the Deferred Purchase Price and to the extent not already provided under the other items of this Priority of Payments) due and payable (including any amount past due) by the Issuer to (a) the Senior Noteholders and the Joint Arrangers as any indemnity due under the Senior Notes Subscription Agreement and as any other amount due under the Transaction Documents; (b) after payments due under item (a) above any Other Issuer Creditor and any Junior Noteholder pursuant to the Transaction Documents, other than amounts in respect of the Class J Notes;
- (viii) in or towards satisfaction of Interest Amount due and payable in respect of the Junior Notes;
- (ix) upon the redemption in full of the Senior Notes, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, the Principal Amount Outstanding of the Junior Notes; and
- (x) in or towards satisfaction of the Deferred Purchase Price due and payable to the Originator in respect of the Portfolios.

## **8. INTEREST**

### **8.1 Payment Dates and Interest Periods**

The Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at an annual rate equal to the Rate of Interest (as defined below).

Interest in respect of the Notes will accrue on a daily basis and will be payable quarterly in arrears in Euro on each Payment Date in accordance with the applicable Priority of Payments in respect of the Interest Period ending on such Payment Date.

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.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes as from (and including) the due date for redemption of such part unless payment of principal due and

payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (after as well as before judgment) at the rate of interest from time to time applicable to the relevant Class of Notes until the monies in respect thereof have been received by the Representative of the Noteholders or the Principal Paying Agent on behalf of the relevant Noteholders and notice to that effect is given in accordance with Condition 18 (*Notices*).

## 8.2 Rate of Interest

The rate of interest applicable from time to time in respect of the Notes (the "**Rate of Interest**") will be determined by the Principal Paying Agent in respect of each Interest Period on the relevant Interest Determination Date.

The Rate of Interest applicable to the Notes for each Interest Period shall be:

- (i) in respect of the Class A Notes, the aggregate of: (a) the EURIBOR and (b) the following margin: 0.65 per cent. *per annum*;
- (ii) in respect of the Class J Notes, the aggregate of: (a) the EURIBOR and (b) the following margin: 1.75 per cent. *per annum* (the margin set out, with reference to the Class A Notes, under point (i) or with reference to the Class J Notes under point (ii), the "**Relevant Margin**").

In the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

## 8.3 Determination of the Rate of Interest and Calculation of the Interest Amount

On each Interest Determination Date, the Principal Paying Agent shall:

- (a) subject to Condition 8.9 (*Fallback Provisions*), determine the Rate of Interest applicable to the Notes for the Interest Period beginning after such Interest Determination Date (or, in respect of the Initial Interest Period, beginning on and including the Issue Date);
- (b) calculate the Euro amount (the "**Interest Amount**") that will accrue on the Notes of each Class in respect of the immediately following Interest Period. The Interest Amount in respect of any Interest Period shall be calculated by applying the relevant Rate of Interest as provided for by Condition 8 (*Interest*) to the Principal Amount Outstanding of the Notes on the Payment Date at the commencement of such Interest Period (after deducting therefrom any payment of principal due on that Payment Date) and by multiplying the product of such calculation by the actual number of days to elapse in the relevant Interest Period divided by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

It is understood that following the delivery from the Issuer of the notice relating to the Portfolio Call Option pursuant to third paragraph of Condition 9.3 (*Optional Redemption*) and clause 24.6 of the Intercreditor Agreement, the Principal Paying Agent will recalculate the Interest Amount with reference to the Interest Period ending on the Extraordinary Payment Date taking into account

such Payment Date and will communicate the relevant amount to the Calculation Agent on the date falling two Business Days prior to the Extraordinary Payments Report Date in accordance with the Cash Allocation, Management and Agency Agreement.

#### **8.4 Publication of the Rate of Interest and the Interest Amount**

The Principal Paying Agent shall cause the Rate of Interest and the Interest Amount applicable to each Interest Period (specifying (i) the Payment Date to which such Interest Amount refers to; and (ii) the number of days of the relevant Interest Period), to be notified promptly after their determination to Monte Titoli, Borsa Italiana, Euroclear, Clearstream, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Calculation Agent, the Cash Manager, the Rating Agency and the Corporate Services Provider and will cause the same to be published in accordance with Condition 18 (*Notices*) as soon as possible after the relevant Interest Determination Date, but in no event later than the first Business Day of the next following Interest Period in respect of such relevant Interest Determination Date.

#### **8.5 Determination or calculation by the Representative of the Noteholders**

If the Principal Paying Agent does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount in accordance with the foregoing provisions of this Condition 8 (*Interest*), then the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

- (a) determine the Rate of Interest at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or
- (b) calculate the Interest Amount in the manner specified in Condition 8.3 (*Interest – Determination of the Rate of Interest and Calculation of the Interest Amount*) above,

and any such determination and/or calculation shall be deemed to have been made by the Principal Paying Agent.

The Representative of the Noteholders shall not incur, in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result of doing so.

#### **8.6 Notifications to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 (*Interest*), whether by the Reference Banks (or any of them), the Paying Agents, the Issuer or the Representative of the Noteholders shall (in the absence of manifest error, wilful default (*dolo*) or gross negligence (*colpa grave*)) be binding on the Reference Banks, the Paying Agents, the Calculation Agent, the Issuer, the Account Bank, the Representative of the Noteholders and all the Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Paying Agents, the Calculation Agent, the Issuer 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 discretion



hereunder.

## 8.7 Reference Banks and paying agent

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be three Reference Banks and a paying agent. The initial Reference Banks shall be JP Morgan, BNP Paribas and Barclays Bank plc. In the event of any such bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall appoint such other bank as may have been previously approved in writing by the Representative of the Noteholders to act as such in its place. Any resignation of the Paying Agents shall not take effect until a successor has been duly appointed in accordance with the Transaction Documents. If a new Paying Agent is appointed a notice will be published in accordance with Condition 18 (*Notices*).

## 8.8 Unpaid Interest

Without prejudice to Condition 14, letter (a) (*Trigger Events – Non-payment*), in the event that the Issuer Available Funds available to the Issuer on any Payment Date (in accordance with the applicable Priority of Payments), for the payment of interest on the Notes on such Payment Date are not sufficient to pay in full the relevant Interest Amount, the amount by which the aggregate amount of interest paid on such Payment Date falls short of the Interest Amount which would otherwise be due, shall be aggregated with the amount of, and treated for the purposes of these Terms and Conditions as if it were, Interest Amount accrued on the Notes on the immediately following Payment Date. Any such unpaid amount shall not accrue additional interest.

The Principal Paying Agent shall give notice in writing to the Issuer, the Servicer, the Representative of the Noteholders and Monte Titoli of any unpaid Interest Amount as resulting from any Payments Report and cause notice to that effect to be given to the Noteholders in accordance with Condition 18 (*Notices*), no later than 3 (three) Business Days prior to any Payment Date on which the Interest Amount on the Notes will not be paid in full.

## 8.9 Fallback Provisions

8.9.1 The Servicer may, at any time, request the Issuer and the Representative of the Noteholders to agree, without the consent of the Noteholders, to amend the EURIBOR as referred to in Condition 8.2 above (any such amended rate, an “**Alternative Base Rate**”) and make such other related or consequential amendments as are necessary or advisable commercially in order to facilitate such change, in the reasonable judgment of the Representative of the Noteholders (in particular to Condition 8.2 above) (a “**Base Rate Modification**”), provided that the following conditions are satisfied:

- a) the Servicer, on behalf of the Issuer, has provided the Representative of the Noteholders and the Noteholders with at least 30 calendar days’ prior written notice of any such proposed Base Rate Modification in compliance with Condition 18 (*Notices*) and has certified to the Representative of the Noteholders and the Noteholders in such notice (such notice being a “**Base Rate Modification Certificate**”) that:

(1) such Base Rate Modification is made due to:

(A) a prolonged and material disruption to the EURIBOR, a material change in the methodology of calculating the EURIBOR or the EURIBOR ceasing to exist or be published; or

(B) a public statement by the EURIBOR administrator that it will cease publishing the EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of the EURIBOR); or

(C) a public statement by the supervisor of the EURIBOR administrator that the EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner; or

(D) a public statement by the supervisor of the EURIBOR administrator that means the EURIBOR may no longer be used or that its use is or will be subject to restrictions or adverse consequences; or

(E) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (A), (B), (C) or (D) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(2) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by the European Central Bank, any regulator in Italy or the EU or any stock exchange on which the Class A Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing); or

(B) the EONIA (or any rate which is derived from, based upon or otherwise similar to the foregoing); or

(C) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification; or

(D) a base rate utilised in a publicly-listed new issue of Euro denominated asset backed floating rate notes where the originator of the relevant assets is an Affiliate of the Originator; or

(E) such other base rate as the Servicer reasonably determines;

- b) the Rating Agency has been notified of such proposed Base Rate Modification and, based on such notification, the Servicer is not aware that the then current rating of the Class A Notes would be adversely affected by such Base Rate Modification; and
- c) the Originator have accepted to bear all fees, costs and expenses (including legal fees)

incurred by the Issuer and the Representative of the Noteholders or any other party to the Transaction Documents in connection with such Base Rate Modification.

- 8.9.2 Notwithstanding Condition 8.9.1 above, no Base Rate Modification will become effective if within 30 days of the delivery of the Base Rate Modification Certificate, Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Class A Notes have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which the Class A Notes are held) that they do not consent to the Base Rate Modification (a **"Noteholder Base Rate Consent Event"**). Objections made in writing other than through the applicable clearing system must be accompanied by evidence, to the satisfaction of the Representative of the Noteholders (having regard to prevailing market practices) of the relevant Noteholder's holding of the Class A Notes.
- 8.9.3 If a Noteholder Base Rate Consent Event occurs, the Base Rate Modification will not become effective unless a resolution of the holders of the Class A Notes is passed in favour of the Base Rate Modification in compliance with the Rules of the Organisation of the Noteholders. The Servicer on behalf of the Issuer will notify the Representative of the Noteholders on the date when the Base Rate Modification takes effect in compliance with Condition 18 (*Notices*).
- 8.9.4 The Servicer may request the Issuer and the Representative of the Noteholders to agree to amend the EURIBOR, pursuant to Condition 8.9.1 above, to an Alternative Base Rate that can be adjusted by taking into account any spread in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value as a result of such replacement.

## **9. REDEMPTION, PURCHASE AND CANCELLATION**

### **9.1 Final Maturity Date**

Unless previously redeemed in full as provided for in this Condition 8.9a) (*Redemption, Purchase and Cancellation*), the Issuer shall redeem in full the Notes at their Principal Amount Outstanding on the Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Final Maturity Date except as provided for in Condition 9.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*), 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) or 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*), below and without prejudice to Condition 14 (*Trigger Events*).

### **9.2 Mandatory Redemption**

Unless previously redeemed in accordance with Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) or Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*), the Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date, in accordance with this Condition 8.9a) (*Redemption, Purchase and Cancellation*), if and to the extent that, on such dates, there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes, in accordance with the Pre-Enforcement

Priority of Payments. Relevant notice shall be delivered by the Paying Agent to Borsa Italiana at least 3 Business Days prior to the relevant Payment Date.

On each Payment Date during the Amortisation Period, the amount of principal due and payable on each Class of Notes in accordance with the Pre-Enforcement Priority of Payments shall be equal to (i) the Class A Principal Payment in respect of the Class A Notes and the Class J Principal Payment in respect of the Class J Notes.

Following the delivery of a Trigger Notice, the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but which has not been paid on any preceding Payment Date, without further action, notice or formality and the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments.

### 9.3 Optional Redemption

If no Trigger Event has occurred, unless previously redeemed in full, the Issuer may redeem all the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, subject to the prior consent of the Junior Noteholders, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to the date fixed for redemption:

- (i) on each Payment Date if one of the following events occurred: (x) the Outstanding Amount of the Aggregate Portfolio on the Quarterly Settlement Date falling immediately before the date of exercise of the Portfolio Call Option is equal to or less than 10% of the aggregate amount of the Initial Purchase Price of the Receivables included in the Aggregate Portfolio, (y) the Senior Notes can be repaid in full at their Principal Amount Outstanding being sufficient Issuer Available Funds for such purpose (therefore, without the Issuer being required to sell the Portfolio and using the proceeds deriving therefrom for such purpose);
- (ii) on each date after the First Payment Date, provided that in this case the Originator shall be entitled to direct the Issuer to sell the Aggregate Portfolio (in whole or in part) to a securitisation vehicle incorporated under the Securitisation Law (the “SPV”). Should the SPV purchase only part of the outstanding Receivables, the residual part of the Receivables will be repurchased by the Originator in accordance with and subject to the terms and conditions provided for by the Transfer Agreement.

Any such redemption shall be effected by the Issuer on giving not less than 10 Local Business Days' prior notice in writing to the Representative of the Noteholders and the Noteholders in accordance with Condition 18 (*Notices*) and provided that the Issuer has, prior to giving such notice, certified to the Representative of the Noteholders and produced satisfactory evidence to the Representative of the Noteholders that it will have the necessary funds, not subject to the interests of any person (other than the Noteholders and/or the Other Issuer Creditors), to discharge all its outstanding liabilities in respect of the relevant Notes to be redeemed and any amounts required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with such Notes. Any such redemption shall be previously notified by the Issuer to the Rating Agency.

In case of early redemption of the Notes pursuant to this Condition 9.3 (*Optional Redemption*) further to the exercise from the Originator of the Portfolio Call Option pursuant to clause 27.2.2 (*Diritto di Opzione di Riacquisto sulla totalita' dei Crediti e Diritto di Prelazione*) of the Transfer Agreement and clause 19.3(ii) of the Intercreditor Agreement in relation to a Payment Date being an Extraordinary Payment Date, the Issuer will give not less than 10 Local Business Days' prior notice also to Calculation Agent, Servicer, Italian Paying Agent, Principal Paying Agent in order to communicate, inter alia, the early redemption of the Notes pursuant to this Condition 9.3 (*Optional Redemption*) and the Extraordinary Payment Date, the Extraordinary Quarterly Settlement Date and the Extraordinary Payments Report Date.

The Issuer may obtain the necessary funds in order to effect the early redemption of the Notes in accordance with this Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*) point (i) above, through the sale of all or part of the Portfolio. In this respect, pursuant to the Transfer Agreement, the Originator has been granted with an option right to purchase the Portfolio in accordance with the terms and conditions provided thereunder. The relevant sale proceeds deriving from any disposal of the Portfolio shall form part of the Issuer Available Funds.

#### **9.4 Redemption for Taxation**

If no Trigger Event has occurred, if the Issuer at any time satisfies the Representative of the Noteholders, immediately prior to giving the notice referred to below, that on the next Payment Date:

- (a) amounts payable in respect of the Senior Notes by the Issuer and/or amounts payable to the Issuer in respect of the Receivables included in any Portfolio would be subject to withholding or deduction (other than a Decree 239 Deduction or a FATCA Withholding) for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Italy or any political or administrative sub-division thereof or any authority thereof or therein (hereinafter, the "Tax Event"); and
- (b) the Issuer will have the necessary funds (not subject to the interests of any person (other than the Noteholders and/or the Other Issuer Creditors)) to discharge all its outstanding liabilities in respect of (i) all the Notes to be redeemed and any amounts required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with such Notes or (ii) all the Senior Notes to be redeemed and any amounts required to be paid under the Post-Enforcement Priority of Payments in priority to or *pari passu* with such Senior Notes but not the Junior Notes and the Junior Noteholders have consented to such partial redemption,

then the Issuer may, on any such Payment Date at its option having given not less than 15 Business Days' prior notice in writing to the Representative of the Noteholders, to the Noteholders in accordance with Condition 18 (*Notices*), redeem, in accordance with the Post-Enforcement Priority of Payments, the Senior Notes (in whole but not in part) and the Junior Notes (in whole or, subject

to the prior consent of the Junior Noteholders, in part) at their Principal Amount Outstanding, together with all accrued but unpaid interest thereon up to and including the relevant Payment Date fixed for redemption, in accordance with this Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

Following the occurrence of a Tax Event and in accordance with the Terms and Conditions, the Issuer may, or the Representative of the Noteholders (subject to the provisions of the Intercreditor Agreement) may (or shall if so requested by an Extraordinary Resolution of the Most Senior Class of Notes) direct the Issuer to dispose of the Portfolio or any part thereof to finance the early redemption of the relevant Notes under this Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*). In this respect, pursuant to the Intercreditor Agreement, the Originator has been granted with a pre-emption right for the purchase of the Portfolio in accordance with the terms and conditions provided thereunder. The relevant sale proceeds deriving from any disposal of the Portfolio shall form part of the Issuer Available Funds. Any such redemption shall be previously notified by the Issuer to the Rating Agency.

## **9.5 Calculation of Issuer Available Funds and Principal Amount Outstanding**

9.5.1 On each Payments Report Date immediately preceding a Payment Date, the Calculation Agent shall determine (on the basis, *inter alia*, of (i) the information set out in the Quarterly Servicer Report provided by the Servicer, (ii) the information set out in the Investment Account Bank Report provided by the Investment Account Bank, (iii) the statements and the balances provided by the Account Bank in relation to the Accounts held with it, (iv) the amounts of costs, expenses, fees to be paid on the relevant Payment Date to be provided by the Corporate Services Provider, and (v) the Rate of Interest and the Interest Amount to be provided by the Principal Paying Agent:

- (a) the amount of any principal payment due to be made on the Notes of each Class on the next following Payment Date;
- (b) the Principal Amount Outstanding of the Notes of each Class on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date) and the portion of Interest Amount that will not be paid in full on the following Payment Date (if any);
- (c) the amount of the Debt Service Reserve Amount in respect of the immediately following Payment Date and, during the Ramp-Up Period in relation to the delivery of the Junior Notes Further Instalment Payment Request (if any), the amount of the relevant Debt Service Reserve Further Amount;
- (d) (i) the Issuer Available Funds and, in case of a Payment Date falling in the Ramp-Up Period, (a) the relevant Notes Further Instalment Payment (if any) to be requested to the Junior Noteholder(s) and the Senior Noteholders and (b) the amount of IAF Initial Purchase Price of the Portfolio available on the immediately following Payment Date for the purchase of a Subsequent Portfolio (if applicable);

- (e) prior to the Amortisation Period, the Initial Purchase Price of any Subsequent Portfolio to be paid on the immediately following Payment Date subject to the terms and conditions set forth under the Transfer Agreement and the Subscription Agreements;
  - (f) the Deferred Purchase Price of the Portfolio due on the immediately following Payment Date and all other payments due to be done by the Issuer on the immediately following Payment Date;
  - (g) the *Asset Coverage Test*;
  - (h) the Collateral Integration Amount.
- 9.5.2 Each determination by or on behalf of the Issuer of Issuer Available Funds, any principal payment on the Notes and the Principal Amount Outstanding of the Notes shall in each case (in the absence of wilful default (*dolo*), gross negligence (*colpa grave*), bad faith or manifest error) be final and binding on all persons.
- 9.5.3 The Issuer will, on each Payments Report Date, cause each determination of a principal payment on the Notes (if any) and Principal Amount Outstanding on the Notes to be notified by the Calculation Agent (through the Payments Report) to the Representative of the Noteholders, the Servicer, the Paying Agents, the Account Bank, the Cash Manager, the Corporate Services Provider, the Underwriters, the Rating Agency and the Originator. The Issuer will cause notice of each determination of a principal payment on the Notes and of Principal Amount Outstanding on the Notes to be given to Monte Titoli, Borsa Italiana, Euroclear and Clearstream and in accordance with Condition 18 (*Notices*).
- 9.5.4 The principal amount redeemable in respect of each Note shall be a pro rata share of the aggregate amount of Issuer Available Funds determined in accordance with Condition 9.2 (*Redemption, Purchase and Cancellation – Mandatory Redemption*) to be available for redemption of the Notes of the same Class as such Note on such date, calculated with reference to the ratio between: (a) the then Principal Amount Outstanding of such Note; and (b) the then Principal Amount Outstanding of all the Notes of the same Class (rounded down to the nearest cent) provided always that no such principal payment may exceed the Principal Amount Outstanding of the relevant Note.
- 9.5.5 If no principal payment on the Notes or Principal Amount Outstanding on the Notes is determined by or on behalf of the Issuer in accordance with the preceding provisions of this Condition 9.5 (*Redemption, Purchase and Cancellation – Calculation of Issuer Available Funds and Principal Amount Outstanding*), such principal payment on the Notes and Principal Amount Outstanding on the Notes shall be determined by the Representative of the Noteholders in accordance with this Condition 8.9a (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Issuer. The Representative of the Noteholders shall not incur, in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a

result of doing so.

## **9.6 Notice of Redemption**

Any notice of redemption as set out in Condition 9.3(*Redemption, Purchase and Cancellation – Optional Redemption*) and 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*) must be given in accordance with Condition 18 (*Notices*) and shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.9a) (*Redemption, Purchase and Cancellation*).

## **9.7 No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes.

## **9.8 Cancellation**

Subject to the provisions of the Intercreditor Agreement, the Notes will be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment of any such amounts is improperly withheld or refused) be finally and definitively cancelled and waived on the Cancellation Date. Upon cancellation the Notes may not be resold or re-issued.

# **10. NON PETITION AND LIMITED RECOURSE**

## **10.1 Non Petition**

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security. In particular no Noteholder:

- 10.1.1 is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- 10.1.2 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 to it;
- 10.1.3 shall be entitled, both before and following the delivery of a Trigger Notice, until the date falling two years and one day after the date on which all the Notes and any other asset-backed notes issued in the context of any Further Securitisation transaction or any Further Issues by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, to initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and



10.1.4 shall be entitled, both before and following the delivery of a Trigger Notice to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with,

provided however that the above provisions (i) without prejudice to Condition 7 (*Priority of Payments*), shall not prevent the Noteholders and the Other Issuer Creditors from taking any steps against the Issuer which do not involve the commencement or the threat of commencement of legal proceedings against the Issuer or which may not lead to the declaration of insolvency or liquidation of the Issuer and (ii) without prejudice to Condition 10.2 (*Limited Recourse obligations of the Issuer*) below, shall not apply with respect to the right of the Originator to receive payment of (a) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount and any other fees to be paid by the Issuer in accordance with the Subscription Agreements), (b) the portion of Initial Purchase Price of any Subsequent Portfolio to be paid through the Notes Further Instalments Payments, (c) the Excess Indemnity Amount and (d) any Residual Optional Instalment.

## 10.2 Limited recourse obligations of the Issuer

Notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders, but excluding in any case the obligation of payment of (i) the Initial Purchase Price of the Initial Portfolio (decreased of an amount equal to the Retention Amount and any other fees to be paid by the Issuer in accordance with the Subscription Agreements), (ii) the portion of Initial Purchase Price of any Subsequent Portfolio to be paid through the Notes Further Instalments Payments, (iii) the Excess Indemnity Amount, (iv) any Residual Optional Instalment and (v) any other amount which is expressly excluded from the Issuer Available Funds under the Transaction Documents, are limited in recourse as set out below:

- a) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets over its contributed capital;
- b) the limited recourse nature of the obligations of the Issuer produces the effect of a *contratto aleatorio* and each Noteholder accepts the consequences thereof, including but not limited to the provision of article 1469 of the Italian civil code;
- c) 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 Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder;
- d) each Noteholder undertakes not to make any claim or bring any action in contravention of the provisions of this Condition 10.2;

- e) subject to Condition 9.5 (*Redemption, Purchase and Cancellation – Calculation of Issuer Available Funds and Principal Amount Outstanding*) if the Issuer Available Funds are insufficient to pay any amount due and payable by the Issuer on any Payment Date in accordance with the applicable Priority of Payments, without prejudice to Condition 14(a) (*Trigger Events – Non-payment*), then the relevant shortfall will not be due and payable until a subsequent Payment Date on which the Issuer Available Funds may be used for such purpose in accordance with the relevant Priority of Payments, provided however that any claim towards the Issuer shall be deemed discharged and cancelled on the Cancellation Date; for the avoidance of doubt, any failure by the Issuer to make payments on any relevant date referred to in Condition 13(a) shall constitute a Trigger Event in accordance with Condition 14(a); and
- f) upon the Representative of the Noteholders giving written notice to the Noteholders and the Other Issuer Creditors that it has determined, in its sole opinion, that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Security (whether arising from an enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Servicer having confirmed the same in writing to the Representative of the Noteholders, the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged and cancelled in full. The provisions of this Condition 10.2(f) are subject to none of the Noteholders and the Other Issuer Creditors objecting to such determinations of the Representative of the Noteholders and the Servicer for reasonably grounded reasons within 30 days of notice thereof. If any of the Noteholders and the Other Issuer Creditors objects such determination within such term, the Representative of the Noteholders may request an independent third party to verify and determine if there is no reasonable likelihood of there being any further amounts to be realised in respect of the Aggregate Portfolio or the Security which would be available to pay unpaid amounts outstanding under the Transaction Documents. Such determination shall be definitive and binding for the Noteholders and the Other Issuer Creditors.

## **11. PAYMENTS**

### **11.1 Payments through Monte Titoli**

Payment of principal and interest in respect of the Notes will be made in Euro and credited, according to the instructions of Monte Titoli, by the Italian Paying Agent on behalf of the Issuer to the accounts of the relevant Monte Titoli Account Holder and thereafter credited by such Monte Titoli Account Holder from such aforementioned accounts to the accounts of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear and Clearstream.

### **11.2 Payments subject to fiscal laws**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or

other laws and regulations applicable thereto.

### **11.3 Payments on business days**

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder (or the relevant Monte Titoli Account Holder).

### **11.4 Change of Paying Agents**

The Issuer reserves the right at any time to revoke the appointment of the Paying Agents by not less than 60 (sixty) calendar days' prior written notice *provided, however*, that such revocation shall not take effect until a successor has been duly appointed in accordance with the Cash Allocation, Management and Payment Agreement and notice of such appointment has been given to the Noteholders in accordance with Condition 18 (*Notices*). Any change of the Paying Agents shall be previously notified by the Issuer to the Rating Agency.

## **12. TAXATION**

All payments in respect of the Notes will be made without any present or future Tax Deduction other than a Decree 239 Deduction, a FATCA Withholding or any other Tax Deduction required to be made pursuant to any Applicable Law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any Noteholder as a consequence of any Tax Deduction required to be made pursuant to any Applicable Law, including Decree 239 Deduction and FATCA Withholding.

## **13. PRESCRIPTION**

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable, unless a case of interruption or suspension of the prescription applies in accordance with Italian law.

## **14. TRIGGER EVENTS**

### **(a) *Non-payment by the Issuer:***

Default is made by the Issuer in the payment, on any Payment Date, of any of the following amounts:

- (i) the Interest Amount accrued in relation to the Interest Period ending on (but excluding) such Payment Date on the Most Senior Class of Notes then outstanding; and/or
- (ii) the amount of principal due and payable on the Most Senior Class of Notes then outstanding provided that failure to pay any principal amounts in case the Calculation

Agent does not receive the Quarterly Servicer Report, as provided for under Condition 7.1(a)(3), shall not constitute a Trigger Event);

and such default is not remedied within a period of five Business Days from the due date thereof;

(b) *Breach of other obligations by the Issuer:*

The Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any payment obligation specified in (a) above) which is, in the reasonable opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

(c) *Breach of Representations and Warranties by the Issuer:*

Any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party is, or proves to have been, in the reasonable opinion of the Representative of the Noteholders, incorrect or erroneous in any material respect when made, or deemed to be made, or at any time thereafter, unless it has been remedied within 30 days after the Representative of the Noteholders has served a notice to the Issuer requiring remedy; or

(d) *Insolvency of the Issuer:*

An Insolvency Event occurs in respect of the Issuer; or

(e) *Unlawfulness for the Issuer:*

It is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

Upon the occurrence of a Trigger Event, the Representative of the Noteholders:

- (1) in the case of a Trigger Event under (a) or (d) above, may at its sole discretion; and shall if so directed by an Extraordinary Resolution of the Most Senior Class of Notes; and/or
- (2) in the case of a Trigger Event under (e) above, shall; and/or
- (3) in the case of a Trigger Event under (b) or (c) above, shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes,

serve a Trigger Notice to the Issuer; in each case, subject to the provisions of the Intercreditor Agreement. Upon the service of a Trigger Notice, the Issuer Available Funds shall be applied in accordance with the Post-Enforcement Priority of Payments.

Following the delivery of a Trigger Notice, (a) the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but which has not been paid on any preceding Payment Date, without further action, notice or formality and the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments; (b) the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes) direct the Issuer to dispose of the Aggregate Portfolio, subject to the terms and conditions of the Intercreditor Agreement, provided that the Originator shall have in such circumstance a pre-emption right to purchase the Portfolios at the terms and conditions specified in the Intercreditor Agreement.

For the purposes of this Condition 14 (*Trigger Events*) the Issuer undertakes to notify the Representative of the Noteholders and the Rating Agency as soon as it becomes aware of the occurrence of a Trigger Event.

## 15. ENFORCEMENT

- (1) At any time after a Trigger Notice has been served, the Representative of the Noteholders may (or shall, if so directed by an Extraordinary Resolution of the Most Senior Class of Notes), subject to the provisions of the Intercreditor Agreement, take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).
- (1) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 14 (*Trigger Events*) or this Condition 15 (*Enforcement*) by the Representative of the Noteholders shall (in the absence of manifest error, wilful default (*dolo*) or gross negligence (*colpa grave*)) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.
- (2) Each Noteholder, by acquiring title to a Note, and each Other Issuer Creditor, by executing the Transaction Documents to which it is expressed to be a party, is deemed to agree and acknowledge that:
  - (i) the Representative of the Noteholders has entered into the Deed of Pledge for itself and as agent in the name of and on behalf of each Noteholder from time to time and each of the Other Issuer Creditors thereunder;
  - (ii) by virtue of the transfer to it of the relevant Note, each Noteholder, and by virtue of

the execution of each Transaction Document to which it is respectively a party, each of the Noteholders and the Other Issuer Creditors shall be deemed to have granted to the Representative of the Noteholders, as its agent, the right (a) to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder and/or Other Issuer Creditor (as the case may be), all of that Noteholder's and/or Other Issuer Creditors' (as the case may be) rights under the Securitisation Law in respect of the Portfolio and all amounts and/or other assets of the Issuer arising from the Portfolio and the Transaction Documents and (b) to enforce its rights as a Noteholder or Other Issuer Creditor (as the case may be) for and on its behalf under the Deed of Pledge and in relation to the Security Interests;

- (iii) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class and of each Other Issuer Creditor, shall be the only person entitled under these Terms and Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Security Interests 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;
- (iv) the Representative of the Noteholders shall have exclusive rights under the Deed of Pledge to make demands, give notices, exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in respect of the Security Interests;
- (v) no Noteholder or Other Issuer Creditor 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 these Terms and Conditions and/or the Transaction Documents or, petition for or procure the commencement of an Insolvency Event 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 insolvent reorganisation or arrangement or composition in respect of the Issuer, pursuant to any Applicable Law;
- (vi) the Representative of the Noteholders will exercise its rights and powers and perform its duties and obligations under the Transaction Documents in any case subject to the Intercreditor Agreement,

unless (in each case under (ii), (iii) and (iv) above) a Trigger Notice has been served 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 these Terms and Conditions, provided however that nothing in this Condition 15 (*Enforcement*) shall prevent the Noteholders and the Other Issuer Creditors from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for or to the making of an administration order against or to the winding up or liquidation of the Issuer and provided further that this Condition 15 (*Enforcement*) shall not prejudice the right of any Noteholder or Other Issuer Creditor to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an Insolvency Event by a third party;

- (vii) no Noteholder or any the Other Issuer Creditor 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
- (viii) the provisions of this Condition 15 (*Enforcement*) 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.

## 16. PURCHASE TERMINATION EVENT

The occurrence of each and any of the following events on any date will constitute a purchase termination event (each a “**Purchase Termination Event**”) in accordance with the Transfer Agreement:

- (a) a Trigger Notice is delivered to the Issuer by the Representative of the Noteholders and/or a Tax Event has occurred.
- (b) Alba Leasing (in any role under the Transaction Documents) defaults in the performance of any of its obligations under the Transfer Agreement, the Servicing Agreement or under any other Transaction Document to which it is a party, if such default
  - (i) is prejudicial to the interests of the Senior Noteholders; and
  - (ii) remains unremedied within 20 (twenty) Business Days (or 5 (five) Business Days where the default relates to an obligation to pay of Alba Leasing) after the delivery by the Issuer or the Representative of the Noteholders of a written notice to Alba Leasing requiring the default to be remedied;

- (c) any of the representations and warranties given by Alba Leasing to the Issuer under any of the Transfer Agreement, the Servicing Agreement or under any other Transaction Document to which it is a party is breached or is untrue, incomplete or inaccurate if the relevant breach
  - (i) is materially prejudicial to the interests of the Senior Noteholders, and
  - (ii) remains unremedied within 20 (twenty) Business Days (or 5 (five) Business Days where the breach relates to a payment obligation) after the delivery by the Issuer of a written notice to Alba Leasing requiring the default to be remedied;
- (d) Alba Leasing is declared insolvent or admitted to any bankruptcy proceedings or Alba Leasing has adopted a resolution aimed at obtaining the admission to any of such proceedings; a liquidator or administrative receiver is appointed or Alba Leasing has adopted a resolution aimed at obtaining such appointments; the whole or a substantial part of Alba Leasing's assets are subject to enforcement proceedings;
- (e) Alba Leasing carries out any action for the purpose of rescheduling its own debts or postponing their relevant fulfilment, executes any extrajudicial arrangement with its creditors (including arrangements for the assignment of its assets to its creditors), files any petition for the suspension of its own payments or any competent court grants to it a moratorium for the fulfilment of its own debts or the enforcement of any security granted by Alba Leasing, if the Representative of the Noteholders, in its justified opinion, deems that any of the above events have or may have a material adverse effect on the Originator's financial condition, provided that Alba Leasing has the right to renegotiate any subordinated loan granted to it by its controlling company;
- (f) a resolution has been adopted for the dissolution or liquidation of Alba Leasing, except if such resolution is adopted in connection with a corporate restructuring;
- (g) Alba Leasing resolves upon (i) any material amendment of its corporate purpose (*oggetto sociale*) which may materially negatively affect its ability to perform its obligation under the Transaction Documents or (ii) the transfer of its registered office outside Italy;
- (h) The occurrence of an event giving the right to the Issuer to terminate the Alba Leasing's appointment as Servicer pursuant to the Servicing Agreement;
- (i) Alba Leasing's external auditor expresses a negative assessment in the certification report (*relazione di certificazione*) relating to its annual financial statements or declares the impossibility to express an assessment in respect thereof;
- (j) at any Payment Date, the Debt Service Reserve Account is not credited out of the Issuer Available Funds and in accordance with the applicable Priority of Payments, with the Debt Service Reserve Amount, as calculated on the Payments Report Date immediately preceding the relevant Payment Date;
- (k) the Gross Cumulative Default Ratio, as evidenced in the relevant Quarterly Settlement Report, exceeds 2.95%;



- (l) the Delinquency Ratio, as evidenced in the relevant Quarterly Settlement Report, exceeds 6% for two consecutive Payment Dates;
- (m) the Asset Coverage Test is negative for 2 consecutive Payments Report Dates immediately preceding a Payment Date;
- (n) The Originator, by virtue of a change in the applicable legislation, is no longer able lawfully to fulfil its obligations under any of the Transaction Documents;
- (o) the Transfer Agreement, the Servicing Agreement or any other Transaction Document is no longer in effect, is declared null or void, or is terminated for any reason;
- (p) the validity or the enforceability of the transfer of any Portfolio to the Issuer is contested by Alba Leasing or by any third party in good faith and on reasonable grounds;
- (q) the Bank of Italy (or any other supervisory competent authority) issues any injunction or measure of any nature against Alba Leasing, which, if finally confirmed, in the reasonable opinion of the Representative of the Noteholders, might have a material adverse effect substantially prejudicial on Alba Leasing, save that such injunction or measure is lawfully contested by Alba Leasing before the competent authorities.

Upon the occurrence of a Purchase Termination Event, the Representative of the Noteholders shall deliver to the Issuer, the Originator, the Servicer and the Calculation Agent, the Senior Noteholders and the Rating Agency a notice indicating that (i) the Purchase Termination Event has occurred; (ii) the Originator is not anymore allowed to sell the Receivables to the Issuer (which is not anymore allowed to purchase Receivables from the Originator); and (iii) the Ramp-Up Period has elapsed (the "**Purchase Termination Event Notice**").

## 17. THE REPRESENTATIVE OF THE NOTEHOLDERS

### 17.1 The Organisation of Noteholders

The Organisation of the Noteholders shall be established upon and by virtue of the issuance of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes.

### 17.2 Appointment of the Representative of the Noteholders

Pursuant to the Rules of the Organisation of the Noteholders, for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation 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 of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the Senior Noteholders or the Junior Noteholder(s), as the case may be, in the Senior Notes Subscription Agreement or the Junior Notes Subscription Agreement, as the case may be. Each Noteholder is

deemed to accept such appointment.

### **17.3 Successor to the Representative of the Noteholders**

Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders: (x) can be removed by the Noteholders at any time, provided that a successor Representative of the Noteholders is appointed; and (y) can resign at any time. Such successor to 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 acting through an Italian branch or through a branch situated in a European Union country; or
- (b) a company or financial institution registered under article 106 of the Consolidated Banking Act; or
- (c) any other entity permitted by 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.

### **17.4 Provisions relating to the Representative of the Noteholders**

The Rules of the Organisation of the Noteholders contain provisions governing, *inter alia*, the terms of appointment, indemnification and exoneration from responsibility (and relief from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction and providing for the indemnification of the Representative of the Noteholders in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment.

## **18. NOTICES**

### **18.1 Notices through Monte Titoli**

Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli and, in relation to the Senior Notes and as long as the Senior Notes are admitted to trading on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT, in accordance with the rules of such multilateral trading facility (also through Borsa Italiana). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

### **18.2 Notices to the Noteholders**

Any notice to the Noteholders given by or on behalf of the Issuer shall also be published on the website <https://www.borsaitaliana.it/>. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on

which publication is made in one of the manners referred to above.

In addition, so long as the Senior Notes are listed on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT, any notice regarding the Senior Notes to the Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular the Transparency Directive.

### **18.3 Other method of giving Notice**

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Senior Noteholders in such manner as the Representative of the Noteholders shall require and in accordance with the rules of the stock exchange on which the Senior Notes are then listed.

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing Law**

The Notes and all non-contractual obligations arising out or in connection with the Notes are governed by, and shall be construed according to, Italian law.

### **19.2 Jurisdiction**

The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising out of, or in connection with, the validity, effectiveness, interpretation, enforceability and/or rescission of the Notes.

## EXHIBIT 1

### TO THE TERMS AND CONDITIONS OF THE NOTES

### RULES OF THE ORGANISATION OF THE NOTEHOLDERS

#### TITLE I

#### GENERAL PROVISIONS

##### 1 General

###### 1.1 *Establishment*

The Organisation of the Noteholders is created concurrently with the issue by Alba 11 WH S.r.l. of, and subscription for, the up to 1,050,000,000.00 Euro Class A Asset Backed Floating Rate Notes due July 2039 and the up to 465,000,000.00 Euro Class J Asset Backed Notes due July 2039 and is governed by these Rules of the Organisation of the Noteholders (the "**Rules**").

###### 1.2 *Validity*

These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

###### 1.3 *Integral part of the Notes*

These Rules are deemed to be an integral part of each Note issued by the Issuer.

##### 2 Definitions and interpretations

###### 2.1 *Interpretation*

2.1.1 Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.

2.1.2 Any reference herein to an "Article" shall be a reference to an article of these Rules.

2.1.3 Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

###### 2.2 *Definitions*

In these Rules, the terms set out below shall have the following meanings:

**"Basic Terms Modification"** means any proposal to:

- (a) change the date of maturity of the Notes of any Class;
- (b) change any date fixed for the payment of principal or interest in respect of the Notes of

any Class;

- (c) reduce, cancel, waive or otherwise amend the amount of principal or interest payable on any date in respect of the Notes of any Class (other than any reduction or cancellation permitted under the Terms and Conditions) or alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;
- (d) change the quorum required at any Meeting or the majority required to pass any Resolution;
- (e) change the currency in which payments are due in respect of any Class of Notes;
- (f) alter the priority of payments affecting the payment of interest and/or the repayment of principal in respect of any of the Notes;
- (g) effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;
- (h) carry out any Further Securitisation pursuant to Condition 6.3 (*Further Securitisations*) and perform any activity set forth thereunder; and
- (i) a change to this definition.

**"Blocked Notes"** means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

**"Block Voting Instruction"** means in relation to a Meeting, the document obtained by the Principal Paying Agent stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting;
- (b) that the Principal Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant 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
- (c) authorising a Proxy to vote in accordance with such instructions.

**"Chairman"** means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 7 of these Rules.

**"Extraordinary Resolution"** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules, by a majority of not less than three quarters of the votes cast, to resolve on the objects set out in Article 18.

**"Extraordinary Resolution of the Most Senior Class of Notes"** means a resolution passed at a joint

Meeting of the holders of the Most Senior Class of Notes, duly convened and held in accordance with the provisions contained in these Rules to resolve on the objects set out in Article 18.

**"Meeting"** means a meeting of Noteholders of any Class or Classes (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 including any depository banks appointed by Euroclear and Clearstream.

**"Ordinary Resolution"** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules, by a majority of the votes cast, to resolve on the object set out in Article 17.

**"Proxy"** means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

**"Resolution"** means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

**"Terms and Conditions"** means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto, and any reference to a numbered **"Condition"** is to the corresponding numbered provision thereof.

**"Voter"** means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy.

**"Voting Certificate"** means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder in accordance with the Joint Regulation, as subsequently amended and supplemented, stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and
- (b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

**"24 hours"** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office.

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

### **3 Purpose of the Organisation**

#### **3.1 Membership**

Each Noteholder is a member of the Organisation of the Noteholders.

### 3.2 *Purpose*

The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

## TITLE II

### MEETINGS OF NOTEHOLDERS

## 4 **Voting Certificates and Validity of the Proxies and Voting Certificates**

### 4.1 *General Provisions*

In order to avoid conflict of interests that may arise as a result of the Originator having multiple roles in the Securitisation, those Notes which are for the time being held by the Originator or which may be in the future held by any Originator's holding company or any Originator's subsidiaries, shall (unless and until ceasing to be so held) be deemed not to remain "outstanding" for the purposes of the right to vote at any Meeting of Noteholders duly convened by the Representative of the Noteholders in accordance with the Conditions and these Rules to transact one of the following matters:

- (a) the termination of the Originator in its capacity as Servicer and the appointment of a substitute servicer under the Servicing Agreement or the appointment of any substitute sub-servicer under the Back-Up Servicing Agreement;
- (b) the direction of the sale of the Aggregate Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event in accordance with Condition 14 (*Trigger Events*);
- (c) the direction to perform any further Securitisation or Further Issue pursuant respectively to Conditions 6.3 (*Further Securitisations*) and 6.4 (*Further Issues*).
- (d) the direction to the Representative of the Noteholders with reference to the appointment of the successor of the Servicer in accordance with clause 2.2.2. of the Servicing Agreement;
- (e) any consent, authorization and/or confirmation to be given by the Representative of the Noteholders upon instruction of the Noteholders pursuant to the Servicing Agreement or the Back-Up Servicing Agreement or any other Transaction Documents;
- (f) any amendment to any Transaction Document which, in the reasonable opinion of the Representative of the Noteholders, to be taken following the consultation with the Senior Noteholders, would be prejudicial to, or have a negative impact on, the Senior Noteholders;

- (g) any other matter which, in the reasonable opinion of the Representative of the Noteholders, constitutes a conflict of interest between (i) the Senior Noteholders and (ii) the Originator in any role under the Transaction; and
- (h) any waiver of any breach or authorisation of any proposed breach by the Originator, (in any of its capacities under the Transaction Documents) of its obligations under or in respect of the Transaction Documents to which it is a party;
- (i) the delivery of the Trigger Notice upon occurrence of a Trigger Event in accordance with Condition 14 (*Trigger Events*).

#### 4.2 *Participation in Meetings*

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the Specified Office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

#### 4.3 *Validity*

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the Specified Office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Representative of the Noteholders so requires, a notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

#### 4.4 *Mutually exclusive*

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

#### 4.5 *Blocking and release of Notes*

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of Monte Titoli (or any other applicable clearing system).

### 5 **Convening the Meeting**

#### 5.1 *Meetings convened by the Representative of the Noteholders*

The Representative of the Noteholders may convene a Meeting at any time.



The Representative of the Noteholders shall convene a Meeting at any time it is requested to do so in writing by (a) the Issuer or (b) Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

#### 5.2 *Request from the Issuer*

Whenever the Issuer requests the Representative of the Noteholders to convene a Meeting, it shall immediately send a communication in writing to that effect to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting and the items to be included in the agenda.

#### 5.3 *Time and place of the Meeting*

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

- (a) such Voters have given evidence to the Chairman of their powers to attend and vote at the relevant Meeting;
- (b) 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;
- (c) the person drawing up the minutes may hear in a clear way the Meeting events being the subject-matter of the minutes;
- (d) 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; and
- (e) 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 video-conference equipment.

For the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

### **6 Notice of Meeting and Documents Available for Inspections**

#### 6.1 *Notice of meeting*

At least 21 days' notice (exclusive of the day on which notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given by the Principal Paying Agent (upon instruction from the Representative of the

Noteholders) to the relevant Noteholders, with copy to the Issuer and the Representative of the Noteholders and the Rating Agency.

## **6.2**     *Content of the notice*

The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

- (a)     day, time and place of the Meeting, on first and second call;
- (b)     agenda of the Meeting; and
- (c)     nature of the Resolution.

## **6.3**     *Validity notwithstanding lack of notice*

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

## **6.4**     *Documentation Available for Inspection*

All the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders consciously to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the Specified Office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

# **7**     **Chairman of the Meeting**

## **7.1**     *Appointment of the Chairman*

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines or is not present within 15 minutes after the time fixed for the Meeting, the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman.

## **7.2**     *Duties of the Chairman*

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate and defines the terms for voting.

## **7.3**     *Assistance*

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to

be Noteholders.

## **8 Quorum**

### **8.1 *Quorum and Passing of Resolution***

The quorum (*quorum constitutivo*) at any Meeting shall be:

- (a) in respect of a Meeting convened to vote on an Ordinary Resolution:
  - (i) on first call, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:
  - (i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:
  - (i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened.

### **8.2 *Passing of a Resolution***

A Resolution shall be deemed validly passed if voted by the following majorities:

- (a) in respect of an Ordinary Resolution, a majority of the votes cast; and
- (b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of

the votes cast.

## **9 Adjournment for lack of quorum**

If a quorum is not reached within 30 minutes after the time fixed for any Meeting:

- (a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or
- (b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place and time as the Chairman determines with the approval of the Representative of the Noteholders, provided however that no meeting may be adjourned more than once for want of quorum.

## **10 Adjourned Meeting**

Except as provided in Article 9, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

## **11 Notice following adjournment**

### **11.1 *Notice required***

If a Meeting is adjourned in accordance with the provisions of Article 9, Articles 5 and 6 above shall apply to the resumed meeting except that:

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

### **11.2 *Notice not required***

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9.

## **12 Participation**

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the director(s) and the auditors of the Issuer;

- (c) the Representative of the Noteholders;
- (d) financial and/or legal advisers to the Issuer and the Representative of the Noteholders; and
- (e) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

### **13 Voting by show of hands**

#### **13.1 *First instance vote***

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hands.

#### **13.2 *Demand of poll***

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

#### **13.3 *Approval of a resolution***

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

### **14 Voting by poll**

#### **14.1 *Demand for a 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 representing or holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

#### **14.2 *Conditions of a poll***

The Chairman sets the conditions for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in

compliance with the conditions set by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

## **15 Votes**

### **15.1 *Votes***

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) one vote for each Euro 1,000 of Principal Amount Outstanding of each Note represented or held by the Voter, when voting by poll.

### **15.2 *Exercise of multiple votes***

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

### **15.3 *Voting tie***

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

### **15.4 *Votes cast***

The Noteholders can cast their votes "in favour of" or "against" any proposed Resolution.

The Noteholders that do not intend to cast their votes and abstain from voting shall be ignored and not be included in the computation of the votes cast.

## **16 Voting by Proxy**

### **16.1 *Validity***

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked provided that none of the Principal Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

### **16.2 *Adjournment of Meeting***

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned for lack of quorum pursuant to Article 9. If a Meeting is adjourned pursuant to Article

9, any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

## **17 Ordinary Resolutions**

Save as provided by Article 18 and subject to the provisions of Article 19 and the provisions of the Intercreditor Agreement, a Meeting shall have the power exercisable by Ordinary Resolution to:

- (a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;
- (b) determine any other matters submitted to the Meeting, other than matters required to be subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and
- (c) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

## **18 Extraordinary Resolutions**

The Meeting, subject to Articles 19 and 32 and the provisions of the Intercreditor Agreement, shall have power exercisable by Extraordinary Resolution to:

- (a) approve any Basic Terms Modification;
- (b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) approve any scheme or proposal related to the mandatory exchange or substitution of any Class of Notes;
- (d) save as provided by Article 29, approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- (e) discharge or exonerate (including prior or retrospective discharge or exoneration) the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Terms and Conditions or any other Transaction Document;
- (f) grant any authority, order or sanction which, under the provisions of these Rules or

under the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 15 (*Enforcement*));

- (g) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- (h) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (i) appoint and remove the Representative of the Noteholders; and
- (j) authorise or object to individual actions or remedies of Noteholders under Article 23,

In addition to the above, the Meeting of the holders of the Most Senior Class of Notes shall have exclusive power to resolve on the following matters:

- (i) the direction to sale the Aggregate Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event in accordance with Condition 14 (*Trigger Events*);
- (ii) the direction to perform any further Securitisation or Further Issue pursuant respectively to Conditions 6.3 (*Further Securitisations*) and 6.4 (*Further Issues*); and
- (iii) on any other matter which is attributed to the holders of the Most Senior Class of Notes under the Transaction Documents.

## **19 Relationship between Classes and conflict of interests**

### **19.1 *Basic Terms Modification***

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 each of the other Classes of Notes (to the extent that there are Notes outstanding in any of such other Class).

### **19.2 *Extraordinary Resolution other than in respect of a Basic Terms Modification or Ordinary Resolution***

No Extraordinary Resolution of any Class of Notes to approve any matter other than a Basic Terms Modification or a matter to be approved by an Ordinary Resolution shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes ranking at that time senior to such Class with respect to the repayment of the principal pursuant to Condition 5.3 (*Status, Priority and Segregation – Ranking*) and in accordance with the applicable Priority of Payments (to the extent that there are Notes outstanding ranking senior to such Class).

### **19.3 *Binding nature of the Resolutions***



Any Resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting and, except in the case of Meeting relating to a Basic Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held as aforesaid shall also be binding upon all the other Class of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

19.4 *Conflict between Classes*

If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of

- (i) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders;
- (ii) different Classes of Noteholders, then the Representative of the Noteholders will consider only the interests of the holders of the Most Senior Class of Noteholders then outstanding;
- (iii) the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the Priority of Payments for the payment of the amounts therein specified.

19.5 *Resolution of the Junior Noteholders*

For the avoidance of doubt, amendments or modifications which (in the opinion of the Representative of the Noteholders) do not affect (directly or indirectly) the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and/or any other interest or rights of the Senior Noteholders and which are not Basic Terms Modifications may be passed at a Meeting of the Junior Noteholders without any sanction being required by the holders of the Senior Notes.

19.6 *Joint Meetings*

Subject to the provisions of these Rules and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the Senior Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

19.7 *Separate and combined Meetings of the Noteholders*

Subject to the aforesaid provisions of this Article 19, the following provisions shall apply where outstanding Notes belong to more than one Class:

- (a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such

Class;

- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion; and
- (c) business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any Resolution.

#### 19.8 *Notice of Resolution*

Within 14 days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 18 (*Notices*), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Principal Paying Agent, the Representative of the Noteholders and the Rating Agency.

Without prejudice to these Rules of the Organisation, the exclusive power of the Meeting under Article 18 (*Extraordinary Resolution*), the Representative of the Noteholders may prescribe administrative regulations regarding the holding of meetings and attendance and voting thereat as the Representative of the Noteholders may, in its sole discretion, decide.

#### 20 **Challenge of Resolution**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

#### 21 **Minutes**

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be prima facie evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

#### 22 **Written Resolution**

Notwithstanding the formalities required by Article 6, a Meeting is validly held if a resolution in writing is signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant 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 (the "**Written Resolution**").

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, in respect of matters to be determined by Extraordinary Resolution or Ordinary Resolution, as the case may be.

## **23 Individual Actions and Remedies**

### **23.1 *Individual actions of the Noteholders***

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non petition provisions of Condition 10 (*Non Petition and Limited Recourse*). Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a 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/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;
- (b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;
- (c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
- (d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

### **23.2 *Individual actions subject to Resolution***

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23.

### **23.3 *Breach of Condition 10 (Non Petition and Limited Recourse)***

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 10 (*Non Petition and Limited Recourse*).

#### 23.4 *Exclusive power of the Representative of the Noteholders*

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

### 24 **Further Regulations**

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

## TITLE III

### THE REPRESENTATIVE OF THE NOTEHOLDERS

### 25 **Appointment, Removal and Remuneration**

#### 25.1 *Appointment*

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 25, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services.

#### 25.2 *Requirements for 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 acting through an Italian branch; or
- (b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act; or
- (c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

#### 25.3 *Directors and auditors of the Issuer*

The directors and auditors of the Issuer cannot be appointed as the Representative of the Noteholders, and if appointed as such they shall be automatically removed.

#### 25.4 *Duration of appointment*

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Title II above or it resigns in accordance with Article 27, it shall remain in office until full repayment or cancellation of all the Notes.

**25.5**     *Removal*

Subject to the provisions hereto and the provisions of the Intercreditor Agreement, the Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

**25.6**     *Office 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 a substitute Representative of the Noteholders, which shall be a subject among those listed in Article 25.2, paragraphs (a), (b), and (c) above, accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

**25.7**     *Remuneration*

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders, an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments.

**26**       **Duties and Powers of the Representative of the Noteholders**

**26.1**     *Legal representative of the Organisation of the Noteholders*

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it pursuant to the Transaction Documents in order to protect the interests of the Noteholders.

**26.2**     *Meetings and implementation of Resolutions*

Subject to Article 28, the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

**26.3**     *Delegation*

26.3.1 The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) all or any of the powers, authorities and discretion 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, provided that: (a) the Representative of the Noteholders shall use all reasonable care and skill in the selection of the sub-agent, sub-contractor or representative which must fall within one of the categories set forth in Article 25.2 herein; and (b) the sub-agent, sub-contractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed.

26.3.2 The Representative of the Noteholders shall in any case be responsible for any loss incurred by the Issuer as a consequence of any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer and the Rating Agency of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub delegate.

26.3.3 The Representative of the Noteholders shall act in accordance with the provisions of article 1176, second paragraph of the Italian Civil Code.

#### 26.4 *Judicial proceedings*

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

### 27 **Resignation of the Representative of the Noteholders**

#### 27.1 *Resignation*

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer and the Rating Agency, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

#### 27.2 *Effectiveness*

The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment provided that if the Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 25.

### 28 **Exoneration of the Representative of the Noteholders**

## 28.1 *Limited obligations*

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

## 28.2 *Other limitations*

Without limiting the generality of Article 28.1, the Representative of the Noteholders:

- (i) 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 hereunder or under any other Transaction Document has occurred, and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event has occurred;
- (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are carefully observing and performing all their respective obligations;
- (iii) except as otherwise required under these Rules or the Transaction Documents, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- (iv) shall not be responsible for (or for investigating) the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of 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:
  - a) the nature, status, creditworthiness or solvency of the Issuer;
  - b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;
  - c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of each Portfolio; and
  - e) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agents or any other person in respect of the Portfolio or the Notes;

- (v) 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;
- (vi) shall not be responsible for the maintenance of any rating of the Senior Notes by the Rating Agency or any other credit or rating agency or any other person;
- (vii) shall not be responsible for (or for investigating) any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating to thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- (viii) 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 in relation to the Portfolio 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 being remedied or not;
- (ix) 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 or any Transaction Document;
- (x) shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;
- (xi) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;
- (xii) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party 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 and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;
- (xiii) shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;
- (xiv) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;
- (xv) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Portfolio and the Notes; and
- (xvi) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders.



#### 28.3.1 The Representative of the Noteholders:

- (i) save as expressly otherwise provided herein and in the Intercreditor Agreement, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful default (*dolo*) or gross negligence (*colpa grave*);
- (ii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right – but not the obligation – to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it 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 which it may incur by taking such action;
- (iii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (iv) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents;

28.3.2 Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

#### 28.4 Certificates

The Representative of the Noteholders:

- (i) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence

(*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders;

- (ii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, 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 incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;
- (iii) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement or by any Other Issuer Creditor. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so.
- (iv) may, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to the Transaction Documents or the Notes, in considering whether such exercise would be materially prejudicial to the interests of the Other Issuer Creditors and the Noteholders, take into account, amongst other things, any written confirmation from the Rating Agency that the then current ratings of the Senior Notes would not be adversely affected by such exercise and shall be entitled to, at the Issuer's expenses, consult the Rating Agency before exercising any power, authority, duty or discretion under or in relation to the Conditions or these Rules.

## 28.5 *Ownership of the Notes*

28.5.1 In order to ascertain ownership of the Notes, the Representative of the Noteholders may fully rely on the certificates issued Regulation dated 13 August 2018, jointly issued by CONSOB and the Bank of Italy (as subsequently amended and supplemented), which certificates are conclusive proof of the statements attested to therein.

28.5.2 The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

## 28.6 *Certificates of Monte Titoli Account Holders*

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the Joint Regulation, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

## 28.7 *Certificates of Clearing Systems*

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at

any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

## 28.8 *Illegality*

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to Applicable Law or regulations or to expend or otherwise 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 discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

## 29 **Amendments to the Transaction Documents**

### 29.1 *Consent of the Representative of the Noteholders*

Subject to the provisions of the Intercreditor Agreement the Representative of the Noteholders may agree to any amendment or modification to these Rules or to any of the Transaction Documents, without the prior consent or sanction of the Noteholders if in its opinion:

- (i) it is expedient to make such amendment or modification in order to correct a manifest error or an error of a formal, minor or technical nature; or
- (ii) save as provided under paragraph (i) above, such amendment or modification (which shall be other than in respect of a Basic Terms Modification or any provision in these Rules which makes a reference to the definition of "**Basic Terms Modification**") is not materially prejudicial to the interest of the Noteholders and (ii) a prior written notice is given to the Rating Agency and Senior Notes Underwriter.

The Representative of the Noteholders acknowledges and agrees that at the Issuer (also through the Servicer) request, pursuant to Condition 8.9 (*Fallback Provisions*) it will be obliged, without any requirement for the consent or approval of the Noteholders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the competent regulatory authority to concur with the Issuer in effecting any Base Rate Modification (including, inter alia, by the execution of an amendment agreement to the Transaction Documents).

### 29.2 *Binding nature of amendments*

Any such amendment or modification shall be binding on the Noteholders and the Other Issuer Creditors and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such amendment or modification be notified to the Noteholders and the Other

Issuer Creditors as soon as practicable thereafter.

Any consent, approval or waiver by the Representative of the Noteholders shall be notified to the Rating Agency.

### **30 Security Documents**

#### **30.1 *Exercise of rights under the Security Documents***

Without prejudice to Condition 15 (*Enforcement*), the Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to Noteholders which have the benefit of the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to as the "**Secured Noteholders**".

#### **30.2 *Rights of the Representative of the Noteholders in respect of the Security Documents***

The Representative of the Noteholders, acting on behalf of the Secured Noteholders, shall be entitled to:

- (a) appoint and entrust the Issuer to collect, in the Secured Noteholders' interest and on their behalf, any amounts deriving from the receivables and from the pledged receivables and rights, and shall be entitled to give instructions, jointly with the Issuer, to the respective debtors of the pledged receivables to effect the payments related to such receivables standing to the credit of the relevant Accounts or any other account opened in the name of the Issuer;
- (b) attest that the account(s) to which payments have been made in respect of the pledged receivables shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code, and procure that such account(s) is(are) operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement. For such purpose and until a Trigger Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Secured Noteholders, shall appoint the Issuer to manage the Accounts in compliance with the Cash Allocation, Management and Payment Agreement;
- (c) procure that all funds credited to the relevant Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and
- (d) procure that the funds from time to time deriving from the pledged receivables and the amounts standing to the credit of the relevant Accounts are applied towards satisfaction not only of the amounts due to the Secured Noteholders, but also of such amounts due and payable to any other parties that rank prior to the Secured Noteholders according to the applicable Priority of Payments set forth in the Terms and Conditions, and to the extent that all amounts due and payable to the Secured Noteholders have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any

other parties that rank below the Secured Noteholders.

**30.3** *Waiver of the Secured Noteholders*

The Secured Noteholders irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged receivables or credited to the Accounts which is not in accordance with the provisions of this Article 30.

**30.4** *Limitation of rights*

The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged receivables under the Deed of Pledge except in accordance with the provisions of this Article 30 and the Intercreditor Agreement.

**31** **Indemnity**

**31.1** *Indemnification*

Pursuant to the Subscription Agreements, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) on written demand, to the extent not already reimbursed, paid or discharged by any Noteholder, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax due in addition to the agreed amounts or similar tax) properly incurred by or made against the Representative of the Noteholders or by any person appointed by it to whom any power, authority or discretion may be delegated by it, in relation to the preparation and execution of, the exercise or purported exercise of its powers, performance of its duties under and in any other manner in relation to these Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents, or against the Issuer, or any other person for enforcing any obligations due hereunder, or under these Rules, the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud, negligence or wilful misconduct of the Representative of the Noteholders or the abovementioned appointed persons. It remains understood and agreed that such costs, expenses and liabilities shall be reasonably incurred.

**31.2** *Liability*

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

**TITLE IV**

## THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE

### 32 Powers

It is hereby acknowledged that, upon the occurrence of a Trigger Event, pursuant to clause 3 (*Mandate by the Issuer to the Representative of the Noteholders and Relevant Powers*) of the Intercreditor Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled – also in the interest of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian Civil Code – to exercise certain rights in relation to each Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the clause 3 (*Mandate by the Issuer to the Representative of the Noteholders and Relevant Powers*) of the Intercreditor Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

## TITLE V

### GOVERNING LAW AND JURISDICTION

### 33 Governing law and Jurisdiction

#### 33.1 *Governing law*

These Rules and all non-contractual obligations arising in any way whatsoever out of or in connection with these Rules will be governed by, and construed in accordance with, the laws of the Republic of Italy.

#### 33.2 *Jurisdiction*

Any dispute arising from the interpretation and execution of these Rules or from the legal relationships established by these Rules will be submitted to the exclusive jurisdiction of the Courts of Milan.

## SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.

### The Securitisation Law

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of receivables, where the sale is to a company created in accordance with article 3 of the Securitisation Law (the "SPV") and all amounts paid by the assigned debtors are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such receivables and all costs and expenses associated with the securitisation transaction.

It should be noted that Law Decree No. 145 of 23 December 2013 (*"Interventi urgenti di avvio del piano 'Destinazione Italia', per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015"*) converted with amendments into Law No. 9 of 21 February 2014 (**"Law 9/2014"**), and Italian Law Decree no. 91 of 24 June 2014 (*"Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normativa europea"*) converted with amendments into Law No. 116 of 11 August 2014, (**"Law 116/2014"**) have introduced, *inter alios*, the following amendments to the Securitisation Law:

1. the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned claims and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law (*"data certa"*) on which the relevant purchase price (even partial) has been paid;
2. payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Italian Bankruptcy Law;
3. the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (id est the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply;
4. where the notes issued by the SPV are subscribed by qualified investors, the underwriter can also be a sole investor;
5. if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the SPV in accordance with the provisions of the relevant

agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

6. securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions;
7. certain consequential changes are made to the Securitisation Law to reflect such new possibility under prior 6; and
8. the segregation principle set out in the second paragraph of article 3 of the Securitisation Law is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

In addition to the above, on 15 June 2017, the Italian Parliament approved the conversion law relating to Italian Law Decree No. 50 of 24 April 2017 (published in the Official Gazette No. 95 of 24 April 2017 and in force from that date) (Disposizioni urgenti in materia finanziaria, iniziative a favore degli enti territoriali, ulteriori interventi per le zone colpite da eventi sismici e misure per lo sviluppo) concerning urgent “Corrective Measures” (*Manovra Correttiva*) (the “**Decree 50/2017**”), converted with amendments into Law No. 96 of 21 June 2017. Article 60–sexies of the Decree 50/2017 introduces new provisions in the Securitisation Law, the purpose of which is to improve the likelihood of recoveries and collections in respect of non-performing loan receivables.

In accordance with these new provisions of the Securitisation Law, the securitisation Issuer will be able to, *inter alia*:

- (i) disburse loans to entities other than individuals and microenterprises in accordance with the conditions set out in Article 1, comma 1–ter, of the Securitisation Law, also where there is (i) an economic and financial restructuring agreement or plan in place with the receivables seller, (ii) an agreement made under Articles 124, 160, 182–bis and 186–bis of the Italian Bankruptcy Law (Royal Decree of 16 March 1942, No. 267) or (iii) a similar corporate recovery or restructuring procedure or agreement in place. Further, Articles 2467 and 2497–quinquies of the Italian Civil Code relating to the subordination of shareholder loans have been disapplied, thereby removing a disincentive for making these new loans; and
- (ii) establish corporate vehicles to directly acquire the real estate and other (registered) assets securing the relevant receivables. This includes property financed by leasing contracts, regardless of whether such contracts have been terminated, together with the related contractual rights. As is the case with amounts deriving from instruments purchased or subscribed for by securitization companies, amounts deriving from these assets and the proceeds of sale will be deemed to be ring-fenced assets of the Issuer which must be used exclusively to satisfy the noteholders and to meet transaction costs.

In addition to the above, the Law No. 185 of 30 December 2018 (published in the Official Gazette No. 302 of 31 December 2018) (Bilancio di previsione dello Stato per l'anno finanziario 2019 e bilancio pluriennale per il triennio 2019–2021) (“**Budget Law**”) introduced, in particular, the following amendments to the Securitisation Law:



- (a) securitisation vehicles may subscribe bonds issued by unlisted companies (società a responsabilità limitata);
- (b) securitisation vehicles that issue listed asset-backed securities may subscribe unlisted bonds issued by joint-stock companies (società per azioni) in excess of the statutory financial ratios that ordinarily apply in the absence of a listing;
- (c) securitisation vehicles may grant loans to microenterprises that have a balance sheet equal or above Euro 2 million;
- (d) revenues arising out of the ownership of immovable property or of registered movable property may be securitised.

Finally, article 23 of the Law Decree No. 34 of 30 April 2019 (published in the Official Gazette No. 100 of 30 April 2019) (Misure urgenti di crescita economica per la risoluzione di specifiche situazioni di crisi) converted with amendments into Law No. 58 of 28 June 2019 (“**Growth Decree**”) made significant changes to the tax treatment of securitization transactions disciplined by Securitisation Law. In particular, article 23 has clarified that, in the context of securitization transactions carried out through the sale of impaired receivables, a number of supporting vehicle companies can be set up with the purpose of carrying out, in the context of the securitization transaction and for its benefit, the management and the valorization of real estate assets, registered movable assets as well as any other assets and rights consisting of securities for the receivables (including assets part of leasing contracts, even if terminated, possibly together with the relative contractual relationships).

### **The Assignment**

The assignment of receivables under the Securitisation Law is governed by article 4 of the Securitisation Law, the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette in respect of the assigned receivables and registration of the transfer in the companies' register where the issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor. Furthermore, the Bank of Italy could require further formalities.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant receivables;
- (b) (i) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of the Italian Bankruptcy Law, and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the receivables, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction.

In addition to the above, the Decree 50/2017 has introduced a specific legal publication regime for disposals made by banks and financial institutions that relate to receivables classified as *non-performing* (in accordance with the relevant applicable law and regulation) not identifiable *as a pool (in blocco)*. Notification of these disposals shall be published by way of entry in the relevant Italian companies' registry and publication in the Italian Official Gazette (*Gazzetta Ufficiale*) of the notice of assignment. Pursuant to Article 7.1 of the Securitisation Law, the notice must include details of the seller, the purchaser, the date of the assignment, general information on the nature of the contractual relationships giving rise to the assigned receivables and the period during which such relationships arose or will arise, together with details of the website where the seller and purchaser will, for so long as any receivables are outstanding, make available representative data relating to the assigned receivables and enable assigned debtors to obtain confirmation of the notice of assignment upon request.

The legal effects of article 1264 of the Italian Civil Code shall apply to the assigned debtors upon and from the date of publication of the notice of assignment in the Italian Official Gazette. The ancillary rights and guarantees of any kind arising in favour of the originator, together with the entries in public registers of the purchase deeds relating to the property the subject of the finance leases that have been assigned, shall remain valid and maintain their security ranking in favour of the purchaser without further formality. Any other special legal regimes which previously applied to the relevant assigned receivables, including of a procedural nature, will also continue to apply.

Notice of the assignment of the Portfolio pursuant to the Transfer Agreement has been published respectively (i) in the Official Gazette, Part II, No. 118 of 8 October 2019 and (ii) registered in the companies' register of Treviso – Belluno on 4 October 2019.

Assignments executed under the Securitisation Law are subject to revocation upon bankruptcy under article 67 of the Bankruptcy Law but only in the event that the securitisation transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or, in cases where paragraph 1 of article 67 of the Bankruptcy Law applies, within six months of the adjudication of bankruptcy

### **The SPV**

According to the Securitisation Law, the SPV shall be a *società di capitali*.

Under the regime normally prescribed for Italian companies under the Italian Civil Code, it is unlawful for any company (other than banks) to issue securities for an amount exceeding two times the company's share capital, save for certain exceptions. Under the provisions of the Securitisation Law, the standard provision described above is inapplicable to the SPV.

The SPV is subject to the provisions contained in Chapter V of the Consolidated Banking Act and must be registered on the register of securitisation vehicles companies held pursuant to article 4 of the

### **Ring-fencing of the assets**

Pursuant to operation of article 3 of the Securitisation Law, the assets relating to each securitisation transaction are segregated, by operation of law, for all purposes from all other assets of the company which purchases the claims (including, for the avoidance of doubt, any other portfolio purchased by the company pursuant to the Securitisation Law). Prior to and on a winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant claims and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

In addition to the above, it should be noted that, pursuant to the amendments recently introduced to the Securitisation Law by Law 9/2014 and Law 116/2014, it has been provided for that *inter alia*:

- (i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and
- (ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or subservicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or windingup proceedings against the Issuer in respect of any unpaid debt.

### **Other recent main changes in Italian bankruptcy, tax and civil procedure law**

Certain provisions of Italian law have been amended or have entered into force only recently and, therefore, may be subject to further implementation and/or interpretations by Italian Courts and have not been tested to date in the Italian courts. In this respect, without prejudice to the above-mentioned approval of the Insolvency Code, the most recent reforms that have been implemented on the main Italian bankruptcy legislation includes the Law Decree No. 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Law No. 132 of 6 August 2015 (the "**Decree No. 83**"), providing for some significant changes in Italian bankruptcy, tax and civil procedure law.

The main features of the reform implemented by Decree No. 83 are summarised herein below:

- (a) the rules governing the deductibility for tax purposes by banks and financial intermediaries of losses and write-off relating to receivables have been amended. Under the new rules both losses deriving from assignment of receivables and losses and write-off of receivables vis-à-vis customers (*crediti verso la clientela*) are entirely deductible in the fiscal year in which they are registered in the financial statements of the aforesaid companies. This provision has shortened the timeframe previously provided for deducting losses and write-off of receivables, which was equal to five fiscal years;
- (b) debt enforcement proceedings have been accelerated and simplified, and judicial sales expedited;
- (c) banks and financial intermediaries holding the majority of a company's overall debt can (subject to certain conditions) restructure its indebtedness, even in the face of a significant dissenting minority financial creditor;
- (d) access to new financing has been simplified, enjoying super-priority, and the removal of claw back risk for bridging loans (including shareholder loans) for a company when proposing a pre-bankruptcy creditors arrangement or debt restructuring;
- (e) creditors representing 10% of overall indebtedness are now entitled to present alternative proposals to those proposed by the debtor if the company's proposals do not satisfy at least 40% of non-preferred creditors in case of liquidation or 30% in an on-going scenario. Measures have been introduced which will likely lead to greater use of controlled auctions in prepack creditor arrangements involving business sales, favouring independent investor participation. Such sales may now be completed even before court certification of the approved creditor arrangement, prioritising business continuity;
- (f) a specific discipline has been provided in relation to the consequences of the termination of financial leasing contract (please see the paragraph "Italian Law on Leasing" below for more details on this provision); and
- (g) a number of measures have been introduced to enhance the speed and effectiveness of bankruptcy proceedings, including the imposition of deadlines for bankruptcy trustee activities with the real threat of removal for failure to comply and the facilitation of interim distributions to creditors.

These provisions of Decree No. 83 have not been tested in any case law nor specified in any further regulation.

## Italian Law on Leasing

The contract of financial leasing (*locazione finanziaria*) ("**Financial Leasing**") has been recently disciplined and identified under law no. 124 of 4 August 2017 (the "**2017 Italian Competition Law**"), pursuant to which Financial Leasings are agreements in the context of which a regulated bank or a financial intermediary registered under article 106 of the Consolidated Banking Act agrees to purchase or procure an asset selected by the lessee who then assumes all the risks, including of loss or destruction of the asset, in return for lease payments. Accordingly, three parties are generally involved in a financial leasing transaction (i.e., lessor, lessee and supplier) which involves the execution of two contracts: the Financial Leasing agreement between lessor and lessee and the transfer agreement between the supplier and the lessor. The Italian Supreme Court has established that although these contracts are separate, there is a contractual link between them arising from the fact that the assets acquired by the lessor from the supplier are selected and chosen by the lessee, who is responsible for their maintenance and is subject to the risk of their loss. The 2017 Italian Competition Law further specifies that (a) the payments to be made by the lessee under a Financial Leasing shall be calculated on the basis of (i) the amount paid by the lessor to acquire the right of ownership of the lease asset and (ii) the duration of the agreement, and (b) that, upon the agreed contractual maturity, the lessee shall have the option to acquire the ownership of the asset at the agreed price (*riscatto*), or to return it to the lessor.

In a number of decisions given by the Italian Supreme Court in 1989 and confirmed, *inter alia*, by a decision given by the *Sezioni Unite* of the Supreme Court in 1993 (Cass. Sez. Un., 7.1.93, No. 65), contracts of Financial Leasing are divided into two different types: firstly, "*leasing finanziario di godimento*", under which the payment of the agreed rentals represents only, in line with the intention of the parties involved, remuneration for the use of the Leased Property by the lessee; and secondly, "*leasing finanziario traslativo*", under which the parties foresee, at the time of the conclusion of the contract, that the Leased Property (in view of its nature, the envisaged use and the duration of the contract) is to retain, upon expiry of the contract, a residual value significantly higher than the "*riscatto*". Accordingly, it is reasonable to hold that rentals to be paid under "*leasing finanziario traslativo*" represent part of the consideration for the transfer of the Leased Property to the lessee following expiry of the contract upon payment of the "*riscatto*", and that the exercise of the purchase option and transfer of the Leased Property to the lessee upon expiry of the contract forms part of the original intention of the parties to the contract.

According to certain case law, the provisions of article 1526 of the Italian Civil Code are to be applied by analogy to contractual relationships between lessors and lessees under the "*leasing finanziario traslativo*". Article 1526 of the Italian Civil Code establishes that in relation to a sale by instalments with retention of title, if the contract is terminated as a result of the non-performance by the purchaser of its obligations, the vendor must repay the instalments received, save for its right to an equitable compensation for the use of the goods and damages. Such provisions of article 1526 do not apply to "*leasing finanziario di godimento*" in respect of which the general provisions of the Italian Civil Code shall apply; according to article 1458, paragraph 1, of the Italian Civil Code, termination of a lease contract for breach of contract has, as between the parties thereto, a retroactive effect unless the lease contract provides for continuing performance, in which case the termination does not affect those acts already performed by the parties.

Therefore, according to the above-referenced interpretation of the case law, in the event of termination of a lease contract for breach by the lessee, under "*leasing finanziario di godimento*", the lessor is entitled to have the Leased Property returned to him, to retain the amounts received in respect of the rental payments matured prior to termination and, in case of bankruptcy or insolvency of the lessee, to

prove for the unpaid rental payments matured before the declaration of bankruptcy. On the contrary, in the event of termination of a "*leasing finanziario traslativo*", the lessee (or the receiver in case of bankruptcy or insolvency of the lessee) has the right to receive from the lessor any amounts paid in respect of rental payments before termination but the lessee must return the Leased Property to the lessor and pay to the lessor an equitable compensation for use of the Leased Property and where appropriate, damages.

Decree No. 83 has added a new paragraph to article 169-*bis* of the Italian Bankruptcy Law, in order to provide a specific discipline in relation to the consequences of the termination of Financial Leasing contracts. In particular, it has been provided that, in case of termination of a financial leasing contract, the lessor will have the right to receive the Leased Property back and must pay to the lessee the difference (if any) between the higher amount deriving from the sale of such Leased Property or the other use of it and the outstanding capital amount owed by the lessee to the lessor. When paid, any such sum will become part of the bankruptcy estate. The lessor will have a claim towards the lessee for a credit equal to the difference between the credit held on the date the application is filed and the revenues derived by way of new use of the Leased Property.

The 2017 Italian Competition Law introduced two hypothesis of serious breach of contract with respect to Financial Leasings occurring, respectively, when: (i) the lessee fails to pay six monthly instalments or two non-consecutive quarterly instalments or an equivalent amount in the case of Financial Leasings related to real estate leases; (ii) the lessee fails to pay four monthly instalments, also non-consecutive, or an equivalent amount, for other Financial Leasings. Following the termination of the Financial Leasing for serious breach of the contract the lessor may repossess the underlying asset and sell it to third parties in order to satisfy its claims vis-à-vis the lessee with respect to any unpaid Financial Leasing's instalments, present and future (in such latter case, taking into account only the principal amount related to future instalments), the price agreed for the lessee to exercise the purchase option of the underlying asset and the expected cost of recovery and maintenance of the asset prior to its disposal. In case of disposal of the underlying asset: (i) to the extent that the corresponding proceeds are not sufficient to satisfy in full the lessor's claims, the lessor is be entitled to the unpaid part of such claims, and (ii) in case of such proceeds exceeding the lessor's claims, the lessor shall pay to the lessee any such excess amount.

Furthermore, the 2017 Italian Competition Law sets forth further rules related to the disposal of the underlying assets; in particular (a) in order to sell the underlying asset, the lessor shall sell it (or reallocate it) at the value resulting from public market surveys, or were such surveys not available with respect to the underlying asset, at the value calculated by an expert chosen by mutual agreement of the parties or, in case of the parties failing to choose such expert, by an independent expert chosen by the lessor among at least three entities previously notified to the lessee, who may then express his preference with respect to the independent expert; and (b) the disposal of the underlying asset shall be carried out in accordance with the criteria of celerity and transparency and the disposal procedure shall be advertised in order to identify the best bidder. In any case it shall be noted that the afore mentioned provisions related to Financial Leasings under the 2017 Italian Competition Law are without prejudice to article 72-quarter of Royal Decree 16 March 1942, no. 267 (the Italian insolvency law) and article 1, paragraphs 76, 77, 78, 79, 80 and 81 of law 28 December 2015, no. 208.

### **The enforcement proceedings in general**

The enforcement proceedings can be carried out on the basis of final judgments or other legal instruments known collectively as *titoli esecutivi*.

Save where the law provides otherwise, the enforcement must be preceded by service of the *formula esecutiva* and the *atto di precetto*.

The *atto di precetto* is a formal notice by a creditor to his debtor advising that the enforcement proceedings will be initiated if the obligation specified in the title is not fulfilled within a given period (not less than ten days but not more than 90 days from the date on which the notice to comply (*atto di precetto*) is served). If delay would be prejudicial, the court may reduce or eliminate this period upon a justified request of the creditor.

Enforcement of an obligation to pay an amount of money is performed in different ways, according to the kind of the debtor's assets the creditor wants to seize. Therefore and mentioning the most important only, the Italian Code of Civil Procedure provides for different rules concerning respectively:

- distraint and forced liquidation of mobile goods in possession of the debtor;
- distraint and forced liquidation of debtor's receivables or mobile goods in possession of third parties; and
- distraint and forced liquidation of real estate properties.

The Italian Code of Civil Procedure provides for some common provisions applicable to any form of enforcement of an obligation to pay an amount of money and specific rules applicable to each form of enforcement.

Distraint and forced liquidation of assets are carried out in the following steps:

- first, the debtor's goods are seized;
- second, other creditors may intervene;
- third, the debtor's assets are liquidated; and
- fourth, the creditor is paid, or the proceeds from the liquidation of the debtor's assets are distributed amongst the creditors.

Seizure of assets is the necessary first step in forcing the liquidation of a property, when it is not already held in pledge.

On 30 June 2016, the Italian Parliament approved Law no. 119 (for the purposes of this section, the "**Conversion Law**"), which converts law decree no. 59/2016, published on the Official Gazette no. 102, on 3 May 2016 introducing "*urgent provisions relating to the enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up*" (for the purposes of this section the "**Law Decree**"). The Conversion Law has been published on the Official Gazette no. 153 dated 2 July 2016 and entered into force on 3 July 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and the insolvency proceedings, with particular regard to the safeguard and the valorization of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian Code of Civil Procedure;
2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. More in particular, the Law Decree provides that certain provisions shall apply:

- only to enforcement proceedings commenced after the entry into force of the Conversion Law;
- also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.

The Italian government approved on January 12, 2019 the Legislative Decree No. 14 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the “**Legislative Decree**”), which enacts a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (so called “Code of Business Crisis and Insolvency”, the “**Insolvency Code**”). The Legislative Decree was published in the Official Gazette on February 14, 2019 no. 38—Ordinary Supplement No. 6.

While the provisions of the Insolvency Code regarding the company organizations, introduced in the Italian Civil Code, are already in force, the main provisions set out in the Insolvency Code will only come into force 18 months after its publication in the Gazzetta Ufficiale.

### **Enforcement proceedings on movable assets in possession of the debtor**

With reference to the seizure and forced liquidation of movable assets in possession of the debtor, seizure begins with the application of the lawyer to the bailiff to proceed at the debtor's house/office or other place and to seize all the debtor's movable assets he will find there. The bailiff may look for the movables assets to seize in the debtor's house or in other places related to him and he is free to evaluate assets found and keep them seized. However, certain items of personal property cannot be seized.

After the seizure, the bailiff writes a record that contains the injunction to the debtor to refrain from any act that would interfere with the liquidation of the seized property and the description of the movables beings seized. Normally the debtor is named as custodian of the assets since any interference by causing the destruction, deterioration, or removal of seized property is a criminal offence.

After the seizure, the bailiff must deposit the record and the title executed and the notice to comply in the chancery of the execution judge. In this moment the chancellor will open the file of the execution.

After the deposit of the written petition above, the judge fixes the hearing to define the formalities of the sale. At that hearing the parties can pass their proposals about the formalities of the sale. This hearing is also the last possibility for the parties to raise remedies against the enforcement procedure. If there are no oppositions to the procedure or if the parties reach an agreement about the oppositions, the judge fixes the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge fixes the lowest price of the sale and the total amount who must be obtained from the sale. Otherwise the judge may choose to realise the sale by auction.

After the sale, if there is only one secured creditor without others creditors intervened in the execution, the judge will pay the secured creditor's principal debt and the interests and also the costs of the enforcement proceedings with the sale's proceeds. If there are more than one secured creditor or if there



are intervened creditors, they may prepare a project of distribution and propose it to the judge. If the judge agrees, he provides consequently to the distribution. If there is no agreement between the creditors the judge provides to the distribution on the basis of the ranking of the creditors.

In addition to securing the creditor's rights, seizure serves the purpose of identifying the property to be liquidated. When movables in the possession of the debtor are seized, the bailiff must draw up a protocol describing the seized assets and indicating their value. When real estates are seized, distraint is recorded in the land registry, and the value should be set by a special technician appointed by the judge.

The seized assets are entrusted to a custodian. Although the debtor himself may be appointed custodian, he normally may neither use seized property nor keep rents, profits, interest, and similar revenues. Seizure also covers rents, profits, interest, and other revenues of the seized property.

The debtor may avoid the seizure by paying the amount due to the bailiff for delivery to the creditor. Such payment does not constitute recognition of the debt and the debtor is not precluded from bringing an action for restitution of the amount, should he prove that the enforcement procedure was wrongfully instituted.

If the value of seized property exceeds the amount of the debt and costs, the judge, after hearing the creditor and any creditors who have intervened, may order that part of the properties are released.

The creditor may select the property that is to be liquidated. He may select various types of property and may bring proceedings in more than one district. However, if he selects more properties than necessary to satisfy his right, the debtor may apply to have this selection restricted. The creditor who requested the seizure must apply for the sale by auction of the seized assets within a deadline of ninety days, otherwise the seizure lapses.

Normally, the debtor's distrainted property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors in lieu of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distraint, but within 45 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

- (a) money received upon the sale or assignment of the debtor's assets;
- (b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and

- (c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

- costs and expenses of the proceeding are paid first;
- preferred creditors are paid in the order of their degree of priority;
- unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;
- creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and
- any surplus is returned to the debtor.

If there is any dispute concerning the distribution of proceeds, the judge hears the parties and he will decide. In this case distribution of the proceeds is suspended except to the extent to which it can be effected without prejudicing the rights of the claimants.

#### **Forced sale of debtor's goods and real estate assets**

A lender may resort to a forced sale of the debtor's (or guarantor's) goods ("*pignoramento mobiliare*") or real estate assets ("*pignoramento immobiliare*"), having previously been granted a "judicial" mortgage following a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation.

Forced sale proceedings are directed against the debtor's properties following notification of an "*atto di precetto*" to the borrower together with a "*titolo esecutivo*" obtained from a court. The attachment of the debtor's movable properties is carried out at the debtor's premises or on third party's premises by a bailiff who removes the attached property or forbids the debtor from in any way transferring or disposing of the attached goods, and appoints a custodian thereof (in practice usually the debtor himself).

Not earlier than 10 (*ten*) calendar days but not later than 90 (*ninety*) calendar days from the attachment:

- (a) in case of a "*pignoramento mobiliare*", the creditor may ask the court to deliver to himself all monies found at the debtor's premises, to transfer properties consisting of listed or marketed equities and to sell with or without auction the remaining attached goods; and
- (b) in case of a "*pignoramento immobiliare*", the mortgage lender may request the court to sell the mortgaged property.

The average length of a *pignoramento mobiliare*, from the court order or injunction of payment to the final sharing-out, is about 3 (*three*) years.

The average length of a *pignoramento immobiliare*, from the court order or injunction of payment to the final sharing-out, is between 6 (*six*) and 7 (*seven*) years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in southern Italy the duration of the procedure can significantly exceed the average.

#### **Insolvency proceedings**

A commercial entrepreneur (*imprenditore che esercita un'attività commerciale*) qualifying under article 1 of the Italian Bankruptcy Law may be subject to insolvency proceedings (*procedure concorsuali*). Insolvency proceedings under the Italian Bankruptcy Law may take the form of, *inter alia*, bankruptcy (*fallimento*) or a composition with creditors (*concordato preventivo*).

Bankruptcy proceedings are applicable to commercial entrepreneurs that are in state of insolvency. A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon the initiative of any of its creditors) if it is not able to timely and duly fulfill its obligations. The debtor loses control over all its assets and of the management of its business which is taken over by a court-appointed receiver (*curatore fallimentare*).

Once judgment has been made by the court on the basis of the evidence of the creditors and the opinion of the *curatore fallimentare*, and the creditors' claims have been approved, the sale of the debtor's property is conducted in a manner similar to foreclosure proceedings or forced sale of goods, as the case may be. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. Moreover, all action taken and proceedings already initiated by creditors are automatically suspended.

An entrepreneur which is in a crisis situation may propose to its creditors a creditors composition (*concordato preventivo*). The proposed composition plan may provide for the restructuring of debt and terms for the satisfaction of creditors, the transfer of business activities, the grouping of creditors in classes and their proposed treatment. The proposed composition plan must be accompanied by specific documentation relating to, *inter alia*, the financial situation of the enterprise and a report by an expert certifying that the data relating to the enterprise are true and the proposed composition plan is feasible.

A proposal for a composition plan is approved if it receives the favourable vote of creditors representing the majority of the claims admitted to vote; in case of classes of creditors, such majority shall be verified also in respect of the majority of the classes. If an approved composition plan is not challenged in court, the court will validate the composition plan by decree; such decree terminates the procedure.

Italian law also provides for special bankruptcy proceedings applying only to large corporations (so-called "*amministrazione straordinaria*"), which are not only Court-supervised but also government-supervised<sup>1</sup>.

The *amministrazione straordinaria* proceedings consist of:

- i. the adoption of a rehabilitation program which might alternatively be (i) a program of corporate restructuring (for a period of maximum of two years); or (ii) a program of asset disposals (for a period of maximum of one year);
- ii. stay of actions by creditors;

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<sup>1</sup> Italian law provides for two special proceedings: Legislative Decree No. 270 of 8 July 1999 provides for a special insolvency proceeding for insolvent companies meeting the following requirements: (i) number of employees equalling at least 200 in the year prior to the commencement of the procedure; and (ii) debt equal to at least (x) two-thirds of the entity's total assets; and (y) two-thirds of the entity's total income generated by sales and services from the last fiscal year.

On the other hand, Law Decree No. 347 of 23 December 2003, as converted into Law No. 39 of 2004 provides for a special insolvency proceeding for insolvent companies (i) having more than 500 employees in the year prior to the commencement of the procedure as well as (ii) debt (including those from outstanding guarantees) equalling at least Euro 300 million.

- iii. appointment by the Government of one or three extraordinary receivers (*commissario straordinario*) to substitute the existing management in the company's operations.

The Court shall assess the prospects of the plan's success on the basis of the reports submitted by the receiver/s; the Court then either issues a decree to place the enterprise under the administration proceeding or orders a judicial liquidation.

Rules provided for bankruptcy proceeding applies to some extent to *amministrazione straordinaria* proceedings.

#### **Attachment of debtor's credits**

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary etc.) or on borrower's movable property which is located on third party premises.

#### **Accounting treatment of the receivables**

The accounting information relating to the securitisation of receivables will be contained in the SPV's *nota integrativa*, which, together with the balance sheet and the profit and loss statements, form part of the financial statements of Italian companies.

## 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. The following summary does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non Italian resident beneficial owner carries on business or performs professional services in Italy.*

*This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which is 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.*

### 1. INCOME TAX

Article 6, paragraph 1, of the Securitisation Law and Decree No. 239, as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including any difference between the redemption amount and the issue price, hereinafter collectively referred to as "**Interest**") from notes issued by a company incorporated pursuant to the Securitisation Law.

#### **Italian Resident Noteholders**

Where an Italian resident Noteholder is:

- (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime – see under "**Capital gains tax**" below);
- (b) a non-commercial partnership;
- (c) a private or public institution other than companies, and trusts 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 relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. All the above categories are qualified as "net recipients".

In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and the relevant Interest must be included in their relevant income tax return. As a consequence, the Interest will

be subject to ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the taxation on income due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in article 1(100–114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**") and in Article 1(210–215) of Law No. 145 of 30 December 2018 ("**Finance Act 2019**").

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. It must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP (the regional tax on productive activities ("**IRAP**"))).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, or pursuant to article 14–*bis* of Law No. 86 of 25 January 1994, and Italian real estate SICAFs (together, the "**Real Estate Funds**") are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF or a SICAV ("*Società di investimento a capitale variabile*") established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**"), and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results 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 an Italian resident Noteholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised 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. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100–114) of Finance Act 2017 and in Article 1(210–215) of Finance Act 2019.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stock brokers and other entities identified by a decree of the Ministry of Finance (each an "Intermediary").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary, and (b) intervene, in any way, in the collection of Interest or in the transfer 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 the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, by the Issuer.

#### **Non-Italian resident Noteholders**

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

- (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Decree No. 239 (the "White List"); or
- (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
- (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or
- (d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest and must:

- (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and
- (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Noteholders who do not qualify for the exemption.

Noteholders who are subject to the substitute tax 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 Noteholder.

## 2. CAPITAL GAINS TAX

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent. The Noteholders may set off any losses with their gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

- (a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholders holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year.
- (b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to:
  - (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and
  - (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholders or using funds



provided by the Noteholders for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Notes may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholders are not required to declare the capital gains in the annual tax return.

- (c) In the "*risparmio gestito*" regime, any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity, resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Noteholders are not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996, may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in article 1(100–114) of Finance Act 2017 and in Article 1(210–215) of Finance Act 2019.

Any capital gains realised by a Noteholder who is a Fund will neither be subject to *imposta sostitutiva* on capital gains, nor to any other income tax in the hands of the relevant Noteholders; the Collective Investment Fund Tax will be levied on proceeds distributed by the Fund or received by certain categories of unitholders upon redemption or disposal of the units.

Real Estate Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Fund. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the Real Estate Fund.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will 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. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100–114) of Finance Act 2017 and in Article 1(210–215) of Finance Act 2019.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes traded on regulated markets are not subject to the *imposta sostitutiva*. The exemption applies provided that the non-Italian

resident Noteholders file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Noteholder is not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary is:

- (a) resident in a State included in the White List;
- (b) an international entity or body set up in accordance with international agreements which have entered into force in Italy;
- (c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or
- (d) an "institutional investor", whether or not subject to tax, which is established in a State included in the White List or.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes issued by an Italian resident issuer and not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, Noteholders may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

### **3. INHERITANCE AND GIFT TAXES**

Transfers of any valuable asset (including the Notes or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding, for each beneficiary, €1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding, for each beneficiary, €100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

### **4. STAMP DUTY**

Pursuant to article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed €14,000.00 if the Noteholder is not an individual.

The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods less than 12 months, the stamp duty is payable on a *pro-rata basis*.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the stamp duty applies to any investor who is a client – regardless of the fiscal residence of the investor – (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

## **5. WEALTH TAX ON SECURITIES DEPOSITED ABROAD**

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case the above mentioned stamp duty provided for by article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for by article 13 of the tariff attached to Decree No. 642 does apply.

## **6. TAX MONITORING**

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Notes) directly or indirectly held abroad. The requirement applies also where the persons above, being not 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 the intervention of qualified Italian financial intermediaries, 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 by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

## **SUBSCRIPTION AND SALE**

Pursuant to the Senior Notes Subscription Agreement entered into on or prior to the Issue Date among the Issuer, the Originator, the Calculation Agent, the Representative of the Noteholders and the Senior Notes Underwriter, Alba Leasing in its capacity as Class A Notes Underwriter shall:

- (i) subscribe and pay the Issuer for the Class A Notes at the issue price of 100% of their principal amount, and
- (ii) appoint the Representative of the Noteholders to act as the representative of the Senior Noteholder.

Pursuant to the Junior Notes Subscription Agreement entered into on or prior to the Issue Date among the Issuer, the Originator, the Calculation Agent, the Representative of the Noteholders and the Junior Notes Underwriter, Alba Leasing in its capacity as Junior Notes Underwriter shall:

- (i) subscribe and pay the Issuer for the Class J Notes at the issue price of 100% of their principal amount; and
- (ii) appoint the Representative of the Noteholders to act as the representative of the Junior Noteholders.

## SELLING RESTRICTIONS

### United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each of the Underwriters under the Subscription Agreements has represented, warranted and agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the benefit of, U.S. persons.

The terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

### Republic of Italy

Each of the Underwriters under the Subscription Agreements has represented, warranted and undertaken to the Issuer as follows:

#### *No offer to public*

the offering of the Notes has not been registered with *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, no Notes have been or may be offered, sold or delivered, nor may copies of the Prospectus or any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) ("**Qualified Investors**"), as defined under article 34-*ter*, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971**") and article 100 of the Consolidated Financial Act; 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 Consolidated Financial Act and article 34-*ter*, first paragraph, of Regulation 11971;

provided that, in any case, the offer or sale of the Senior Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations;

#### *Offer to professional investors*

any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) and (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, CONSOB Regulation No. 20307 of 15 February 2018 and the Consolidated Banking Act, as amended;

- (ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and
- (iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

*Please note that, in accordance with article 100-bis of the Consolidated Financial Act, where no exemption under paragraph 4.4.1, letter (a) or (b) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Consolidated Financial Act and Regulation 11971. Failure to comply with such rules may result, inter alia, in the sale of the Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.*

The Junior Notes remain subject to the further selling restrictions provided for in the Junior Notes Subscription Agreement.

## **France**

This Prospectus has not been prepared in the context of a public offering in France within the meaning of article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the "AMF") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

It has also been represented and agreed in connection with the initial distribution of the Notes that:

- (i) there has been and there will be no offer or sale, directly or indirectly, of the Notes to the public in the Republic of France (*an offre au public* as defined in article L. 411-1 of the French Code monétaire et financier);
- (ii) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in articles L. 411-2 and D. 411-1 to D. 411-3 of the French Code monétaire et financier; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in article L. 411-2 of the *Code monétaire et financier* (together the "Investors").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

## **United Kingdom**

It has been represented and agreed under the Subscription Agreements that:

- (i) financial promotion: any 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 such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### **General Restrictions**

The Issuer and the Noteholders (including the Underwriters as initial holders of the Notes) shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus, form of application, offering circular (including this 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, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

### **Prohibition of sales to EEA Retail Investors**

Each of the Underwriters under the Subscription Agreements has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instrument (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) 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 the Notes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), there has not been and there will not be an offer of the Notes to the public in that Relevant Member State

other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. *Qualified investor:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
2. *Fewer than 150 offerees:* at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
3. *Other exempt offers:* at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (1) to (3) above shall require the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplemented a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.



## GENERAL INFORMATION

### 1. 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 was authorised by the Issuer through the resolution of the Sole Quotaholder passed on 10 October 2019.

### 2. Listing and admission to trading

Application has been made for the Senior Notes to be traded on the professional segment ExtraMOT PRO of the multilateral trading facility ExtraMOT (the “**Stock Exchange**”). The Class J Notes are not expected to be listed not traded on a regulated market.

### 3. No material litigation

The Issuer is not involved in any litigation, arbitration, administrative or governmental proceeding which may have, or have had, during the twelve months preceding the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer nor, as far as the Issuer is aware, are any such proceedings pending or threatened.

### 4. No material adverse change

There has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation.

### 5. No borrowing or indebtedness

Save as set out in section “*Summary of Principal Documents*” in this Prospectus, the Issuer, as of the Issue Date, has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages, charges or given any guarantees.

### 6. Financial statements

The Issuer will produce audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents are promptly deposited after their approval at the specified office of the Corporate Services Provider, where such documents are available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

The Issuer's registered office is at Via V. Alfieri 1, 31015 Conegliano (TV), Italy and its telephone number is +39 0438 360926.

### 7. Clearing of the Notes

The Class A Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream with the following ISIN, CFI, FISN and Common Code:

ISIN: IT0005387854

CFI: DAVNFB  
FISN: ALBA 11 WH /TV ABS 20270127 SEN  
Common Code: 206811501

The Class J Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream with the following ISINs and Common Code:

ISIN: IT0005387862  
CFI: DAVQFB  
FISN: ALBA 11 WH /TV ABS 20260127 JUN  
Common Code: 206906413

The Notes of each Class shall be freely transferable, subject to the selling restrictions described in the section headed "*Selling Restrictions*".

## **8. Documents available for inspection**

As long as the Senior Notes are listed on the Stock Exchange, copies of the following documents will be available, in physical form, for inspection and may be obtained free of charge during usual business hours at the specified office of the Corporate Services Provider at any time after the date of this Prospectus:

- (i) the by-laws ("*statuto*") and deed of incorporation ("*atto costitutivo*") of the Issuer;
- (ii) the Transfer Agreement;
- (iii) the Servicing Agreement;
- (iv) the Back-Up Servicing Agreement;
- (v) the Intercreditor Agreement;
- (vi) the Cash Allocation, Management and Payment Agreement;
- (vii) the Deed of Pledge;
- (viii) the Corporate Services Agreement;
- (ix) the Senior Notes Subscription Agreement;
- (x) the Junior Notes Subscription Agreement;
- (xi) the Quotaholder Agreement;
- (xii) the Stichting Corporate Services Agreement;
- (xiii) the Master Definitions Agreement; and
- (xiv) the Letter of Undertaking.

## **9. Post-issuance information**

As long as any of the Senior Notes remain outstanding, the Issuer will provide the post-issuance information described in this paragraph 9.

Copies of the Payments Reports and of the Investors Report shall be made available for collection at the registered offices of the Corporate Services Provider. The first Investors Report will be available at the registered office of the Corporate Services Provider on or about the Investors Report Date immediately succeeding the First Payment Date. The Investors Report will be produced quarterly and will contain details of amounts paid on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Senior Note.

Copies of the Regulatory Investor Report shall be made available by the Originator on the Temporary Website or Securitisation Repository, within the Sec Reg Report Date.

Copies of the Significant Event Report shall be made available by the Originator on the Temporary Website or Securitisation Repository, within the Sec Reg Report Date and in any case also upon occurrence of any significant event relating to the Securitisation.

## **10. Fees and expenses**

The estimated total expenses payable in connection with the admission of the Senior Notes to the official list of the Stock Exchange and trading on its regulated market amount to approximately Euro 2,500 (excluding application of VAT, if any) and will be borne by the Originator.

The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately Euro 100,000 (excluding servicing fees and any VAT, if applicable).

## **11. Language**

The language of this 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.

## **12. Information available in the internet web sites**

The websites referred to in this Prospectus and the information contained in such web-sites 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.

## **13. Home Member State for the purpose of the Transparency Directive**

The Issuer will elect Italy as Home Member State for the purpose of the Transparency Directive.

## GLOSSARY

**"Account"** means any of the Eligible Accounts, the Quota Capital Account and the Expenses Account, and **"Accounts"** means any of them.

**"Account Bank"** means Citibank, Milan Branch.

**"Agents"** means the Paying Agents, the Calculation Agent, the Account Bank and the Cash Manager, and **"Agent"** means each of them.

**"Aggregate Portfolio"** means, on any date, the aggregate amount of Receivables in the Initial Portfolio and in the Subsequent Portfolios (if any) purchased, up to that date, by the Issuer in accordance with the Transfer Agreement.

**"Agreed Prepayment"** means a portion of the Prepayment Amount agreed between the Originator and the Lessee upon the early termination of a Lease Contract, provided that any such early termination is subject to the prior consent of the Originator and that the Agreed Prepayments shall be an amount at least equal to the Balance of the Outstanding Amount as at the date of the early termination of the relevant Lease Contract.

**"AIFMR"** means the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (as amended and supplemented from time to time) supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

**"AIFM Level 2 Regulation"** means AIFMR.

**"Alba 11 WH"** means Alba 11 WH S.r.l., a limited liability company with a sole quotaholder incorporated under the laws of the Republic of Italy, whose registered office is at Via V. Alfieri No. 1, 31015 Conegliano (TV), Italy, Fiscal Code and registration with the Companies' Register of Treviso – Belluno No. 05021510267, with quota capital of Euro 10,000 (fully paid up), enrolled under No. 35636.0 in the register of the *società veicolo* held by Bank of Italy pursuant to article 4 of the Bank of Italy's Regulation dated 7 June 2017, and having as its sole corporate object the realisation of securitisation transactions pursuant to article 3 of the Securitisation Law.

**"Alba Leasing"** means Alba Leasing S.p.A., a joint stock company incorporated under the laws of the Republic of Italy, whose registered office is at Via Sile 18, 20139, Milan, Italy, with fully paid-in share capital of Euro 357,953,058.13 with Fiscal Code and registration with the Companies' Register of Milan – Monza – Brianza – Lodi No. 06707270960, enrolled under No. 32 in the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act.

**"Amortisation Period"** means the period which will commence on the Payment Date (included) immediately following the Ramp-Up Period End Date, and will end on the Cancellation Date. It is understood such period will commence on the Payment Date falling in October 2020 (included) if no Purchase Termination Event Notice or Trigger Notice has been delivered prior to such Payment Date.

**"Applicable Law"** means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any Party is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any Party.

**"Article 51"** means option (1)(d) of article 51 of the AIFMR.

**"Article 254"** means option (2) (d) of article 254 of the Solvency II Regulation.

**"Article 405"** means article 405 of the CRR.

**"Article 6"** means article 6 of the Securitisation Regulation.

**"Asset"** means any real estate asset, registered and unregistered movable properties leased under a Lease Contract.

**"Authorised Person"** means any person who is designated in writing by the Issuer from time to time to give Instructions to the Agents under the terms of the Intercreditor Agreement.

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

**"Back-Up Servicer"** means Securitisation Services S.p.A. or any other entity acting as back-up servicer pursuant to the Back-Up Servicing Agreement from time to time.

**"Back-Up Servicing Agreement"** means the back-up servicing agreement entered into on or about the Issue Date between Alba Leasing, the Issuer, the Back-Up Servicer and the Sub-Back-Up Servicers, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Back-Up Servicing Event"** means each of the events provided by clause 2 (*Nomina del Back-Up Servicer*) of the Back-Up Servicing Agreement.

**"Balance of the Outstanding Amount"** means, in respect to a certain date and to each Receivable, an amount equal to the Outstanding Principal, plus the Instalments unpaid and accrued, plus any relevant penalties.

**"Bank of Italy Circular No. 272/2008"** means the circular of Bank of Italy No. 272 of 30 July 2008 bearing the "Accounts Matrix", as subsequently amended and supplemented.

**"Bank of Italy Supervisory Regulations"** means the Supervisory Regulations for the Banks and/or the Supervisory Regulations for Financial Intermediaries, as the case may be.

**"Banca Akros"** means Banca Akros S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy and registered with the Bank of Italy pursuant to article 13 of the Banking Law under number 5328 whose registered office is at Viale Eginardo, 29, 20149, Milan, Italy incorporated with Fiscal Code number, Vat number and registration number with the Register of Enterprises of Milan – Monza – Brianza – Lodi 03064920154, ABI Code no. 3045, part of the Gruppo Bancario Banco BPM, agreed into the Fondo Interbancario di Tutela dei Depositi and into the Fondo Nazionale di Garanzia.

**"Banca IMI"** means Banca IMI S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Largo Mattioli 3, 20121 Milan, Italy, incorporated with Fiscal Code number, VAT number and registration number with the Register of Enterprises of Milan – Monza – Brianza – Lodi under No. 04377700150, and registered with the Bank of Italy pursuant to article 13 of the Consolidated Banking Act under number 5570.

**"Business Day"** means, (A) with reference to and for the purposes of any payment obligation, indexation and fixing provided for under the Transaction Documents, a TARGET Day and, (B) with reference to any

other provision specified under the Transaction Documents, any TARGET Day on which banks are generally open for business in Milan, Luxembourg, Dublin and London (excluding for the sake of clarity Saturdays and Sundays).

**"Calculation Agent"** means Securitisation Services or any other entity acting as calculation agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Cancellation Date"** means the earlier of:

- (a) the date on which the Notes have been redeemed in full;
- (b) the Final Maturity Date; and
- (c) the date on which the Representative of the Noteholders has certified to the Issuer and the Noteholders that, in its sole and reasonable opinion, there are no more Issuer Available Funds to be distributed as a result of the Issuer having no additional amount or asset relating to each Portfolio. Any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled on such date.

**"Capital Requirements Directive"** or **"CRD IV"** means Directive 2013/36/EU (as amended and supplemented from time to time) of the European Parliament and of the Council of 26 June 2013 relating to the taking up and pursuit of the business of credit institutions.

**"Capital Requirements Regulation"** or **"CRR"** means Regulation (EU) 2013/575 of the European Parliament and of the Council of 26 June 2013 relating to the prudential requirements for credit institutions, as amended and supplemented from time to time, including pursuant to Regulation (EU) 2017/2401.

**"Cash Allocation, Management and Payment Agreement"** means the cash allocation management and payment agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Calculation Agent, the Account Bank, the Paying Agents, the Cash Manager, the Originator, the Servicer, the Back-Up Servicer, the Corporate Services Provider and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Cash Manager"** means Alba Leasing S.p.A. or any other entity acting as cash manager pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Cash Trapping Condition"** means, with reference to each Payment Date starting from October 2020, the event occurring when the Gross Cumulative Default Ratio exceeds, as the immediately preceding Quarterly Settlement Date, the percentages set out in the percentage column below against the corresponding Payment Date:

Payment Date falling on	%
October 2020	4.50%
January 2021	5.00%
April 2021	5.00%
July 2021	6.00%

Thereafter	6.00%
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**"Citibank, London Branch"** means Citibank N.A., London Branch, a bank incorporated under the laws of United States of America, acting through its London branch, registered in the United Kingdom under number BR001018, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.

**"Citibank, Milan Branch"** means Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60<sup>th</sup> Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan – Monza – Brianza – Lodi number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy.

**"Class"** shall be a reference to a class of Notes, being the Senior Notes or the Junior Notes and **"Classes"** shall be construed accordingly.

**"Class A Noteholder"** mean any Senior Noteholder.

**"Class A Notes"** means the Senior Notes or the up to Euro 1,050,000,000.00 Class A Asset Backed Floating Rate Notes due July 2039 issued on the Issue Date.

**"Class A Notes Underwriter"** means Alba Leasing.

**"Class A Principal Payment"** means, with reference to each Payment Date during the Amortisation Period, prior to the delivery of a Trigger Notice, an amount equal to the lower of (a) the Target Amortisation Amount on such Payment Date, (b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payments, and (c) the Principal Amount Outstanding of the Class A Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**"Class J Noteholders"** means the ultimate owners of the Class J Notes, each a **"Class J Noteholder"**.

**"Class J Notes"** means the up to Euro 465,000,000.00 Class J Asset Backed Floating Rate Notes due July 2039 issued on the Issue Date, or the Junior Notes.

**"Class J Notes Underwriter"** means Alba Leasing.

**"Class J Principal Payment"** means, with reference to each Payment Date during the Amortisation Period, prior to the delivery of a Trigger Notice, an amount equal to the lower of (a) the Target Amortisation Amount on such Payment Date less the Class A Principal Payment, (b) the amount available after application of the Issuer Available Funds, on such Payment Date, to all items ranking in priority to the payment of principal on the Class J Notes in accordance with the Pre-Enforcement Priority of Payments, and (c) the Principal Amount Outstanding of the Class J Notes on such Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments).

**"Clearstream"** means Clearstream Banking, société anonyme with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended.

**"Collateral Integration Amount"** means, in relation to any Payment Date during the Ramp Up Period, an amount equal to the positive difference between (i) the Principal Deficiency Amount as at the immediately preceding Payments Report Date and (ii) the Initial Purchase Price of any Subsequent Portfolio paid on such Payment Date under item (vii)(a) of the applicable Priority of Payments.

**"Collateral Portfolio"** means, on any given date, all the Receivables arising from Lease Contracts that are not, as of such date, Defaulted Lease Contracts.

**"Collection Account"** (*Conto Incassi*) means the Euro denominated account opened with the Account Bank with IBAN IT97D0356601600000129006013, or any other Euro denominated account opened with any Eligible Institution, in accordance with the Cash Allocation, Management and Payment Agreement, to which all the Collections and Recoveries made and the Indemnities paid in respect of the Portfolios will be credited, in accordance with the Servicing Agreement.

**"Collection Policies"** (*Procedura di Riscossione*) means the documents setting forth the procedures for the collection and recovery of the Receivables annexed to the Servicing Agreement.

**"Collections"** means any amount received in respect of the Receivables comprised in the Portfolios except any amount received as Recoveries.

**"CONSOB"** means *Commissione Nazionale per le Società e la Borsa*.

**"Consolidated Banking Act"** means Legislative Decree No. 385 of 1 September 1993, as subsequently amended and implemented from time to time.

**"Consolidated Financial Act"** means Legislative Decree No. 58 of 24 February 1998, as subsequently amended and implemented from time to time.

**"Contractual Interest Rate"** means the interest rate provided in each Lease Contract, as subsequently amended or renegotiated by the Originator with the relevant Lessee.

**"Contractual Rights"** has the meaning ascribed to such term in clause 3.1 (*Subject Matter*) of the Intercreditor Agreement.

**"Corporate Services Agreement"** means the corporate services agreement entered into on 2 October 2019 between the Issuer, the Corporate Services Provider, the Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Corporate Services Provider"** means Securitisation Services or any other entity acting as corporate services provider pursuant to the Corporate Services Agreement from time to time.

**"CRA Regulation"** means the Regulation (EC) No. 1060/2009, as amended from time to time.

**"Criteria"** (*Criteri*) means the objective criteria for the identification of the Receivables comprised in each Portfolio, as set out in Annex 1 to the Transfer Agreement.

**"DBRS"** means any entity of DBRS Ratings Limited which is either registered or not under the CRA



Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or Standard & Poor's Ratings Services:

<b>DBRS</b>	<b>Moody's</b>	<b>S&amp;P</b>	<b>Fitch</b>
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

- (a) if a public long term senior debt rating by Fitch Ratings Limited ("**Fitch**"), a public long term senior debt rating by Moody's and a public long term senior debt rating by Standard & Poor's Ratings Services ("**S&P Rating Services**") in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such public long

term ratings from such rating agencies (provided that (i) if such public long term rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one public long term rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such public long term ratings shall be so disregarded);

- (b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but public long term senior debt ratings by any two of Fitch, Moody's and S&P Rating Services are available at such date, the DBRS Equivalent Rating of the lower such public long term rating (provided that if such public long term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);
- (c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but public long term senior debt ratings by any one of Fitch, Moody's and S&P Rating Services are available at such date, then the DBRS Equivalent Rating will be such public long term rating (provided that if such public long term rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

**"Debt Service Reserve Account"** means the Euro denominated account with IBAN IT87G0356601600000129006021 which will be held with the Account Bank or any other account held with an Eligible Institution for the deposit of the Debt Service Reserve Amount in accordance with the Cash Allocation, Management and Payment Agreement.

**"Debt Service Reserve Amount"** means

- (a) on the Issue Date, an amount equal to the Debt Service Reserve Initial Amount;
- (b) with respect to any Payment Date during the Ramp-Up Period, an amount equal to 1% of the Principal Amount Outstanding of the Notes on such Payment Date (taking into account the Notes Further Instalment Payments to be made on such Payment Date but excluding the relevant Debt Service Reserve Further Amount, the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid);
- (c) with respect to any other Payment Date until, but excluding, the Release Date, an amount equal to the higher between (i) the aggregate of any Notes Initial Instalment Payments and any Notes Further Instalment Payments (but excluding the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid) multiplied by 0.4%; and (ii) the Principal Amount Outstanding of the Notes as of the relevant Payment Date (prior to any payment being made on such Payment Date in accordance with the Pre-Enforcement Priority of Payments and excluding the Debt Service Reserve Initial Amount and any Debt Service Reserve Further Amount already paid) multiplied by 1%; and
- (d) on the Release Date and on any Payment Date falling thereafter, 0 (zero).

**"Debt Service Reserve Initial Amount"** means Euro 9,523,201.13.

**"Debt Service Reserve Further Amount"** means, with reference to any Notes Further Instalment Payment

Date, an amount equal to 1% of the aggregate of (i) the Senior Notes Further Instalment Payment and (ii) the Junior Notes Further Subordination Payment.

**"Debtor"** means the Lessee or any other person or entity liable for payment in respect of a Receivable.

**"Decree 170"** means the Legislative Decree No. 170 of 21 May 2004.

**"Decree 239 Deduction"** means any withholding or deduction for or on account of *"imposta sostitutiva"* under Decree No. 239.

**"Decree No. 239"** means Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time and any related regulations.

**"Deed of Pledge"** means the Italian law deed of pledge entered into on or about the Issue Date between the Issuer, the Account Bank and the Representative of the Noteholders (acting on behalf of the Noteholders and as agent of the Other Issuer Creditors), as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Deed of Transfer"** means, collectively, with reference to each Subsequent Portfolio, the Offer Notice of a Subsequent Portfolio and the relevant acceptance.

**"Defaulted Instalment"** means any Instalment which remains unpaid for more than 180 days after the date scheduled for payment thereof in the relevant Lease Contract or which arises from a Lease Contract which has been classified as Non-Performing or from a Lease Contract which has been classified as Unlikely to Pay or from a Lease Contract which has been classified as Due and Impaired 180.

**"Defaulted Lease Contract"** means (a) (i) a Lease Contract classified as "Non-performing exposure past due and impaired 180" or (ii) a Lease Contract classified as Sofferenza or (iii) a Lease Contract classified as Unlikely to Pay or (b) a Lease Contract with respect to which there is at least one Instalment which remains unpaid for more than 180 days after the date scheduled for payment thereof in the relevant Lease Contract and a number of Delinquent Instalments equal to or higher than (i) 6 (six) in relation to Lease Contracts which provide for monthly payments; (ii) 3 (three) in relation to Lease Contracts which provide for two-month payments; (iii) 2 (two) in relation to Lease Contracts which provide quarterly payments; (iv) 2 (two) in relation to Lease Contracts which provide for four-monthly payments; or (v) 1 (one) in relation to Lease Contracts which provide for semi-annual payments.

**"Defaulted Receivables"** means the Receivables which arise from Defaulted Lease Contracts, and

**"Defaulted Receivable"** means each of them.

**"Deferred Purchase Price"** means the second portion, if any, of the Purchase Price due by the Issuer in respect of each Portfolio being equal to the difference (if positive), on each Payments Report Date with reference to the immediately following Payment Date, between:

- (a) the Issuer Available Funds, and
- (b) the sum of any amount due and payable on such Payment Date by the Issuer out of the Issuer Available Funds in priority to the relevant Deferred Purchase Price in accordance with the applicable Priority of Payments.

It is understood that if at the relevant Payment Date the Issuer has purchased more than one Portfolio, the amount calculated in accordance with paragraphs (a) and (b) above will be allocated with reference to the

Portfolios pro rata according to the Outstanding Amount of the Receivables included in any Portfolio as at the Quarterly Settlement Date immediately preceding such Payment Date.

**"Delinquent Instalment"** means, in respect of any Receivables, any Instalment which remains unpaid by the related Lessee for 30 days or more after the scheduled date for payment thereof and which is not a Defaulted Instalment.

**"Delinquent Lease Contract"** means a Lease Contract with respect to which there is one or more Delinquent Instalment(s) but which is not a Defaulted Lease Contract.

**"Deposit Account"** means the Euro denominated account IBAN IT60 J 05034 11701 000000002563 opened with the Deposit Bank for the deposit of the amounts credited into the Collection Account, Debt Service Reserve Account and the Payments Account.

**"Deposit Bank"** means Banco BPM S.p.A..

**"Deposit Bank Event"** means the occurrence of any of the following: (i) an Insolvency Event occurs in relation to the Deposit Bank; or (ii) the deposit rating of the Deposit Bank ceases to be at least "Ba1" from Moody's or the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Deposit Bank ceases to be rated at least "BB(high)" by DBRS, or the long-term term unsecured, unsubordinated and unguaranteed debt obligations cease to be 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).

**"DK Guarantees"** means any guarantee issued by a bank in favour of the Originator (a) to secure the payment of the amount due by a Lessee under the relevant Leasing Contract, and (b) qualified by the Originator as "DK Guarantee" (and such qualification has been notified to the Issuer).

**"Eligible Account"** means each of the Collection Account, the Debt Service Reserve Account, the Payments Account and the Investment Account, and **"Eligible Accounts"** means all of them.

**"Eligible Institution"** means any depository institution organised under the laws of any State which is a member of the European Union or of the United States:

- (a) whose deposit rating is at least "Baa2" by Moody's, or whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose deposit rating is at least "Baa2" by Moody's; and
- (b) whose long-term unsecured, unsubordinated and unguaranteed debt obligations, or whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A" by DBRS, *provided that* a rating by DBRS is (a) the public rating assigned by DBRS or, if

there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of a depository institution which does not have a private rating nor a public rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the DBRS Minimum Rating or which is deemed by DBRS as an Eligible Institution in accordance with DBRS criteria;

- (c) whose long-term and short-term unsecured, unsubordinated and unguaranteed debt obligations, or whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose long-term and short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least, respectively, "BBB" and "S-2" 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.

**"Eligible Investments"** means:

- (a) euro-denominated money market funds which have a long-term rating of "Aaamf" by Moody's and, if rated by DBRS, "AAA" by DBRS and permit daily liquidation of investments or have a maturity date falling before the next following Eligible Investments Maturity Date provided that such money market funds are disposable without penalty or loss for the Issuer;
- (b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date; and (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and
- (c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

*provided that with* exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued or held by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least:

- (i) "A3" by Moody's in respect of long-term debt or such other lower rating being compliant with the criteria established by Moody's from time to time; and

- (ii) (A) "R-1 (low)" by DBRS in respect of short-term debt or "A" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than one month; (B) "R-1 (middle)" by DBRS in respect of short-term debt or "AA (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity between one and three months; (C) "R-1 (high)" by DBRS in respect of short-term debt or "AA" by DBRS in respect of long-term debt, with regard to investments having a maturity between three and six months; or (D) such other rating as acceptable to DBRS from time to time; provided that a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of debt securities or other debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution which does not have a private rating nor a public rating from DBRS, then the minimum rating requirements of the relevant debt instrument for DBRS will be defined having reference to the DBRS Minimum Rating;

*provided further that*, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

**"Eligible Investment Maturity Date"** means the Business Day prior to each Payments Report Date.

**"EURIBOR"** means at or about 11:00 a.m. (Brussels time) on the Interest Determination Date:

- (a) the Euro Interbank Offered Rate for three months Euro deposit (except in respect of the Initial Interest Period, where an interpolated interest rate based on interest rates for three months and six months deposits in Euro will be substituted for EURIBOR) which appears on the display page designated EURIBOR 01 on Thomson Reuters); or
- (b) in the case of (a), EURIBOR shall be determined by reference to such other page as may replace the relevant Thomson Reuters page on that service for the purpose of displaying such information; or
- (c) in the case of (a), EURIBOR shall be determined, if the Thomson Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs (a) to (c) above being the **"Screen Rate"** or, in the case of the Initial Interest Period, the **"Additional Screen Rate"**); and

- (d) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:
  - (i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Principal Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are

offered by that Reference Bank to leading banks in the Euro–Zone Inter–bank market at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or

- (ii) if only two of the Reference Banks provide such offered quotations to the Principal Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or
  - (iii) if only one or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which subparagraph (a) above shall have applied, and
- (e) if such rate is also unavailable at such time for Euro deposits, then the rate for the relevant Interest Period shall be calculated pursuant to Condition 8.9 (*Fallback Provisions*).

**"Euro", "€" and "cents"** refer 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 from time to time.

**"Euroclear"** means Euroclear Bank S.A./N.V. with registered office at 1 Boulevard du Roi Albert II, B – 1210 Brussels, as operator of the Euroclear System.

**"European Union Insolvency Regulation"** means European Council Regulation (EC) No. 1346 of 29 May 2000 on insolvency proceeding, as amended and supplemented from time to time.

**"Euro–Zone"** means the region comprised of Member States of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**"Excess Indemnity Amount"** means the excess indemnity amount to be paid by the Issuer to the Originator in accordance with clause 15 (*Importi recuperati in relazione ai crediti a seguito di azioni esecutive*) of the Servicing Agreement.

**"Expenses"** means any documented fees, costs and expenses required to be paid to any third party creditor (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Transaction, and any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

**"Expenses Account"** means the Euro denominated account opened with UniCredit S.p.A., with IBAN IT58F0200861624000105761017 or any other account opened in accordance with the Cash Allocation, Management and Payment Agreement.

**"Extraordinary Payment Date"** means the 15<sup>th</sup> Local Business Day after the delivery from the Originator of the notice relating to the exercise of the Portfolio Call Option in accordance with clause 27 (*Diritto di Opzione di Riacquisto sulla totalita' dei Crediti e Diritto di Prelazione*) of the Transfer Agreement.

**"Extraordinary Payments Report Date"** means the 7<sup>th</sup> Local Business Day before the Extraordinary Payment Date.

**"Extraordinary Quarterly Settlement Date"** means the last calendar day of the month immediately preceding the Extraordinary Payment Date.

**"Extraordinary Resolution"** means a resolution passed at a Meeting of the relevant Noteholders, duly

convened and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders, by a majority of not less than three quarters of the votes cast.

**"Extraordinary Resolution of the Most Senior Class of Notes"** means a resolution passed at a joint Meeting of the holders of the Most Senior Class of Notes, duly convened and held in accordance with the provisions contained in the Rules to resolve on the objects set out in article 18 of the Rules.

**"FATCA"** means:

- (a) sections 1471 to 1474 of the Code, any related regulation and any official interpretation;
- (b) any treaty, law or regulation of any other jurisdiction or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**"FATCA Withholding"** means a deduction or withholding from a payment under the Notes required by FATCA.

**"Final Maturity Date"** means the Payment Date falling in July 2039.

**"First Payment Date"** means the Payment Date falling on 27 January 2020.

**"First Quarterly Settlement Date"** means the day falling on 31 December 2019.

**"Floating Rate Lease Contracts"** means the Lease Contracts which provide for floating interest rate.

**"Formalities"** means jointly (i) the publication of the notice of the assignment of the Receivables in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the registration of such notice with the competent companies' register.

**"Further Issue"** has the meaning ascribed to such expression pursuant to Condition 6.4 (*Further Issues*).

**"Further Securitisation"** means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 6.3 (*Further Securitisations*).

**"GDPR"** means the "*Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC*", as amended and supplemented from time to time.

**"Gross Cumulative Default Ratio"** means on each Quarterly Settlement Date the ratio between: (a) the aggregate of the Outstanding Amount (as of the date on which the relevant Lease Contract have become Defaulted Lease Contract) related to all the Receivables comprised in the Portfolios arising from Lease Contracts which have become Defaulted Lease Contracts in the period starting from the relevant Valuation Date (excluded) and ending on such Quarterly Settlement Date (included); and (b) the aggregate of the Outstanding Principal of the Receivables comprised in the Aggregate Portfolio at the relevant Valuation Date.

**"Guarantor"** means any person, other than the Debtor, who has granted a guarantee in favor of the Originator as collateral for the Receivables, and / or any of its successors.



**"IAF Initial Purchase Price of the Portfolio"** means the portion of the Purchase Price of any Subsequent Portfolio to be paid out of the Issuer Available Funds in accordance with the Pre-Enforcement Priority of Payments for an amount not exceeding the applicable Principal Deficiency Amount.

**"Indemnified Person"** has the meaning ascribed to such term under clause 10.1 (*Issuer's indemnification undertaking*) of the Senior Notes Subscription Agreement.

**"Indemnities"** means the "*Indennizzi da Perdita*" and the "*Indennizzi da Polizze*", each term as defined in the Master Definitions Agreement.

**"Index Rate"** means the base component of the interest rate applicable to each Floating Rate Lease Contract.

**"Individual Purchase Price"** means the individual purchase price of each Receivable equal to, in relation to such Receivable, (i) the Initial Purchase Price, plus (ii) if due, the Purchase Price of the Residual Optional Instalment.

**"Industry"** means the economic industry (identified by the group of RAE code (*codice di ramo di attività economica*), in which the relevant Debtor carries its business activity.

**"Initial Interest Period"** means the Interest Period that shall begin, in relation to each Class of Notes, on (and include) the Issue Date and end on (but exclude) the First Payment Date.

**"Initial Portfolio"** means the initial portfolio of Receivables purchased by the Issuer from the Originator in accordance with article 2.1 (*Cessione del Portafoglio Iniziale*) of the Transfer Agreement.

**"Initial Purchase Price"** means the initial portion of the Purchase Price to be paid in respect of the Receivables comprised in each Portfolio, equal to the Outstanding Principal of such Receivables as calculated at the relevant Valuation Date and, in respect of the Initial Portfolio, an amount equal to Euro 952,320,113.11.

**"Insolvency Event"** means in respect of any company or corporation that:

- (a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*accordi di ristrutturazione*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of any jurisdiction in which such company or corporation is deemed to carry on business including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless in the reasonable opinion of the Representative of the Noteholders, such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the reasonable opinion of the Representative of the Noteholders,

the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

- (c) such company or corporation takes any action for a re-adjustment or deferment of a substantial part of its obligations or makes a general assignment or a general arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of a substantial part of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or
- (d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganisation or reconstruction) or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation

**"Insolvency Proceeding"** means any applicable bankruptcy, liquidation, administration, insolvency, composition or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria*", "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*" and "*accordi di ristrutturazione*" each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy.

**"Instalment"** means each periodic lease instalment (excluding in any case the Residual Optional Instalment) due from Lessees under the Lease Contracts (net of VAT) the Receivables of which have been assigned under the terms of the Transfer Agreement. In case the receivables arising out of any Lease Contract are assigned only in part to the Issuer, Instalment shall mean only such periodic lease instalments which are included in the object of the relevant assignment.

**"Instructions"** means any written notices, written directions or written instructions received by the Agents in accordance with the provisions of the Intercreditor Agreement from an Authorised Person or from a person reasonably believed by the Agents to be an Authorised Person.

**"Insurance Policy"** means any insurance policies executed by a Debtor or by the Originator with respect to, or as condition of, a Lease Contract, including, without limitation, the policies for the coverage of the risks regarding the Assets.

**"Intercreditor Agreement"** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as amended from time to time in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereto.

**"Interest Amount"** means the Euro amount accrued on the Notes in respect of each Interest Period, calculated according to Condition 8.3 (*Interest – Determination of the Rate of Interest and Calculation of the Interest Amount*).

**"Interest Determination Date"** means (i) with respect to the Initial Interest Period the date falling two TARGET Days prior to the relevant Issue Date, and (ii) with respect to each subsequent Interest Period, the

date falling two TARGET Days prior to the Payment Date at the beginning of such Interest Period.

**"Interest Period"** means (a) the Initial Interest Period, and (b) each period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**"Investment Account"** means the Euro denominated deposit account and the securities investment account which may be opened by the Issuer with the Investment Account Bank in accordance with the Cash Allocation, Management and Payment Agreement.

**"Investment Account Bank"** means the Eligible Institution to be appointed by the Issuer pursuant to clause 7 (*Investment Account and Investment Services*) of the Cash Allocation, Management and Payment Agreement) with whom the Investment Account may be opened after the Issue Date.

**"Investment Account Bank Report"** means the report setting out the details of the Eligible Investments which shall be delivered by the Investment Account Bank (if any) to the Issuer, the Cash Manager, the Calculation Agent, the Representative of the Noteholders and the Corporate Services Provider, no later than one Business Day prior to each Quarterly Servicer Report Date, or at any time upon request by the Representative of the Noteholders, according to article 7.12 (*Investment Account Bank Report*) of the Cash Allocation, Management and Payment Agreement.

**"Investment Letter"** means the investment letter that can be delivered by the Cash Manager to the Investment Account Bank, in accordance with clause 7.2 of the Cash Allocation, Management and Payment Agreement, as amended and supplemented from time to time.

**"Investor Report"** means the report setting out certain information with respect to each Portfolio and the Notes which shall be delivered by the Calculation Agent to, *inter alios*, the Issuer, the Representative of the Noteholders, the Servicer, the Paying Agents, the Account Bank, the Cash Manager, the Corporate Services Provider, the Underwriters, the Rating Agency, the Joint Arrangers and the Originator on each Investor Report Date pursuant to the Cash Allocation, Management and Payment Agreement.

**"Investor Report Date"** means the first Business Day after each Payment Date.

**"Issue Date"** means 17 October 2019, or any other subsequent date agreed in writing among the Issuer, the Class A Underwriter and the Junior Notes Underwriter.

**"Issue Price"** means 100 per cent. of the nominal amount of the Senior Notes or the Junior Notes, as the case may be, to be paid subject to and in accordance with the terms of the Senior Notes Subscription Agreement or the Junior Notes Subscription Agreement, as the case may be.

**"Issuer"** means Alba 11 WH S.r.l..

**"Issuer Available Funds"** means, on each Payment Date, the aggregate amounts (without duplication) of:

- (i). all Collections received in respect of the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account (including, for the avoidance of doubt, penalties, Indemnities and/or the Agreed Prepayments received and any other sums paid by the Lessees pursuant to the relevant Lease Contracts in respect of the Receivables);
- (ii). all Recoveries received in respect of the immediately preceding Quarterly Settlement Period pursuant to the Servicing Agreement and credited to the Collection Account;
- (iii). all amounts received by the Issuer from the Originator pursuant to the Transfer Agreement or by the

Servicer pursuant to the Servicing Agreement during the immediately preceding Quarterly Settlement Period (other than the Collections and the Recoveries) and credited to the Payments Account;

- (iv). any interest accrued and credited on the Accounts (other than the Expenses Account and the Quota Capital Account) as of the last day of the immediately preceding Quarterly Settlement Period;
- (v). any amounts credited into the Debt Service Reserve Account on the Issue Date or, as the case maybe, on the immediately preceding Payment Date (including any relevant Debt Service Reserve Further Amount due on such date);
- (vi). the net proceeds deriving from the Eligible Investments made out of the funds standing to the credit of the Accounts (other than the Expenses Account and the Quota Capital Account) in respect of the Quarterly Settlement Period immediately preceding such Payment Date;
- (vii). any amount provisioned into the Payments Account on the immediately preceding Payment Date under items *(vii(b))*, *(ix)* and *(xii)* of the Pre-Enforcement Priority of Payments;
- (viii). all proceeds arising from the sale of the Receivables effected by the Issuer in accordance with the Transaction Documents (also if credited to the Eligible Accounts following the Quarterly Settlement Date immediately preceding such Payment Date);
- (ix). any other amount received in respect of the Securitisation in respect of the Quarterly Settlement Period immediately preceding such Payment Date, not included in any of the items above (but excluding any amount expressly excluded from the Issuer Available Funds pursuant to any of the items above and below);

*but excluding:* (i) any Residual Optional Instalment collected by the Issuer in the immediately preceding Quarterly Settlement Period and (ii) any Excess Indemnity Amount.

**"Issuer's Rights"** means any and all the Issuer's rights and powers under the Transaction Documents.

**"Italian Bankruptcy Law"** means Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

**"Italian Paying Agent"** means Citibank, Milan Branch, or any other entity acting as Italian paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Joint Arrangers"** means Banca IMI, Banca Akros and Société Générale, and each of them a **"Joint Arranger"**.

**"Joint Regulation"** means the regulation, regarding post-trading systems, issued by the Bank of Italy and the CONSOB on 13 August 2018, as subsequently amended and supplemented from time to time.

**"Junior Noteholder"** means any holder of a Junior Note and **"Junior Noteholders"** means all of them.

**"Junior Notes"** means the Class J Notes.

**"Junior Notes Further Instalment Payment"** means any further instalment payment made by the Junior Noteholders on each Payment Date, as the case may be, falling in the Ramp-Up Period, in accordance

with the Junior Notes Subscription Agreement.

**"Junior Notes Further Instalment Payment Date"** means the Payment Date falling immediately after the delivery of a Junior Notes Further Instalment Request.

**"Junior Notes Further Instalment Request"** means the request of irrevocable order of payment made by the Calculation Agent (on behalf of the Issuer) with respect to a Junior Notes Further Instalments pursuant to the Junior Notes Subscription Agreement.

**"Junior Notes Further Instalment Request Date"** means with reference to each Junior Notes Further Instalment Payment, the 5<sup>th</sup> Business Day prior to the Payment Date falling after the execution of the relevant Deed of Transfer.

**"Junior Notes Further Subordination Payment"** means an amount equal to the Junior Notes Ratio multiplied by the positive difference between:

- (i) the Initial Purchase Price of the Subsequent Portfolio to be paid in accordance with the Transfer Agreement and the relevant Deed of Transfer; less
- (ii) the IAF Initial Purchase Price of the Portfolio.

**"Junior Notes Initial Instalment Payment"** means the initial instalment payment of the Issue Price made by the Junior Notes Underwriter in respect of the Junior Notes on the Issue Date, in accordance with the Junior Notes Subscription Agreement.

**"Junior Notes Instalment Payment"** means, together, the Junior Notes Initial Instalment Payment and the Junior Notes Further Instalment Payments.

**"Junior Notes Nominal Amount"** means Euro 465,000,000.00.

**"Junior Notes Ratio"** means 30%.

**"Junior Notes Subscription Agreement"** means the junior notes subscription agreement in relation to the Class J Notes entered into on or about the Issue Date, between the Issuer, the Junior Notes Underwriter and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto and regulating, *inter alia*, the terms and conditions for the subscription and issuance of the Class J Notes.

**"Junior Notes Underwriter"** means Alba Leasing.

**"Late Payments"** means payments in respect of Receivables which have been made after the due date thereof.

**"Latest Report"** means the latest available Quarterly Servicer Report.

**"Lease Contract"** means each financial leasing agreement between the Originator and a Lessee for the lease of an Asset (as subsequently amended and supplemented), from which the Receivables comprised in the Portfolios (satisfying and as selected pursuant to the Criteria) arise.

**"Lease Contract classified as Non-performing exposure past due and impaired 180"** (*Contratto di Locazione Finanziaria classificato come Scaduto Deteriorato 180*) means a Lease Contract, other than a Lease Contract classified as *Sofferenza* and from a Lease Contract classified as Unlikely to Pay, in relation to which the relevant Debtor has credit exposures past due and/or impaired from over 180 days and

which exceed a preset materiality threshold equal to the ratio expired/exposure >5%.

**"Lease Contract classified as *Sofferenza*"** (*Contratto di Locazione Finanziaria classificato come Sofferenza*) means a Lease Contract in relation to which the relevant Debtor is in a state of insolvency or similar situations, and the credit exposure to such Debtor has been classified as "*sofferenza*" in accordance with the Bank of Italy Circular No. 272/2008.

**"Lease Contract classified as Unlikely to Pay"** (*Contratto di Locazione Finanziaria classificato come Inadempienza Probabile*) means a Lease Contract, other than a Lease Contract classified as *Sofferenza* and from a Lease Contract classified as Non-performing exposure past due and impaired 180, with credit exposures vis-à-vis the relevant Debtor for which Alba Leasing considers unlikely that, without recourse to actions such as the enforcement of collaterals, the Debtor may fully fulfill its payment obligations (principal and/or interest) arising from the relevant Lease Contract and which have been classified as "*inadempienza probabile* (unlikely to pay)" in accordance with the Bank of Italy Circular No. 272/2008.

**"Lessees"** means the parties which have signed the Lease Contracts with the Originator, and **"Lessee"** means each of them.

**"Letter of Undertaking"** means the letter of undertaking entered into on or about the Issue Date among the Issuer, the Representative of the Noteholders and the Originator, in accordance with the provisions therein contained, and including any agreement or other document expressed to be supplemental thereto.

**"Loan Tape"** has the meaning attributed to such term under Clause 25.1.4 of the Intercreditor Agreement.

**"Local Business Day"** means any day (other than Saturday or Sunday) on which banks are open for business in Milan and which is a TARGET Day.

**"Master Definitions Agreement"** means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement, deed or other document expressed to be supplemental thereto.

**"Meeting"** means a meeting of Noteholders duly convened (whether originally convened or resumed following an adjournment) and held in accordance with the provisions contained in the Rules of the Organisation of the Noteholders.

**"Minimum Rating"** means (a) a short-term rating at least equal to "R-1(low)" by DBRS and/or (b) a long-term rating at least equal to "Baa2" by Moody's, provided that, for the purpose of this definition, a reference to a rating by Moody's shall be deemed to be referred to the deposit rating of the relevant entity.

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

**"Monte Titoli Account Holder"** means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

**"Moody's"** means Moody's Investors Service Ltd.

**"Most Senior Class of Noteholders"** means, at any given date, the holders of the Most Senior Class of Notes.

**"Most Senior Class of Notes"** means the Class of Notes outstanding which ranks highest in accordance with the applicable Priority of Payments.

**"Noteholders"** means the holders of the Senior Notes and the Junior Notes, collectively, and **"Noteholder"** means any of them.

**"Notes"** means, collectively, the Senior Notes and the Junior Notes issued from time to time, and **"Note"** means any of them.

**"Notes Further Instalment Payment Date"** means, as the case may be, the Senior Notes Further Instalment Payment Date or the Junior Notes Further Instalment Payment Date.

**"Notes Further Instalment Request Date"** means a Senior Notes Further Instalment Request Date or a Junior Notes Further Instalment Request Date, as the case may be.

**"Notes Further Instalments Payments"** means, collectively, the Senior Notes Further Instalment Payment and the Junior Notes Further Instalment Payment.

**"Notes Further Instalments Request"** means a Senior Notes Further Instalment Request or a Junior Notes Further Instalment Request, as the case may be.

**"Notes Initial Instalments Payments"** means, with reference to the Senior Notes, the Senior Notes Initial Instalment Payment and, with reference to the Junior Notes, the Junior Notes Initial Instalment Payments.

**"Notes Instalment Payment"** means the Senior Notes Instalment Payment or the Junior Notes Instalment Payment, as the case may be.

**"Offer Notice"** means in respect of any Subsequent Portfolio, the relevant sale notice as provided for by the Transfer Agreement, to be sent by the Originator to the Issuer and **"Offer Notices"** means all of them.

**"Official Gazette"** means the *Gazzetta Ufficiale della Repubblica Italiana*.

**"Optional Redemption"** has the meaning set out in Condition 9.3 (*Redemption, Purchase and Cancellation – Optional Redemption*).

**"Organisation of the Noteholders"** means the association of the Noteholders, organised pursuant to the Rules of the Organisation of the Noteholders.

**"Originator"** means Alba Leasing.

**"Other Issuer Creditors"** means the Originator, the Representative of the Noteholders, the Paying Agents, the Calculation Agent, the Account Bank, the Stichting Corporate Services Provider, the Servicer, the Cash Manager, the Corporate Services Provider, the Sole Quotaholder, the Class A Notes Underwriter, the Junior Notes Underwriter and the Back-Up Servicer.

**"Outstanding Amount"** means, on any date and with respect to each Receivable, the sum of:

- (a) all the Principal Instalments due but unpaid, outstanding as of such date pursuant to the amortisation schedule of the relevant Lease Contract, and
- (b) the Outstanding Principal.

**"Outstanding Principal"** means, on any date and with respect to each Receivable, the difference between

- (a) the sum of all the Instalments plus the Residual Optional Instalment that are not yet due as

of such date pursuant to the amortization schedule of the relevant Lease Contract, discounted at the Contractual Interest Rate as of such date; and

(b) the Residual Optional Instalment.

**"Paying Agents"** means, collectively, the Principal Paying Agent and the Italian Paying Agent.

**"Payment Date"** means (a) the First Payment Date and thereafter the 27<sup>th</sup> day of each of January, April, July and October of each year or, if such day is not a Business Day, the immediately following Business Day, and (b) the Extraordinary Payment Date.

**"Payments Account"** means the Euro denominated account with IBAN: IT81R0356601600000129006048 opened with the Account Bank or any other account opened in accordance with the Cash Allocation, Management and Payment Agreement with any Eligible Institution for the deposit, *inter alia*, of all amounts received from any party to a Transaction Documents to which the Issuer is a party, other than amounts expressly provided to be paid on other Accounts.

**"Payments Report"** means the report setting out all payments and information set forth in the Cash Allocation, Management and Payment Agreement to be delivered by the Calculation Agent on each Payments Report Date in accordance with the provisions thereof.

**"Payments Report Date"** means the date falling 5 (five) Business Days prior to each relevant Payment Date and, with reference to the Extraordinary Payment Date, the Extraordinary Payments Report Date.

**"Pledge"** means the pledge granted over the Subject Matter of the Pledge and any supplemental pledge, which is or will be granted or created pursuant to the terms of the Deed of Pledge.

**"Pledged Accounts"** means, collectively, the Collection Accounts, the Investment Account, the Debt Service Reserve Account and the Payments Account.

**"Pledged Claims"** has the meaning ascribed to such term in clause 2.1 (*Pledged Claims*) of the Deed of Pledge.

**"Pledgor"** means the Issuer.

**"Pool"** means, as the case may be, the Pool No. 1, the Pool No. 2, the Pool No. 3 and the Pool No. 4.

**"Pool No. 1"** means those Receivables originated under Lease Contracts the related Assets of which are vehicles, motor-vehicles, cars, light lorries, commercial vehicles, industrial vehicles or other motorised vehicles excluding aircrafts.

**"Pool No. 2"** means those Receivables originated under Lease Contracts the related Assets of which are instrumental assets (e.g. machinery, equipment and/or plants).

**"Pool No. 3"** means those Receivables originated under Lease Contracts the related Assets of which are real estate assets.

**"Pool No. 4"** means those Receivables originated under Lease Contracts the related Assets of which are ships, airplanes, vessels or trains.

**"Portfolio"** means any portfolio of Receivables purchased by the Issuer pursuant to the Transfer Agreement.

**"Portfolio Call Option"** has the meaning ascribed to it under article 27.1 (*Diritto di Opzione*) of the



Transfer Agreement.

**"Post-Enforcement Priority of Payments"** means the order of priority in which the Issuer Available Funds shall be applied after the delivery of a Trigger Notice in accordance with Condition 7.2 (*Priority of Payments – Post-Enforcement Priority of Payments*).

**"Pre-emption Right"** has the meaning ascribed to such term in clause 21.1.3 of the Intercreditor Agreement.

**"Pre-Enforcement Priority of Payments"** means the order of priority in which the Issuer Available Funds shall be applied prior to the delivery of a Trigger Notice in accordance with Condition 7.1 (*Priority of Payments – Pre-Enforcement Priority of Payments*).

**"Prepayment Amount"** means in relation to a Lease Contract, the amount payable to the Originator by the relevant Lessee upon the early termination of such Lease Contract, provided that (a) any such early termination is subject to the prior consent of the Originator and (b) the Prepayment Amount is equal to the sum of:

- (a) the accrued and unpaid Instalments plus any relevant penalties; and
- (b) the nominal value of all future Instalments and of the Residual Optional Instalment, discounted back at a rate determined by the Originator as at the date of the early termination of the relevant Lease Contract.

**"Principal Amount Outstanding"** means, on any day:

- (a) with respect to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class;
- (b) with respect to a Note, the aggregate of the relevant Notes Initial Instalment Payment and of all relevant Notes Further Instalment Payments made in respect thereof, less the aggregate amount of all principal payments in respect of that Note that have been made by the Issuer on or prior to that date.

**"Principal Amounts"** means the Euro amounts payable on the Notes as principal in accordance with the Conditions.

**"Principal Deficiency Amount"** means the amount, as calculated by the Calculation Agent on each Payments Report Date immediately preceding a Payment Date during the Ramp Up Period, equal to the difference, if positive, between (i) the Principal Amount Outstanding of the Notes (without taking into account the Notes Further Instalment Payments to be made on such Payment Date) and (ii) the Outstanding Amount of the Collateral Portfolio on the immediately preceding Quarterly Settlement Date plus the Debt Service Reserve Amount to be credited into the Debt Service Reserve Account on such Payment Date (without taking into account any Debt Service Reserve Further Amount due on such Payment Date).

**"Principal Instalments"** means, with respect to each Receivable, the principal component of the Instalments of such Receivables (excluding for the avoidance of doubt the Residual Optional Instalment).

**"Principal Paying Agent"** means Citibank, London Branch, or any other entity acting as principal paying agent pursuant to the Cash Allocation, Management and Payment Agreement from time to time.

**"Priority of Payments"** means the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

**"Privacy Law"** or **"Privacy Code"** means the Legislative Decree No. 196 of 30 June 2003.

**"Privacy Legislation"** means any legislation applicable on data protection, including the GDPR, the Privacy Law, all applicable provisions adopted by the Italian Data Protection Authority and the national legislation implementing the GDPR.

**"Pro Rata Share"** (*Quota Parte*) means, in respect of each Receivables, the percentage equivalent to the ratio between:

- (a) the sum of:
  - (i) the value, discounted at the relevant estimate date and determined in accordance with the relevant Index Rate, of the Instalments and of the Residual Optional Instalment not yet due as such date; and
  - (ii) the aggregate sum of all the Instalments and the Residual Optional Instalment comprised in such Receivable, due but unpaid as of such date and any relevant penalty payments (net of VAT); and
- (b) all Instalments and the Residual Optional Instalment comprised in such Receivable, not yet due, discounted at the relevant estimate date in accordance with the relevant Index Rate, plus the Instalments and the Residual Optional Instalment due but unpaid comprised in the Lease Contract, plus and any relevant penalty payments, plus the Residual Optional Instalment, plus accrued VAT.

**"Prospectus"** means the prospectus of the Notes required under the Securitisation Law and approved by Borsa Italiana dated on or about the Issue Date.

**"Prospectus Regulation"** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

**"Purchase Notice"** means the prior written notice which the Originator shall sent to the Issuer and the Senior Noteholders, with copy to the Junior Noteholder and the Calculation Agent, pursuant to the Senior Notes Subscription Agreement and Condition 3.3 (*Senior Notes Further Instalment Payments*), to inform them of its intention to sell a Subsequent Portfolio and that, for purchasing such Subsequent Portfolio, the Issuer shall request Notes Further Instalment Payments.

**"Purchase Price"** means (A) in respect of each Receivable, the Individual Purchase Price of such Receivable; and (B) in respect of each Portfolio, the sum of (i) the aggregate of the Individual Purchase Prices of each Receivables comprised in each Portfolio and (ii) the Deferred Purchase Price.

**"Purchase Price of the Residual Optional Instalment"** means, in respect of each Payment Date and with respect to each Receivable, an amount equal to the Residual Optional Instalment of such Receivable collected by the Issuer upon the exercise by the relevant lessee of the option to purchase the relevant Asset, or in case such a term refers to a Portfolio, the sums of the purchase prices of the residual optional instalments of each Portfolio.

**"Purchase Termination Event"** has the meaning ascribed to such term in Condition 16 (*Purchase Termination Event*).

**"Purchase Termination Event Notice"** has the meaning ascribed to such term in Condition 16 (*Purchase Termination Event*).

**"Quarterly Servicer Report"** means a report which the Servicer has undertaken to deliver on each Quarterly Servicer Report Date, setting out, *inter alia*, the performance of the Receivables, to be prepared substantially in the form of schedule 2 of the Servicing Agreement.

**"Quarterly Servicer Report Date"** means the 7<sup>th</sup> Local Business Day following a Quarterly Settlement Date.

**"Quarterly Settlement Date"** means the last calendar day of December, March, June and September of each year and with reference to the Extraordinary Payment Date, the Extraordinary Quarterly Settlement Date.

**"Quarterly Settlement Period"** means each three months period commencing on (but excluding) a Quarterly Settlement Date and ending on (and including) the immediately following Quarterly Settlement Date, *provided that* (a) the first Quarterly Settlement Period commences on the Valuation Date (excluded) and ends on the First Quarterly Settlement Date (included) and (b) the Quarterly Settlement Period ending on the Extraordinary Quarterly Settlement Date may be shorter than a period of three months.

**"Quota Capital Account"** means the Euro denominated account opened by the Issuer with Banca Monte dei Paschi di Siena S.p.A., with IBAN IT51J0103061622000001849518, to which the contributed quota capital of the Issuer is deposited, or any other account that shall be opened by the Issuer in substitution of such account in accordance with the Cash Allocation, Management and Payment Agreement.

**"Quotaholder Agreement"** means the quotaholder agreement entered into between the Issuer, the Representative of the Noteholders, and the Sole Quotaholder on or about the Issue Date, including any agreement or other document expressed to be supplemental thereto.

**"Ramp-Up Period"** means the first phase of the Securitisation, which will start on the Issue Date and end on the Ramp-Up Period End Date.

**"Ramp-Up Period End Date"** means the earlier of (i) the date on which a Purchase Termination Event Notice or a Trigger Notice is delivered and (ii) the Payment Date falling in July 2020.

**"Rate of Interest"** shall have the meaning ascribed to it in Condition 8.2 (*Interest – Rate of Interest*).

**"Rating Agency"** means Scope Ratings GmbH.

**"Receivable"** means, with reference to each Portfolio, each and any claims (save as stated below) arising from the Lease Contracts (and each contract, deed, agreement or document related to those Lease Contracts), satisfying the Criteria on the relevant Valuation Date (or the different date provided in respect of each Criteria) included in the relevant Portfolio and excluding any amount due on or before the relevant Valuation Date (included), including, without limitation:

- (a) the Instalments;
- (b) the Agreed Prepayments and the Prepayment Amounts;
- (c) the Residual Optional Instalment;
- (d) default interest and/or other interest due by the Debtors arising as a consequence of payment deferrals granted by the Originator, in each case, accrued and unpaid until the date of purchase of such Receivable and/or any other such interest payments which are to mature thereafter, on all amounts outstanding from the Lessees under the Lease Contracts which are the object of the assignment under the other points of this definition;

- (e) amounts due as penalties;
- (f) any increase in Instalments as a result of any amendment to the Lease Contracts, which do not result in an increase in the overall principal amount of the Receivable existing at the date on which the amendment is executed;

but excluding in all cases:

- (i) amounts due by way of VAT;
- (ii) expenses due by the Lessee pursuant to the relevant Lease Contract; and
- (iii) default interests in respect of amounts due under (a) and (b) above,

*provided always that* if only part of the Instalments under a Lease Contract have been assigned, the receivables under item (d) and (e) above will be deemed to have been assigned only with respect to the relevant *Pro Rata* Share.

**"Records"** has the meaning ascribed to such term in the Cash Allocation, Management and Payment Agreement.

**"Recoveries"** means the recoveries, surety payments, insurance proceeds and penalties received in respect of any Defaulted Receivables, and **"Recovery"** means each such recovery.

**"Redemption for Taxation"** has the meaning set out in Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

**"Reference Banks"** means three (3) major banks in the Euro-Zone inter-bank market selected by the Issuer with the approval of the Representative of the Noteholders in accordance with Condition 8.7 (*Interest – Reference Banks and paying agent*). The initial Reference Banks shall be JP Morgan, BNP Paribas and Barclays Bank plc.

**"Regulation S"** means Regulation S promulgated under the U.S. Securities Act.

**"Regulatory Investor Report"** has the meaning ascribed to in Clause 11.4 of the Cash Allocation, Management and Payment Agreement.

**"Regulatory Technical Standard"** has the meaning attributed to such term under clause 25.1.2 of the Intercreditor Agreement.

**"Release Date"** means the earlier of: (i) the Cancellation Date; (ii) the Payment Date on which the Issuer Available Funds to be applied on such date, minus all payments or provisions which have a priority or pari passu ranking with the payment of principal on the Senior Notes in accordance with the Pre-Enforcement Priority of Payments, are sufficient to redeem the Senior Notes in full; and (iii) the Payment Date immediately succeeding the service of a Trigger Notice.

**"Reporting Entity"** means Alba Leasing S.p.A..

**"Representative of the Noteholders"** means Securitisation Services or any other entity acting as representative of the Noteholders pursuant to the Subscription Agreements and/or the Terms and Conditions from time to time.

**"Requirements"** has the meaning ascribed to the definition *"Requisiti"* in clause 7.1 (*Revoca del Back-up Servicer*) of the Back-Up Servicing Agreement.

**"Residual Optional Instalment"** means the residual price (*riscatto*) due from a Lessee at the end of the contractual term of a Lease Contract (if the Lessee elects to exercise its option to purchase the related Asset) the Receivables of which have been assigned under the terms of the Transfer Agreement. In case the transfer of the relevant Portfolio has as object only part of the receivables deriving from the relevant Lease Contracts, Residual Optional Instalments shall refer only to the one comprised in the transfer.

**"Retention Amount"** means Euro 25,000.

**"Rules of the Organisation of the Noteholders"** or the **"Rules"** means the rules of the organisation of the Noteholders attached as Exhibit 1 to the Terms and Conditions, as from time to time modified in accordance with the provisions contained therein and including any agreement or other document expressed to be supplemental thereof.

**"S&P"** means Standard & Poor's Credit Market Services France S.A.S..

**"Sec Reg Report Date"** means the date falling within one month following each Payment Date, provided that the first Sec Reg Report Date will fall on February 2020.

**"Secured Creditors"** means the Noteholders and the Other Issuer Creditors.

**"Secured Obligations"** means all of the Issuer's obligations *vis-à-vis* the Secured Creditors under the Notes and the Transaction Documents.

**"Securitisation"** means the securitisation of the Receivables made by the Issuer through the issuance of the Notes pursuant to articles 1 and 5 of the Securitisation Law.

**"Securitisation Law"** means Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**"Securitisation Regulation"** means Regulation (EU) 2402/2017, as amended and supplemented from time to time.

**"Securitisation Repository"** has the meaning attributed to such term under clause 25 of the Intercreditor Agreement.

**"Securitisation Services"** means Securitisation Services S.p.A. a company with a sole shareholder incorporated as a *"società per azioni unipersonale"*, 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 *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, 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..

**"Security"** means the security created under the Deed of Pledge.

**"Security Documents"** means the Deed of Pledge and any other security document entered into from time to time.

**"Security Interest"** means any mortgage, charge, pledge, lien, 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.

**"Senior Noteholder"** means any holder of a Senior Note and **"Senior Noteholders"** means all of them.

**"Senior Notes"** means the Class A Notes.

**"Senior Notes Further Instalment Payment"** means any further instalment payment made by the Senior Noteholders on each Payment Date falling in the Ramp-Up Period, in accordance with the Senior Notes Subscription Agreement.

**"Senior Notes Further Instalment Payment Date"** means the Payment Date falling immediately after the delivery of a Senior Notes Further Instalment Request.

**"Senior Notes Further Instalment Request"** means the request of irrevocable order of payment made by the Calculation Agent (on behalf of the Issuer) with respect to a Senior Notes Further Instalments pursuant to the Senior Notes Subscription Agreement.

**"Senior Notes Further Instalment Request Date"** means with reference to each Senior Notes Further Instalment Payment, 5<sup>th</sup> Business Day prior to the Payment Date falling after the execution of the relevant Deed of Transfer.

**"Senior Notes Initial Instalment Payment"** means the initial instalment payment made by the Class A Notes Underwriter in respect of the Senior Notes on the Issue Date, in accordance with the Senior Notes Subscription Agreement.

**"Senior Notes Instalment Payments"** means, together, the Senior Notes Initial Instalment Payment and the Senior Notes Further Instalment Payments.

**"Senior Notes Nominal Amount"** means Euro 1,050,000,000.00.

**"Senior Notes Ratio"** means 70%.

**"Senior Notes Subscription Agreement"** means the senior notes subscription agreement in relation to the Class A Notes entered into on or about the Issue Date, between the Issuer, the Joint Arrangers, the Class A Notes Underwriter, the Originator and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto and regulating, *inter alia*, the terms and conditions for the subscription and issuance of the Class A Notes.

**"Senior Notes Underwriter"** means the Class A Notes Underwriter.

**"Servicer"** means Alba Leasing or any other entity acting as Servicer pursuant to the Servicing Agreement from time to time.

**"Servicer Account"** means the Euro denominated account with IBAN: IT74 B 03069 12711 100000010865 established in the name of the Servicer with the Servicer Account Bank, or with any other bank having the Minimum Rating, for the collection of the Receivables, managed by the Servicer pursuant to the Servicing Agreement.

**"Servicer Account Bank"** means Intesa Sanpaolo S.p.A. and any of its successors and assignees.

**"Servicer Termination Event"** has the meaning ascribed to it in clause 10.2 of the Servicing Agreement.

**"Servicer's Fee"** means the fee due to the Servicer pursuant to clause 9 of the Servicing Agreement.

**"Services"** has the meaning ascribed to such term in clause 2 (*Appointment and Services of the Corporate Services Provider*) of the Corporate Services Agreement.

**"Servicing Agreement"** means the servicing agreement entered into on 2 October 2019 between the Issuer and the Servicer in order to administer and service the Receivables comprised in each Portfolio and as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Significant Event Report"** has the meaning ascribed to it in Clause 11.4 of the Cash Allocation, Management and Payments Agreement.

**"Société Générale"** or **"SG"** means Société Générale, a French limited liability company (société anonyme) whose registered office is at 29 Boulevard Haussman, 75009 Paris, France, and whose head office is at 17 cours Valmy, 97972 Paris-La Défense Cedex – France, enrolled in France in the Commercial Register under number 552120222.

**"Sole Quotaholder"** means Stichting Vivalto.

**"Solvency II Regulation"** means the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance.

**"Specified Office"** means the office of (i) the Account Bank located at Via dei Mercanti, 12, 20121 Milan, Italy; or (ii) the Principal Paying Agent located at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom; or (iii) the Italian Paying Agent located at Via dei Mercanti, 12, 20121 Milan, Italy; or (iv) the Calculation Agent located at Via Alfieri 1, 31015 Conegliano (TV), Italy; or (v) the Cash Manager located at Via Sile No.18, 20139 Milan, Italy, as the case may be, or the different offices changed in accordance with the Cash Allocation, Management and Payment Agreement.

**"Stichting Vivalto"** means Stichting Vivalto, a foundation (*Stichting*) incorporated under the laws of The Netherlands and having its registered office at Barbara Strozilaan 101, 1083HN Amsterdam, The Netherlands and enrolled at the Chamber of Commerce in Amsterdam at the no. 74821067, fiscal code no. 97818900157.

**"Stichting Corporate Services Agreement"** means the Stichting Corporate Services Agreement entered into on or about the Issue Date between the Issuer, the Stichting Corporate Services Provider and the Sole Quotaholder as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

**"Stichting Corporate Services Provider"** means Wilmington Trust SP Services (London) Limited, 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, or any other entity acting as Stichting Corporate Services Provider from time to time and any of its permitted successors and assignees, pursuant to the Stichting Corporate Services Agreement.

**"Sub-Back-Up Servicers"** means Agenzia Italia S.p.A. and Trebi Generalconsult S.r.l. or any other entity acting as sub-back-up servicer pursuant to the Back-Up Servicing Agreement from time to time.

**"Sub-Delegate"** has the meaning ascribed to it in clause 8 (*Sub-Delegation*) of the Corporate Services

Agreement.

"**Subject Matter of the Mandate**" has the meaning ascribed to such term in clause 3.1 (*Subject Matter*) of the Intercreditor Agreement.

"**Subject Matter of the Pledge**" has the meaning ascribed to such term in article 1.1 of the Deed of Pledge.

"**Subscription Agreements**" means, collectively, the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

"**Subscription Price**" means the Subscription Price of the Class A Notes and/or the Subscription Price of the Class J Notes, as the case may be.

"**Subscription Price of the Class A Notes**" means the subscription price of the Class A Notes to be paid subject to and in accordance with the terms of the Senior Notes Subscription Agreement

"**Subscription Price of the Class J Notes**" means the subscription price of the Class J Notes to be paid subject to and in accordance with the terms of the Junior Notes Subscription Agreement.

"**Subsequent Portfolio**" means any portfolio of Receivables which will be transferred by the Originator to the Issuer during the Ramp-Up Period pursuant to the Transfer Agreement and the relevant Deed of Transfer.

"**Successor Corporate Services Provider**" has the meaning ascribed to such term in clause 11 (*Termination*) of the Corporate Services Agreement.

"**Successor Servicer**" has the meaning ascribed to definition "*Successore del Servicer*" contained in clause 10.4 of the Servicing Agreement.

"**Supervisory Regulations**" means the Supervisory Regulations for the Banks or the Supervisory Regulations for Financial Intermediaries as the context requires.

"**Supervisory Regulations for the Banks**" means the "*Disposizioni di vigilanza per le banche*" issued by the Bank of Italy by Circular No. 285 of 71 December 2013, as amended and supplemented from time to time.

"**Supervisory Regulations for Financial Intermediaries**" means the "*Disposizioni di Vigilanza per gli Intermediari Finanziari*" issued by the Bank of Italy by Circular No. 288 of 3 April 2015, as amended and supplemented from time to time.

"**Supplemental Deed**" has the meaning ascribed to such term in the schedule 2 attached to the Deed of Pledge.

"**Target Amortisation Amount**" means, in respect of any Payment Date during the Amortisation Period, an amount calculated in accordance with the following formula:

$$A - CP - R$$

Where:

A = the Principal Amount Outstanding of the Notes as at the immediately preceding Payments Report Date;

CP = the Outstanding Amount of the Collateral Portfolio as at the immediately preceding Quarterly Settlement Date;



R = the Debt Service Reserve Amount calculated with reference to the relevant Payment Date.

**"TARGET Day"** means any day on which the Transfer-European Automated Real Time Gross Settlement Express Transfer (TARGET 2) System (or any successor thereto) is open.

**"Tax"** means any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any Tax Authority and **Taxes, taxation, taxable** and comparable expressions shall be construed accordingly.

**"Tax Authority"** means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function including the Irish Revenue Commissioners, H.M. Revenue and Customs, the Italian Revenue Agency (*Agenzia delle Entrate*) and the Luxembourg direct and indirect tax administrations (*Administration des contributions directes* and *Administration de l'Enregistrement et des Domaines*).

**"Tax Deduction"** means any deduction or withholding for or on account of Tax.

**"Tax Event"** shall have the meaning ascribed to such term in Condition 9.4 (*Redemption, Purchase and Cancellation – Redemption for Taxation*).

**"Temporary Website"** has the meaning attributed to such term under clause 25 of the Intercreditor Agreement.

**"Terms and Conditions"** means the terms and conditions of the Notes, and **"Condition"** means any of those.

**"Transaction"** means the Securitisation.

**"Transaction Documents"** means the Transfer Agreement, the Servicing Agreement, the Deeds of Transfer, the Back-Up Servicing Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payment Agreement, the Deed of Pledge, the Corporate Services Agreement, the Subscription Agreements, the Quotaholder Agreement, the Stichting Corporate Services Agreement, the Master Definitions Agreement, the Letter of Undertaking, the Terms and Conditions and any other deed, act, document or agreement executed in the context of the Securitisation, including for the avoidance of doubt any deed, act, document and agreement entered into in connection with the issuance and subscription of the Notes designated as such by the Issuer and the Representative of the Noteholders.

**"Transfer Agreement"** means the transfer agreement entered into on 2 October 2019, as amended from time to time in accordance with the provisions contained therein, between the Issuer and the Originator setting forth the terms and conditions of the transfer from the Originator to the Issuer of the Portfolios and including any agreement or other document expressed to be supplemental thereto.

**"Transfer Date"** means the date from which takes effect the assignment of each Portfolio executed pursuant to the Transfer Agreement, and in particular means: (a) in relation to the Initial Portfolio, the signing date of the Transfer Agreement; (b) in relation to each Subsequent Portfolio the date on which the Originator has received the acceptance of the relevant Offer Notice executed by the Issuer.

**"Transparency Directive"** means Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004.

**"Trigger Event"** means any of the events described in Condition 14 (*Trigger Events*).

**"Trigger Event Report"** means the Payments Report that the Calculation Agent shall deliver upon request of the Representative of the Noteholders upon the occurrence of a Trigger Event, according to clause 11 (*Reporting Obligations of the Calculation Agent*) of the Cash Allocation, Management and Payment Agreement.

**"Trigger Notice"** means the notice described in Condition 14 (*Trigger Events*).

**"Underwriters"** means the Senior Notes Underwriter and the Junior Notes Underwriter, collectively, and **"Underwriter"** means any of them.

**"U.S. Securities Act"** means the U.S. Securities Act of 1933, as amended and the rules and regulations promulgated pursuant thereto.

**"Usury Law"** means Italian Law No. 108 of 7 March 1996 (*Disposizioni in materia di usura*) and the law decree No. 394 of 29 December 2000 as converted by law No. 24 of 28 February 2001 (including the provisions set forth in article 1, paragraph 2 and 3 of the aforementioned decree), as subsequently amended and supplemented.

**"Usury Thresholds"** means the usury thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the latest of such decrees having been issued on 21 December 2012).

**"Valuation Date"** means (i) in relation to the assignment of the Initial Portfolio, 20 September 2019, and (ii) in relation to the assignment of any Subsequent Portfolio, the date specified as such in the Offer Notice.

**"Volcker Rule"** means the provision under the Dodd–Frank Act which restricts the ability of banking entities to sponsor or invest in private equity or hedge funds or to engage in certain proprietary trading activities involving securities, derivatives, commodity futures, and options on those instruments for their own account.

**"Wilmington Trust"** means Wilmington Trust SP Services (London) Limited, 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.

**ISSUER**

**Alba 11 WH S.r.l.**

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**Alba Leasing S.p.A.**

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Italy

**THE PRINCIPAL PAYING AGENT**

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33, Canada Square  
London E14 5LB  
United Kingdom

**THE ACCOUNT BANK AND ITALIAN PAYING AGENT**

**Citibank N.A., Milan Branch**

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**THE SOLE QUOTAHOLDER**

**Stichting Vivalto**

Barbara Stozzilaan 101  
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The Netherlands

**THE STICHTING CORPORATE SERVICES PROVIDER**

**Wilmington Trust SP Services (London) Limited**

Third Floor, 1 King's Arms Yard,  
London EC2R 7AF  
United Kingdom

**REPRESENTATIVE OF THE NOTEHOLDERS, CORPORATE SERVICES PROVIDER, BACK-UP SERVICER AND CALCULATION AGENT**

**Securitisation Services S.p.A.**

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**CLASS A NOTES UNDERWRITER AND CLASS J NOTES UNDERWRITER**

**Alba Leasing S.p.A.**

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**TO THE ORIGINATOR**

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