PROSPECTUS DATED 25 July 2017

INDIGO LEASE S.R.L.

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

Increase by € 243,200,000 of the notional amount of the € 366,300,000 Class A Asset-Backed Floating Rate Notes due 2029

Issue Price: 100 per cent.

This document constitutes a "prospectus" for the purpose of the listing and issuing rules of the Luxembourg Stock Exchange and Directive 2003/71/EC (as amended from time to time, the "**Prospectus Directive**") and a "*Prospetto Informativo*" for the purposes of article 2, sub-section 3 of Italian Law number 130 of 30 April 1999.

This Prospectus contains information relating to the increase by Indigo Lease S.r.l. (the "**Issuer**") of the notional amount of the € 366,300,000 Class A Asset-Backed Floating Rate Notes due 2029 (the "**Existing Class A Notes**" or the " **Existing Senior Notes**") by € 243,200,000 (the "**Class A Notes Increased Notional Amount**"). In connection with the increase of the notional amount of the € 366,300,000 Class A Asset-Backed Floating Rate Notes due 2029 by the Class A Notes Increased Notional Amount, the Issuer will also increase the notional amount of the €138,000,000 Class B Asset-Backed Variable Return Notes due 2029 (the "**Existing Class B Notes**" or the "**Existing Junior Notes**" and, together with the Existing Class A Notes, the "**Existing Notes**") by € 31,700,000 (the "**Class B Notes Increased Notional Amount**").

The Existing Notes have been issued by the Issuer on 15 December 2016 (the "**Issue Date**") with the following notional amounts:

(i) Existing Class A Notes: € 366,300,000 ; and

(ii) Existing Class B Notes: €138,000,000.

On 25 July 2017 (the "**Increase Date**"), the notional amount of the Existing Notes will be increased by the following notional amounts:

(a) with respect to the Existing Class A Notes: € 609,500,000 (the Existing Class A Notes, as subsequently increased by the Class A Notes Increased Notional Amount, are hereinafter referred to as the "**Class A Notes**" or the "**Senior Notes**"); and

(b) with respect to the Existing Class B Notes: € 169,700,000 (the Existing Class B Notes, as subsequently increased by the Class B Notes Increased Notional Amount, are hereinafter referred to as the "**Class B Notes**" or the "**Junior Notes**"; the Senior Notes and the Junior Notes are hereinafter referred to as the "**Notes**").

The Aggregate Principal Amount Outstanding of the Class A Notes (as increased) is equal to Euro 377, 636, 014.18. The Class A Notes Increased Principal Amount of € 150,682,655.70 is to be consolidated and form a single series with the Principal Amount Outstanding of €226.953.358,48 of the Existing Class A Notes as at the Increase Date.

This Prospectus has been prepared and approved in connection with the increase of the Senior Notes as at the Increase Date.

The Issuer is a limited liability company with a sole quotaholder (*società a responsabilità limitata con socio unico*) incorporated under the laws of the Republic of Italy under article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**"), having its registered office at Via Vittorio Alfieri, 1, 31015 Conegliano (Treviso), Italy and enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation of the Bank of Italy dated 30 September 2014 under number 35310.2. The tax and identification number (*codice fiscale*) and VAT number of the Issuer is 04830440261.

The Junior Notes are not being offered pursuant to this Prospectus. Capitalised terms and expressions in this Prospectus shall, unless otherwise stated or the context otherwise requires, have the meanings set out herein and under the section headed "*Terms and Conditions of the Notes*".

The proceeds deriving from the increase of the notional amount of the Existing Notes will be applied by the Issuer to fund the purchase of a second pool of monetary claims and other connected rights (the "**Claims**") arising out of a portfolio of lease contracts (the "**Second Portfolio**" originated by IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.), incorporated under the laws of the Republic of Italy, with registered office at Via Vecchia di Cuneo, 136, Loc. Pogliola, Mondovi (CN), Italy (the "**Originator**" or "**IFIS Leasing**"). The Claims included in the first portfolio (the "**First Portfolio**") have been transferred to the Issuer pursuant to the terms of a transfer agreement dated 1 December 2016 between the Issuer and the Originator. The Claims included in the Second Portfolio have been transferred to the Issuer pursuant to the terms of a master transfer agreement dated 14 July 2017 between the Issuer and the Originator (the "**Master Transfer Agreement**") pursuant to which the Originator will have the right to sell to the Issuer which, upon occurrence of the conditions set forth in the Master Transfer Agreement, shall have the right to purchase from the Originator during the Revolving Period, the additional portfolios (the "**Additional Portfolios**"). The First Portfolio, the Second Portfolio and any Additional Portfolio, are collectively referred to as the "**Portfolio**". The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes (as increased on the Increase Date) will be collections received in respect of the Claims.

Interest on the Class A Notes is payable by reference to successive interest periods (each, an "**Interest Period**"). Interest on the Class A Notes will accrue on a daily basis and will be payable in arrear in euro on 25 August 2017, and thereafter monthly in arrear on the 25th calendar day of each calendar month (in each case, subject to adjustment for non-business days as set out in Condition 6 (*Interest*)) (each such date, an "**Interest Payment Date**"). The rate of interest applicable to the Class A Notes (the "**Class A Rate of Interest**") shall be the rate offered in the euro-zone inter-bank market ("**EURIBOR**") for one-month deposits in euro (save that for the first Interest Period the rate will be obtained upon linear interpolation of EURIBOR for one- month and two-month deposits in euro) (as determined in accordance with Condition 6 (*Interest*)), *plus* a margin of 0.80 per cent. per annum. The applicable EURIBOR in respect of any Interest Period may be a negative rate provided that it shall be subject to a floor of minus 0.80 per cent.

This Prospectus constitutes a prospectus for the purposes of article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended from time to time, the "**Prospectus Directive**") and the relevant implementing measures in the Grand Duchy of the Luxembourg and of the Securitisation Law. This Prospectus will be available on the Luxembourg Stock Exchange website at www.bourse.lu.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus as a prospectus for the purpose of article 5.3 of the Prospectus Directive. By approving a prospectus CSSF assumes no responsibility as to the economic and financial soundness of the transaction described in this Prospectus and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg law on prospectuses for securities. Application has also been made to the Luxembourg Stock Exchange for the Class A Notes (as increased on the Increase Date) to be admitted to listing on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on its regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EC of the European Parliament and of the Council on markets in financial instruments. No application has been made to list the Junior Notes on any stock exchange nor will this Prospectus be approved by the CSSF in relation to the Junior Notes.

The Class A Notes are expected, on the Increase Date, to be affirmed the rating "AA(sf)" by DBRS Ratings Limited ("**DBRS**") and "Aa3(sf)" by Moody's Investors Service España S.A. ("**Moody's**" and, together with DBRS, the "**Rating Agencies**", which expression shall include any successor thereto). **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any or all of the Rating Agencies**. The credit ratings included or referred to in this Prospectus have been issued by DBRS or Moody's, each of which is established in the European Union and each of which is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, *inter alia*, by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 and by Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 21 May 2013 (the "**CRA Regulation**") and is included, as of the date of this Prospectus, in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (for the avoidance of doubt, such website does not constitute part of this Prospectus). The Junior Notes will not be assigned a rating.

The Issuer intends to qualify for the "**loan securitization**" exemption set forth in the implementing regulations of the Volcker Rule. See the section entitled "*Risk factors*", subparagraphs "*Investment Company Act of 1940*" and "*Volcker Rule*" herein.

Payments under the Notes may be subject to withholding for or on account of tax, or to a substitute tax, in accordance with Italian legislative decree No. 239 of 1 April 1996, as subsequently amended. Upon the occurrence of any withholding for or on account of tax, whether or not in the form of a substitute tax, from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount to any holder of Notes of any Class.

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Representative of the Noteholders, the Co-obligor, the Computation Agent, the Italian Account Bank, the Paying Agent, the Agent Bank, the English Account Bank, the Back-up Servicer, the Corporate Services Provider, the Interest Rate Hedging Counterparty, the Restructuring Arranger, the Senior Notes Subscribers, the Junior Notes Subscriber, IFIS Leasing (in any capacity) nor the quotaholder of the Issuer. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payments of any amount due on the Notes.

The Notes will mature on the Interest Payment Date which falls in July 2029 (the "**Final Maturity Date**"), subject as provided in Condition 8 (*Payments*). Before the Final Maturity Date, the Notes will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in Condition 7 (*Redemption, purchase and cancellation*)).

The Class A Notes will be redeemed in priority to the Junior Notes.

If the Class A Notes and/or the Junior Notes cannot be redeemed in full on the Final Maturity Date as a result of the Issuer having insufficient funds available to it in accordance with the terms and conditions of the Notes (the "**Conditions**" and each, a "**Condition**") for application in or towards such redemption, including the proceeds of any sale of the Claims, any amount unpaid shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date (as defined below), at which date any amounts remaining outstanding in respect of principal or interest on the Notes shall be reduced to zero and deemed to be released by the holder of the relevant Notes and the Notes shall be cancelled. The Issuer has no assets other than those described in this Prospectus.

The Originator will retain a material net economic interest of at least 5% in the Securitisation in accordance with Article 405, paragraph 1, letter (d) of EU Regulation No. 575/2013 (as subsequently amended and supplemented, the "**Capital Requirements Regulation**" or the "**CRR**"), article 51 of Commission Delegated Regulation No. 231/2013 (as subsequently amended and supplemented, the "**Alternative Investment Fund Manager Regulation**" or the "**AIFMR**" which, in each case, does not take into account any corresponding national measures) and article 254, paragraph 2, letter (d) of Commission Delegated Regulation (EU) 2015/35 of the

European Parliament and of the Council of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council (as subsequently amended and supplemented, the "**Solvency II Regulation**"). As at the Increase Date, such interest will comprise an interest in the Junior Notes as required by article 405, paragraph 1, letter (d) of the CRR, article 51 of the AIFMR and article 254, paragraph 2(d) of the Solvency II Regulation. Any change to this manner in which this interest is held will be notified to investors. Please refer to the section "*Regulatory Disclosure and Retention Undertaking*" for further information.

The date of this Prospectus is 25 July 2017. **For a discussion of certain risks that should be considered in connection with an investment in the Class A.**

Notes, and the Junior Notes see the section entitled "*Risk factors*" beginning on page 2.

Restructuring Arranger
FISG S.r.l.

This Prospectus comprises a prospectus for the purposes of article 5.3 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Class A Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

*None of the Issuer, the Representative of the Noteholders, FISG S.r.l. ("**FISG**" or the "**Restructuring Arranger**"), or any other party to any of the Transaction Documents (as defined below), other than the Originator, has undertaken or will undertake any investigations, searches or other actions to verify the existence and the details of the Claims sold by the Originator to the Issuer, nor have the Issuer, the Representative of the Noteholders and the Restructing Arranger or 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 Claims or the creditworthiness of any debtor in respect of the Claims.*

*Banca IMI S.p.A. ("**Banca IMI**"), Citigroup Global Markets Limited ("**Citi**") and Deutsche Bank AG, London Branch ("**Deutsche Bank**" and, together with Banca IMI and Citi, the "**Initial Arrangers**") have not been involved in the increase of the notional amount of the Existing Notes, any negotiations concerning the amendments to the Transaction Documents and the affirmation of the rating of the Existing Notes and none of the Initial Arrangers accepts any responsibility whatsoever for the contents of this Prospectus and the Transaction Documents as amended.*

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Notes, that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

*The Originator has provided the information under the sections headed "*The Portfolio*", "*The Originator and Servicer*", the "*Credit and Collection Policies*" and any other information contained in this Prospectus relating to itself, the collection and underwriting procedures relating to the Portfolio and the relevant Claims (each as defined below) and, together with the Issuer, accepts responsibility for the information contained in those sections. The Originator has also provided the historical data used as assumptions to make the calculations contained in the section headed "*Estimated weighted average life of the Senior Notes and assumptions*" on the basis of which the information and assumptions contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above. To the best of the knowledge of the Originator (having taken all reasonable care to ensure that such is the case) the information and data in relation to which it is responsible, as described above, is in accordance with the facts and does not contain any omission likely to affect the import of such information and data.*

Banca IFIS S.p.A. has provided the information under the section headed "The Co-obligor" below and accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of Banca IFIS S.p.A. (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect its import. Save as aforesaid, Banca IFIS S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

Securitisation Services S.p.A. has provided the information under the section headed "The Computation Agent, the Corporate Services Provider, the Representative of the Noteholders and the Back-up Servicer" below and accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of Securitisation Services S.p.A. (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect its import. Save as aforesaid, Securitisation Services S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

Citibank, N.A., London Branch has provided the information relating to it under the section headed "Interest Rate Hedging Counterparty" below and accepts responsibility for the information contained in that section. To the best of the knowledge and belief (having taken all reasonable care to ensure that such is the case) of Citibank, N.A., London Branch, in its capacity as Interest Rate Hedging Counterparty, such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as aforesaid, Citibank, N.A., London Branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

BNP Paribas Securities Services has provided the information under the section headed "The Italian Account Bank, the Agent Bank, the Paying Agent and the English Account Bank", below and accepts responsibility for the information contained in that section, and to the best of the knowledge and belief of BNP Paribas Securities Services (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and contains no omission likely to affect its import. Save as aforesaid, BNP Paribas Securities Services has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

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

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 Restructuring Arranger, the Representative of the Noteholders, the Co-obligor, the Computation Agent, the Account Banks, the Paying Agent, the Agent Bank, the Back-up Servicer, the Corporate Services Provider, the Interest Rate Hedging Counterparty, the Senior Notes Subscribers, the Junior Notes Subscriber or any other person. Neither the delivery of this Prospectus nor any sale made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has been no change in the affairs of the Issuer, the Originator, the Co-obligor or the Restructuring Arranger or in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

To the fullest extent permitted by law, the Restructuring Arranger accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by the Restructuring Arranger, or on its behalf, in connection with the Issuer or IFIS Leasing or the issue and offering of the Notes. The Restructuring Arranger disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

Each of the Restructuring Arranger and the Representative of the Noteholders has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by each of the Restructuring Arranger and the Representative of the Noteholders or any of them regarding the compliance with law of any investment in the Notes by any prospective investor under applicable investment or similar laws or regulations and as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer or IFIS Leasing in connection with the Notes or their distribution.

The Notes constitute limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Claims (together with the collections and recoveries in respect thereof, any financial assets purchased with such moneys and any other claims (including the relevant collections thereof) of the Issuer which arise the context of the Securitisation) will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding-up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes, to pay any costs, fees, expenses and other amounts required to be paid to the Representative of the Noteholders, the Paying Agent, the Agent Bank, the Italian Account Bank, the English Account Bank, the Corporate Services Provider, the Computation Agent, the Servicer, the Interest Rate Hedging Counterparty, IFIS Leasing (in any capacity), the Restructuring Arranger, the Senior Notes Subscribers, the Junior Notes Subscriber or the quotaholder of the Issuer and to any third-party creditor in respect of any costs, fees, expenses or liabilities incurred by

*the Issuer to such third-party creditor in relation to the securitisation of the Claims contemplated by this Prospectus (the "**Securitisation** "). 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. Amounts derived from the Claims will not be available to any other creditors of the Issuer and will be applied by the Issuer in accordance with the applicable order of priority for the application of Issuer Available Funds (as defined below).*

The distribution of this Prospectus and the offer, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Restructuring Arranger 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 solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Prospectus and any other information supplied in connection with the issue of the Notes is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, IFIS Leasing (in any capacity) or the Restructuring Arranger that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Claims, the Portfolio and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), are in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Prospectus, see "Subscription and sale", below.*

*In addition, the Issuer has not registered with the United States Securities and Exchange Commission (the "**SEC**") as an investment company pursuant to the United States Investment Company Act of 1940 (the "**Investment Company Act**"). For a further description of certain issues presented thereby, see the section entitled "Risk factors", subparagraphs "Investment Company Act of 1940" and "Volcker Rule" below.*

*The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other offering circular nor any prospectus, form of application, advertisement, other offering material nor other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. No action has or will be taken which could allow an offering ("offerta al pubblico") of the Notes to the public in the Republic of Italy. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see "*Subscription and sale*", below.*

No action has or will be taken which would allow an offering or a " sollecitazione all'investimento" of the Notes to the public in the Republic of Italy 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 Prospectus nor any other offering material relating to the Notes may be distributed or made available to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

The Notes are complex instruments which involve a high degree of risk and are suitable for purchase only by sophisticated investors which are capable of understanding the risk involved. In particular the Notes should not be purchased by or sold to individuals and other non-expert investors.

Each initial and each subsequent purchaser of a Note will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Prospectus and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See "Subscription and sale", below.

*All references in this Prospectus to "**Euro**", "**€**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.*

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.

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RISK FACTORS

The following is a description of certain aspects of the issue of the Notes, the Issuer and the related transactions of which prospective Noteholders should be aware. The Issuer believes that the risk factors described below are material to an investment in the Notes. Prospective Noteholders should also read the detailed information set out in this Prospectus (including the risk factors set out in this section) and the Transaction Documents and reach their own views prior to making any investment decision. 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. Words and expressions defined in the Conditions or elsewhere in this Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:

Risk factors in relation to the Notes

Market for the Notes

Although application has been made for the Class A Notes (as increased on the Increase Date) to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on its regulated market, there is currently no present active and liquid secondary market for the Class A Notes and the Junior Notes. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Notes will develop (including, with respect to the Class A Notes, as a result of a decision by the Class A Notes Subscribers or any subsequent holder of the Class A Notes – including, without any limitation, the Originator, the Co-Obligor or any other entity of the same banking group which may purchase all or a portion of the Class A Notes from the Class A Noteholders in the future - to hold all or a portion of the Class A Notes until maturity) or, if a secondary market does develop in respect of any of the Notes, that it will provide the holders of such Notes with the liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

Recent events in the securitisation markets, as well as the debt markets generally, have caused significant dislocations, illiquidity and volatility in the market for asset-backed securities, as well as in the wider global financial markets. In particular, as at the date of this Prospectus, the secondary market for asset backed securities is experiencing disruptions resulting from, among other factors, reduced investor demand for such securities. This has had a material adverse impact on the market value of asset backed securities and resulted in the secondary market for asset backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties have been forced to sell asset backed securities into the secondary market. The price of credit protection on asset backed securities through credit derivatives has risen materially.

Limited liquidity in the secondary market may continue to have an adverse effect on the market value of asset backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily (or at prices that will enable the Noteholder to realize a desired yield) 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.

It is not known for how long these market conditions will continue and it cannot be assured that these market conditions will not continue to occur or whether they will become more severe.

Class A Notes as Eligible Collateral for ECB liquidity and/or open market transaction

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This only means that the Class A Notes were upon issue deposited with the Monte Titoli system as a securities settlement system that fulfils the standards established by the European Central Bank and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") within the meaning of the Guideline (EU) 2015/510 of the European Central Bank ("**ECB**") of 19 December 2014 on

the implementation of the Eurosystem monetary policy, as subsequently amended, supplemented and replaced from time to time (the "**ECB Guidelines** "), either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. If the Class A Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that the Class A Notes will not be Eurosystem Eligible Collateral.

None of the Issuer, the Originator, the Senior Notes Subscribers, the Servicer, the Junior Notes Subscriber, the Restructuring Arranger and the Representative of the Noteholders or any other party to the Transaction Documents gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem Eligible Collateral.

ECB Asset-Backed Securities Purchase Programme

On 4 September 2014 the ECB launched its asset-backed securities purchase programme (the "**ABSPP**"). The operational details and technical modalities have been provided by the Governing Council of the ECB on 2 October 2014. According to the ABSPP the ECB will be entitled to purchase in both primary and secondary markets senior and guaranteed mezzanine tranches of asset-backed securities complying with specific eligibility criteria set forth by the ECB.

None of the Issuer, the Originator, the Senior Notes Subscribers and the Restructuring Arranger gives any representation or warranty as to whether the ECB will ultimately confirm the eligibility of the Class A Notes for the purpose of the ABSPP and none of the Issuer, the Originator, the Senior Notes Subscribers and the Restructuring Arranger will have any liability or obligation in relation thereto if the Class A Notes are deemed ineligible for such purposes.

Suitability

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

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

No communication (written or oral) received from the Issuer, the Servicer, the Back-up Servicer, the Originator, the Restructuring Arranger, the Senior Notes Subscribers or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes: consequently prospective investors must not rely on any communication (written or oral) of the Issuer, the Servicer, the Back- up Servicer, the Originator, the Restructuring Arranger or the Senior Notes Subscribers as investment advice or as a recommendation to invest in the Notes.

Limited recourse nature of the Notes

There is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of an Issuer Acceleration Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest on the Class A Notes or Variable Return on the Junior Notes, and/or to repay the outstanding principal on the Notes in full.

The Notes will be direct and limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes and any other amounts due in respect of the Notes

only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payments in accordance with the applicable Priority of Payments. If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any 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. After the Notes have become due and payable following the delivery of an Issuer Acceleration 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. Prospective Noteholders should be aware that any Collateral posted by the Interest Rate Hedging Counterparty pursuant to the Interest Rate Cap Agreement and credited to the Collateral Accounts shall not form part of the Issuer Available Funds and shall be distributed solely in accordance with the Collateral Accounts Priority of Payments.

See also risk factor "*Source of payments to the Noteholders*" below.

Yield and payment considerations

The amount and timing of the receipt of Collections on the Claims and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection and renegotiating of and other recoveries on the Claims, as well as other events outside the control of the Servicer and the Issuer, will affect the performance of the Portfolio and the weighted average life of the Notes. The weighted average life of the Notes will be affected by the timing and amount of receipts in respect of the Claims, which will be influenced by the courses of action to be followed by the Servicer with respect to the Claims and decisions to alter such courses of action from time to time, as well as by economic, geographic, social and other factors including, inter alia, the availability of alternative financing and local, regional and national economic conditions. Settlement or sales of Claims earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Notes. The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a purchaser of any Notes. The yield to maturity may be adversely affected by higher or lower rates of delinquency and default on the Claims. See further "*Expected maturity and weighted average life of the Senior Notes and assumptions*".

Subordination

Payments of interest and repayment of principal under the Notes (including the Class A Notes) are subject to certain subordination and ranking provisions. For a more detailed description of the ranking among the various Classes of Notes and the relative subordination provisions see Condition 3(b) (*Ranking*).

As a result, to the extent that any losses are suffered by any of the Noteholders, such losses will be borne in the first instance by the Junior Noteholders and then (to the extent that the Class A Notes have not been redeemed) by the holders of the Class A Notes.

Noteholders should have particular regard to the factors identified in the paragraphs headed "Credit Structure" and "Priority of Payments" in the section headed "Transaction Overview" and in the section headed "Credit Structure" below in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest on the Notes and Variable Return on the Junior Notes and/or repayment of principal due under the Notes.

Limited rights

The protection and exercise of the Noteholders' rights against the Issuer and the preservation and enforcement under the Notes is one of the duties of the Representative of the Noteholders. The Conditions and the Rules of Organisation of the Noteholders limit the ability of each individual Noteholder to commence proceedings against the Issuer by conferring on the holders of the Most Senior Class of Notes the power to determine whether any Noteholder may commence any such individual actions.

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretion of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of the Class A Notes and the interests of the Junior Notes, to have regard only to the interests of the holders of the Class A Notes.

In some circumstances, the Notes may become subject to early redemption. Early redemption of the Notes in some cases may be dependent upon receipt by the Representative of the Noteholders of a direction from, or resolution of, a specified proportion of the Noteholders or a specified proportion of a specified Class of Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be of no practical effect and, if a determination is made by the requisite majority of the Noteholders to redeem the Notes, the minority Noteholders may face early redemption of the Notes against their will.

Resolutions of Noteholders

Resolutions properly adopted in accordance with the Rules of Organisation of the Noteholders are binding on all Noteholders, therefore certain rights of each Noteholder against the Issuer under the Conditions may be amended or reduced or even cancelled pursuant to any such resolution.

Bank Recovery and Resolution Directive

On 15 May 2014, the Council of the European Union approved the Directive 2014/59/EC establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No. 1093/2010 and (EU) No. 648/2012, of the European Parliament and of the Council (the "**Bank Recovery and Resolution Directive**"). On 12 June 2014 the Bank Recovery and Resolution Directive was published in the Official Journal of the European Union.

The aim of the Bank Recovery and Resolution Directive is to provide supervisory authorities with common tools and powers to address banking crises pre- emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The Bank Recovery and Resolution Directive applies, *inter alia*, to (i) credit institutions, (ii) investments firms, and (iii) financial institutions that are established in the European Union when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis.

The Bank Recovery and Resolution Directive has entered into force on 2 July 2014 and must be transposed by the Member States of the European Union into national law by 31 December 2014. The Bank Recovery and Resolution Directive has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the "**BRRD Decrees**"), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Consolidated Banking Act and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD 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 those of individuals and SME's will apply from 1 January 2019.

Given the recent enactment of the Bank Recovery and Resolution Directive in Italy, as at the date of this Prospectus it is not possible to precisely assess the potential impact of the Bank Recovery and Resolution Directive on the Securitisation.

Implementation of, and amendments to, the Basel III framework may affect the regulatory capital and liquidity treatment of the Notes

The Basel Committee on Banking Supervision (the "**Basel Committee**") published a regulatory capital framework in 2006 (the "**Basel II Framework**").

The Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction

of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**").

Member States were required to implement the new capital standards from 1 January 2014, the new Liquidity Coverage Ratio from January 2015 and will be required to implement the Net Stable Funding Ratio from January 2018. The changes have been implemented in the European Union through amendments to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (the "**Capital Requirements Directive**") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 the "**Capital Requirements Regulation**" and, together with the Capital Requirements Directive, the "**CRD IV**"). The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches to calculating risk weights and a new risk weight floor of 15 per cent.

Implementation of the Basel framework and any changes as described above may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as they deem necessary in relation to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

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 securitisation transactions, 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.

Neither the Issuer, the Originator, the Co-obligor, the Restructuring Arranger, the Senior Notes Subscribers, nor the Representative of the Noteholders gives any representation or warranty as to whether the Securitisation complies with the specific requirements set out under the Delegated Act and, accordingly, as to the eligibility of the Notes as level 2B assets for credit institutions' liquidity buffers.

In general, prospective investors in the Class A Notes should make their own independent decision whether to invest in any of the Class A Notes and whether an investment in the any of 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.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

General overview

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory 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 Restructuring Arranger, the Originator, the the Senior Notes Subscribers or the Junior Notes Subscriber 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 UCITS funds, credit institutions, investment firms or other financial institutions) which intend to invest in a securitisation transaction. Among other things, 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 proportional additional risk weighting on the notes acquired by the relevant investor. Such requirements are provided, *inter alia*, by the EU regulations (without prejudice to any other applicable EU regulations) set forth under the sub-paragraphs below.

The CRR

The European Parliament and the EU Council adopted on 26 June 2013 Regulation (EU) No. 575/2013 and Directive 2013/36/EU (the so-called "**CRD IV**"). In particular, Directive 2013/36/EU governs the access to deposit-taking activities and Regulation No. 575/2013 (the "**CRR**" or the "**Capital Requirement Regulation**") establishes the prudential requirements institutions need to respect. The CRD IV has replaced and recast, in general, with effect from 1 January 2014, Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC. In particular, pursuant to article 163 of CRD IV, Directive 2006/48/EC and 2006/49/EC have been repealed with effect from 1 January 2014 and references to such repealed Directives shall be construed as references to CRD IV and to CRR and shall be read in accordance with the correlation tables set out respectively in the CRD IV and in the CRR.

The main role of CRD IV is to implement in the EU the key Basel III reforms agreed in December 2010. These include, *inter alios*, amendments to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements. In particular, investors should be aware of articles 404 to 410 of the CRR which apply, in general, to newly issued securitisations after 31 December 2010. In addition, the European Banking Authority published on 17 December 2013 the final draft regulatory technical standards ("**RTS**") on securitisation retention rules and related requirements, as well as the final draft implementing technical standards ("**ITS**") on the convergence of supervisory practices related to the implementation of additional risk weights in the case of non-compliance with the retention rules consultation paper. These RTS and ITS have been developed respectively in accordance with article 410(2) and 410(3) of the CRR. In this respect, it has to be noted that: (i) with respect to RTS, on 13 March 2014, it has been published, in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 625/2014 (which has entered into force the twentieth day following the date of such publication) supplementing the CRR by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk; and (ii) with respect to ITS, on 5 June 2014, it has been published in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 602/2014 (which has entered into force

the twentieth day following the date of such publication), laying down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to the CRR. No assurance can be *provided that* any changes made or that will be made in connection with CRD IV and/or CRR (including through the corresponding regulatory technical standards) will not affect the requirements applying to relevant investors.

In particular, in Europe, investors should be aware that the Capital Requirements Regulation restricts an institution (credit institution, investment firm or 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 405 of the CRR ("**Article 405** "). In addition, article 406 of the CRR 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.

Pursuant to article 407 of the CRR, where an institution does not meet the requirements in articles 405, 406 or 409 of the CRR in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250 per cent of the risk weight (capped at 1,250 per cent.) which shall apply to the relevant securitisation positions in the manner specified in the CRR.

The AIFM

On 22 July 2013, Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers (" **AIFM**") became effective. article 17 of AIFM required the EU Commission to adopt level 2 measures similar to those set out in CRR, permitting EU managers of alternative investment funds ("**AIFMs**") to invest in a securitisation transaction on behalf of the alternative investment funds ("**AIFs** ") they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain on an ongoing basis, a material net economic interest of not less than 5 (five) per cent. in respect of certain specified credit risk tranches or asset exposures and also to undertake certain due diligence requirements. Commission Delegated Regulation (EU) No. 231/2013 (the "**AIFM Regulation**") included those level 2 measures. Certain requirements in the AIFM Regulation are similar to those which apply under the CRR, but however they are not identical. In particular, the AIFM Regulation requires AIFMs to ensure that the sponsor or originator of a securitisation transaction meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than the ones are imposed on prospective investors under the CRR. Furthermore, AIFMs who discover after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below 5 (five) per cent. of the economic risk, are required to take such corrective action as is in the best interests of investors. It is unclear how this last requirement is expected to be addressed by AIFMs should those circumstances arise. The requirements of the AIFM Regulation apply to new securitisations issued on or after 1 January 2011. If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing or margining obligations with respect to the Interest Rate Cap Agreement including obligations to post margin to any central clearing counterparty or market counterparty. See also "*EMIR*" below.

AIFM has been implemented in Italy through: (i) Legislative Decree No. 44 of 4 March 2014, (ii) a first regulation issued by the Bank of Italy in conjunction with CONSOB on 29 October 2007 (as amended from time to time, lastly on 19 January 2015) amending the existing legislation with regard to investment intermediaries ("*Regolamento congiunto in materia di organizzazione e procedure degli intermediari del 29 ottobre 2007*") and (iii) a further regulation issued by the Bank of Italy ("*Regolamento sulla gestione collettiva del risparmio*") on 19 January 2015. The two regulations under items (ii) and (iii) above entered into force on 3 April 2015.

The Solvency II Directive

Directive 2009/138/EU, as subsequently amended (the "**Solvency II Directive** ") requires the adoption by the European Commission of implementing measures that complement the high level principles set out in

the Solvency II Directive. On 10 October 2014, the European Commission adopted a Delegated Regulation (EU) 2015/35 (the "**Solvency II Regulation**"). Solvency II Regulation sets forth, among others, (i) the requirements that will need to be met by originators of asset-backed securities in order for EU insurance and reinsurance companies to be allowed to invest in such instruments (including, *inter alios*, the requirement that the originator, the sponsor or the original lender retains a material net economic interest in the underlying assets of no less than 5 (five) per cent.) (article 254); and (ii) the qualitative requirements that must be met by insurance or reinsurance companies that invest in such securities (including, *inter alios*, the requirement that insurance and reinsurance companies shall conduct adequate due diligence prior to make the investment, including an assessment of the commitment of the originator, sponsor or original lender to maintain a material net economic interest in the securitisation of no less than 5 (five) per cent.) on an ongoing basis) (article 256).

Certain aspects of the requirements and what is or will be required to demonstrate compliance to national regulators have been recently implemented while others remain unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of some investors, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be *provided that* such final materials will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The risk retention and due diligence requirements described above apply, or are expected to apply, in respect of the Notes. Prospective Noteholders should therefore make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

In the Intercreditor Agreement, the Junior Notes Subscription Agreement and the Second Subscription Agreement the Originator, also in its capacity as Junior Notes Subscriber, has agreed to comply with its obligation to retain a material net economic interest in the securitisation in accordance with option (1)(d) of article 405 of the CRR and Part IV, Chapter 8 of the Bank of Italy's guidelines No. 288 of 3 April 2015 (*Disposizioni di vigilanza per gli intermediari finanziari*), as subsequently amended, option (1)(d) of article 51 of the AIFM Regulation and option 2(d) of article 254 of the Solvency II Regulation. Accordingly, as at the Issue Date, the Originator will hold an interest in the Junior Notes which is not less than 5 per cent. of the nominal value of the securitised exposures. See also section headed "*Regulatory Disclosure and Retention Undertaking*" for further information.

Prospective Noteholders are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any and all relevant requirements applicable to it and none of the Issuer, the Restructuring Arranger, the Senior Notes Subscribers, the Junior Notes Subscriber, the Originator, the Servicer or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes. Prospective Noteholders who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non-compliance with the applicable provisions and any implementing rules in a relevant jurisdiction should seek guidance from their regulator.

The EU risk retention and due diligence requirements 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 may result in a negative impact on the price and liquidity of the Notes in the secondary market.

CRA3

Prospective investors are responsible for ensuring that an investment in the Notes is compliant with all applicable investment guidelines and requirements and in particular any requirements relating to ratings.

In this context, prospective investors should note the provisions of Regulation (EC) 1060/2009 on Credit Rating Agencies, as amended by Regulation 462/2013 (EU), (the "**CRA3**") which is effective as of 20 June 2013.

CRA3 provisions increase the regulation and supervision of credit rating agencies by ESMA (the European Securities and Markets Authority) and impose new obligations on (among others) issuers of securities established in the EU. In particular, issuers, originators and sponsors of structured finance instruments ("**SFI**") established in the European Union (which includes the Issuer and the Originator) must jointly publish certain information about those SFI on an *ad hoc* website maintained by ESMA (article 8(b) of CRA3). This includes information on, amongst others: (i) the credit quality and performance of the underlying assets of the SFI, (ii) the structure of the securitisation transaction (iii) the cash flows and any collateral supporting a securitisation exposure and (iv) any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures.

The CRA3 regulatory technical standards have been implemented through Regulation (EU) No. 2015/3 (the "**Regulation 2015/3**") which will apply from 1 January 2017, save for article 6(2) of the CRA3, which applies from 26 January 2015. Such technical standards specify:

(a) the information that the issuers, originators and sponsors must publish to comply with article 8b of CRA3;

(b) the frequency with which this information should be updated; and

(c) a standardised disclosure template for the disclosure of this information.

Furthermore, in accordance with such provision ESMA was expected to publish on its website by 1 July 2016 the technical instructions to be complied with by reporting entities in order to submit they data files containing the information to be reported starting from 1 January 2017. However, as at the date of this Prospectus, such technical instructions have not been published yet.

On 27 April 2016, ESMA published a statement clarifying its position with respect to the application of the securitisation disclosure obligations provided for under article 8(b) of CRA3 and its related expectations with respect to compliance. This statement confirmed that: (i) ESMA is unable to establish the new website required under article 8b of CRA3 for disclosures (and does not expect to publish corresponding technical specifications for the website); (ii) ESMA does not expect to be in a position to receive the information related to structured finance instruments from reporting entities from the initial application date of 1 January 2017; and (iii) ESMA expects that new securitisation legislation under the Capital Markets Union (CMU) action plan, which is currently in the legislative process, will provide clarity on future obligation regarding reporting on structured finance instruments. Please note that this statement does not formally repeal article 8(b) of CRA3, but it does provide comfort that ESMA does not expect compliance action to be taken under article 8(b) of CRA3 from the application date, thus effectively postponing the application of article 8(b) of CRA3 pending the securitisation-related legislative process under the CMU action plan.

The Issuer has appointed, pursuant to the terms of the Servicing Agreement, the Servicer (in its capacity as such) to act as the designated reporting entity for the purposes of complying with any applicable requirements under Article 8b of CRA3 and the corresponding implementing measures from time to time (including the disclosure and reporting requirements under articles 3 to 7 of Regulation No. 2015/3) (together, the "**Article 8b Requirements**") in respect of any relevant Notes issued by the Issuer in the context of the Securitisation.

Pursuant to the terms of the Servicing Agreement, the Servicer accepted its appointment as the designated reporting entity as described above and agreed on behalf of the Issuer to perform (or to procure the performance of) all activities as are required in order for the Issuer to comply with the Article 8b Requirements applicable to it from time to time in respect of any relevant Notes issued by the Issuer in the context of the Securitisation and to carry out such activities in accordance with the Article 8b Requirements and any related technical reporting instructions made by ESMA. Amongst others, on or after 1 January 2017, the Servicer will provide on behalf of the Issuer to ESMA notice of its appointment as the designated reporting entity for the purposes of complying with the Article 8b Requirements and to provide such notice in accordance with article 2(2) of Regulation (EU) No. 2015/3 and any corresponding formal guidance provided by ESMA.

EMIR

The Issuer will be entering into an interest rate cap transaction with the Interest Rate Hedging Counterparty, pursuant to the Interest Rate Cap Agreement (the "**Cap Transaction**"). Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("**EMIR**") establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. Although not all the technical standards specifying the risk-management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR are as yet finalised and it is therefore not possible to be definitive, investors should be aware that it is likely that certain provisions of EMIR would impose obligations on the Issuer in relation to the Interest Rate Cap Agreement including, without limitation, in relation to reporting transactions to a trade repository or ESMA. Pursuant to the Servicing Agreement, the Issuer has appointed the Servicer to carry out the portfolio reconciliation activity for the Issuer and any other obligation and formality required, from time to time, by EMIR and to be fulfilled by the Issuer, with the exception of any reporting activity required under EMIR under the Interest Rate Cap Agreement.

Under the Interest Rate Cap Agreement, the Interest Rate Hedging Counterparty has undertaken that it shall ensure that the details of the Cap Transaction will be reported to a trade repository on its own behalf and on behalf of the Issuer *provided that*, in the latter case, the Issuer has delegated such reporting to the Interest Rate Hedging Counterparty pursuant to a delegated reporting agreement. Pursuant to article 12(3) of EMIR any failure by a party to comply with the rules under Title II of EMIR should not make any Interest Rate Cap Agreement invalid or unenforceable. However, if any party fails to comply with the rules under EMIR it may be liable for a fine. If such a fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

Notwithstanding the above, if the Issuer is or were to be required to comply with any additional clearing, mitigation or margining obligations under EMIR, the Issuer might not be practically able to comply with such requirement and/or such requirements may: (a) give rise to additional costs and expenses for the Issuer, thus reducing amounts available to make payments under the Notes; and (b) require amendments to the Transaction Documents to be implemented.

Finally, under EMIR additional provisions or technical standards may come into force after the Issue Date and this may necessitate amendments to the Transaction Documents.

The European Parliament and Council have adopted Regulation (EU) No 2015/2365 of 25 November 2015 which was published in the Official Journal of the European Union on 23 December 2015 and took effect as of 12 January 2016 known as the Securities Financing Transactions Regulation ("**SFTR**"). The SFTR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**SFTR FCPs**"), such as investment firms, credit institutions, insurance companies and certain non-financial counterparties ("**SFTR Non-FCPs**"). Such requirements include, amongst other things, the reporting of each "Securities Financing Transaction" that has been concluded between SFTR FCPs and SFTR Non-FCPs, together with any modification or termination of a "Securities Financing Transaction", to a trade repository (the "**SFTR Reporting Obligation**"). The definition of Securities Financing Transaction includes a repurchase transaction, securities or commodities lending transaction, a buy-sell back transaction and a margin lending transaction and could potentially include the credit support annex which will form part of the Interest Rate Cap Agreement. ESMA has been tasked with drafting draft regulatory technical standards to be included in the reports prepared pursuant to the SFTR Reporting Obligation and published a consultation paper in September 2016. The final regulatory technical standards are yet to be finalised.

CFTC Regulations

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Commodity Futures Trading Commission ("**CFTC** ") has promulgated a range of new regulatory requirements (the "**CFTC Regulations**") that may affect the pricing, terms and compliance costs associated with the entry into the Interest Rate Cap Agreement by the Issuer and the availability of any replacement thereof. The Interest Rate Cap Agreement (or any replacement thereof) may be affected by (i) the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, (ii) initial and variation margin requirements of any central clearing organisation (with respect to cleared

swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, (iii) swap reporting and recordkeeping obligations, and other matters. These new requirements may significantly increase the cost to the Issuer of entering into a replacement of the Interest Rate Cap Agreement (should such need arise). This may have unforeseen legal consequences on the Issuer or have other material adverse effects on the Issuer or the Noteholders.

Limited nature of credit ratings

The credit ratings assigned to the Class A Notes reflect Moody's rating valuation by expected loss or, in the case of DBRS (and along with Moody's, the "**Rating Agencies**"), only of the expectation of default risk, where default risk is defined as the failure by the Issuer to make payment of principal and/or interest under the contractual terms of the rated obligations, and not that such payment of interest and/or repayment of principal will be paid when expected or scheduled. These ratings are based, among other things, on the Rating Agencies determination of the value of the Claims and of the reliability of the payments on the Claims.

The credit ratings are based on laws, regulations and practice, including as concerns tax matters, in effect at the date hereof and do not address the followings:

(a) the likelihood of any repayment of principal other than on or before the Final Maturity Date, such as the likelihood that the principal will be redeemed on the Class A Notes, as expected, on the scheduled redemption dates, whether in accordance with the Transaction Documents or not;

(b) the possibility of the imposition of Italian or European withholding taxes;

(c) the marketability of the Class A Notes, or any market price for the Class A Notes; or

(d) whether an investment in the Class A Notes is a suitable investment for a holder of the Class A Notes (including without limitation, any accounting and/or regulatory treatment).

A credit rating is not a recommendation to purchase, hold or sell the Class A Notes. Each Rating Agency may lower, revise, suspend or withdraw its ratings if, in its sole judgement, the credit quality of the Class A Notes has declined or is in question. If any credit rating assigned to the Class A Notes is lowered or withdrawn, the market value of the Class A Notes may be adversely affected.

Agencies other than the Rating Agencies could seek to rate the Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under the CRA3. As of the date of this Prospectus, both the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of the CRA3.

Events affecting the rating of the Class A Notes

The credit ratings which will be assigned to the Class A Notes by Moody's and DBRS on the Increase Date will be based on a number of different factors including (without limitation) the credit quality of the Claims, the transaction structure and documentation, certain events relating to the Servicer, the ratings of the Servicer, the Account Banks, the Back-up Servicer and the Paying Agent and reflect the views of the Rating Agencies. Future events such as any deterioration of the Portfolio, the unavailability or the delay in the delivery of information, the failure by the Transaction Parties to perform their respective obligations under the Transaction Documents and the revision, suspension or withdrawal of the rating of the unsecured, unsubordinated and unguaranteed debt obligations of third parties involved in the Securitisation could have an adverse impact on the credit ratings of the Class A Notes, which may be subject to revision or withdrawal at any time by the Rating Agencies. In addition, in the event of downgrading of the rating of the unsecured, unsubordinated and unguaranteed debt obligations of third parties involved in the Securitisation, there is

no guarantee that the Issuer will be in a position to secure a replacement for the relevant third party or there may be a significant delay in securing such a replacement and, consequently, the ratings of the Class A Notes may be affected.

Withholding tax under the Notes

As described in the section headed "*Taxation*" of this Prospectus, payments under the Notes may be subject to withholding for or on account of tax, or to a substitute tax, in accordance with Italian legislative decree No. 239 of 1 April 1996, as subsequently amended and supplemented. Upon the occurrence of any withholding for or on account of tax, or substitute tax, from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount to any holder of Notes of any Class.

The regulation and reform of benchmarks may adversely affect the value of Notes linked to such benchmarks

Rates and indices which are deemed to be benchmarks ("**Benchmarks**"), are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, 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 such a Benchmark. Regulation (EU) 2016/1011 (the "**Benchmark Regulation**") was published in the official journal of the EU on 29 June 2016 and will apply from 1 January 2018. The Benchmark Regulation applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. It will, among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of Benchmarks of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on any Notes linked to a rate or index deemed to be a Benchmark, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark.

More broadly, any of the international, national or other 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 following effects on certain Benchmarks: (i) discourage market participants from continuing to administer or contribute to such Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a Benchmark.

General risk factors

Performance of the Portfolio

The Portfolio is comprised of Lease Contracts which were classified as performing (*crediti in bonis*) by the Originator in accordance with the Bank of Italy's supervisory regulations as at the relevant Valuation Date. There can be no guarantee that the Lessees will not default under such Lease Contract or that they will continue to perform thereunder. It should be noted that adverse changes in economic conditions may affect the ability of the Lessees to repay the Lease Contract.

The recovery of overdue amounts in respect of the Lease Contracts will be affected by the length of enforcement proceedings in respect of the Portfolio, which in the Republic of Italy can take a considerable amount of time depending on the type of action required and where such action is taken.

Renegotiation of Lease Contracts

Under the Servicing Agreement, the Servicer has the right to agree, *inter alia*, on a request of renegotiation of the duration of the amortisation plan of a Lease Contract, or the suspension of the payment of the principal component of the instalments due under a Lease Contract, advanced by the relevant Lessee, subject to certain circumstances being met. In particular, a request to renegotiate, *inter alia*, the suspension of the payment of the principal component of instalments due under a Lease Contract and/or the duration of the amortisation plan of a Lease Contract may be agreed upon by the Servicer only if, *inter alia*, the outstanding amount of the Claims that have already been subject to renegotiation does not exceed certain thresholds on a cumulative aggregate basis.

The thresholds above will apply to voluntary renegotiations only (*i.e.* renegotiations which do not result from mandatory legislative measures as in force from time to time). For a description of the renegotiations that are permitted under the Servicing Agreement, see the section *"Description of the Transaction Documents - The Servicing Agreement"*.

As a consequence of the renegotiations, the composition of the Portfolio, as determined at the relevant Valuation Date (see section headed *"The Portfolio" below*), may change.

Effect on Lease Contracts of insolvency of Lessees or Originator

The impact of the insolvency of a lessee or a lessor under financial lease agreements (such as the Lease Contracts) is regulated under article 72-*quater* ("**Article 72-*quater***") of Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**"). Article 72-*quater* has been introduced by article 59 of Legislative Decree No. 5 of 9 January 2006 which amended the Bankruptcy Law.

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 Bankruptcy Law ("**Article 72**").

According to Article 72, in case a contract is still unexecuted or has not been completely executed by either party, when either of such parties is declared bankrupt (such as 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 (i) succeed under the contract the bankrupt party (*i.e.* the lessee) by assuming all of the relevant contractual obligations, or (ii) terminate such contract.

In the cases above the lessor can request the bankruptcy court (*giudice delegato*) to assign to the bankruptcy receiver a term of not more than 60 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 (*esercizio provvisorio*) of the business is provided, the lease contract continues to be in force unless the bankruptcy receiver declares the termination of the contract. In such a case of, the lessor is entitled to the restitution of the leased asset and is obliged to pay to the bankruptcy receiver the difference, if any, between (i) the higher amount received by the lessor from the sale or from other disposal of the leased asset, and (ii) the outstanding claims of the lessor in respect of principal under the lease contract; *provided however that* 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 Bankruptcy Law.

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

As far as the bankruptcy of the lessor is concerned, article 72- quater provides, with reference to the bankruptcy of companies authorised to carry out financial activity in the form of financial leases (such as

the Originator), that the lease contract continues. The lessee has 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.

Under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any amounts which may be owed by the Issuer as a result of the application of article 72-*quater* of the Bankruptcy Law. There can be no assurance that the Originator will have the financial resources to meet their respective obligations to indemnify the Issuer in the event that any such reduction arises.

Right to future receivables

Under the Transfer Agreements, if a Lease Contract is terminated, the Originator has undertaken to transfer to the Issuer, as assignment by way of satisfaction, the claims (i) relating to the purchase price due for the sale of the relevant Asset, or (ii) in case such leased Asset is leased to a new lessee, the claims deriving from the relevant new lease agreement, and in each case up to an amount calculated in accordance with the provisions of the Transfer Agreements (collectively, the "**Termination Claims**"). For further details see the section headed "*Description of the Transaction Documents - The Transfer Agreements*", below.

In the event that the Originator is or becomes insolvent, the court may treat the Issuer's claims to the Termination Claims as "future receivables". The Issuer's claims to any future receivables that have not yet arisen at the time of the Originator's admission to the relevant insolvency proceedings might not be effective and enforceable against the insolvency receiver of the Originator. It should however be noted that the Termination Claims were not taken into account for the purpose of determining the cash flows of the Securitisation or to make any estimate related therewith and with the Notes.

Benefit of the Assets

Under the Lease Contracts the lessor (*i.e.* 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 Claims.

In spite of this, the Issuer can nevertheless obtain the benefit of the proceeds generated by the sale of the leased assets in the event that the original Lease Contract is terminated. This is provided through the undertaking by the Originator to assign to the Issuer under the Transfer Agreements any sale proceeds deriving from the sale of the leased assets up to an amount calculated in accordance with the provisions of the Transfer Agreements.

If the Originator chooses not to sell the relevant leased asset but to lease it again by entering into a new lease agreement, the Originator shall, as an alternative to the assignment of the Termination Claims arising from such new lease contract, pay to the Issuer an amount equal to the Termination Claims in accordance with the provisions of the Transfer Agreements. For further details see the section headed "*Description of the Transaction Documents - The Transfer Agreements*", below.

It should however be noted that the benefit of the leased assets could not survive the bankruptcy or the compulsory liquidation of the lessor. For further details, see paragraph "*Rights to future receivables*" above.

Terms of the Lease Contracts

The Lease Contracts entered into by the Originator and the Lessees were entered into on the standard terms of the Originator which include, *inter alia*, (i) no express right for the Lessee to terminate the relevant Lease Contracts earlier than its stated expiration date, (ii) upon the expiration of each Lease Contracts, right of the Lessee to purchase the relevant Assets by paying the Residual Optional Instalments, and (iii) obligation of the Lessee to maintain the Assets in good working order and conditions and to bear all costs of managing and maintaining the Assets.

Whilst there can be no guarantee that there are no terms included in any of the Lease Contracts that do not affect in some way the value of the Claims or the enforceability of the Lease Contracts, the Originator has represented, in the Warranty and Indemnity Agreement, that the Lease Contracts conform to its standard form of lease agreements from time to time adopted. In addition, the Originator has represented that the Lease Contracts are legal and valid and constitute valid, binding and enforceable obligations of the relevant Lessees.

Claw back of the sales of the Claims

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the Originator is made within three months of the completion of the securitisation transaction (or, if earlier, of the purchase of the Portfolio) or, in cases where paragraph 1 of article 67 applies (*e.g.* if the payments made or the obligations assumed by the bankrupt party exceed by more than one-fourth the consideration received or promised), within six months of the completion of the securitisation transaction (or, if earlier, of the purchase of the Portfolio).

Insurance coverage

The Lease Contracts provide that the relevant Assets must be covered by the insurance policies insuring the Assets executed by a Lessee or the Originator in connection with, or as a condition of a Lease Contract (in such respect, "**Collective Insurance Policies**" means (i) the collective insurance policies (*polizza collettiva*) no. 8427304, 8427325 and 7610077 taken out by the Originator with Covéa Fleet S.A. pursuant to article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*) (ii) the collective auto vehicles insurance policy (*polizza collettiva autovetture*) no. DLI970000001 taken out by the Originator with Direct Line pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*), and (iii) the collective commercial vehicles insurance policy (*polizza collettiva veicoli commerciali* no. 80006000127/V and the collective commercial vehicles and trailers insurance policy no. 8006000128/W, DLI970000001 taken out by the Originator with Filo Diretto pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*) and "**Customer Insurance Policies**" means any insurance policy taken out by a Lessee in connection with, or as a condition of, a Lease Contract, including, without limitation, any insurance policy insuring the Assets. The Collective Insurance Policies and the Customer Insurance Policies are, collectively, referred to as the "**Insurance Policies**"). However, there can be no assurance that the Insurance Policies are or will be actually in place at all times after the execution of the relevant Lease Contracts, all risks that could affect the value of the Assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Assets and the ability of the relevant Lessee to pay the relevant Instalment.

Rights of set-off and other rights of the Lessees

Pursuant to article 1248 of the Italian law civil code, in the context of an assignment of monetary claims, notwithstanding the notification of the assignment to the debtor, the debtor retains the right to set-off any claims owed to him/her by the assigning creditor, *provided that* they arose prior to the notification date, against the amount due by him/her to the relevant owner, from time to time, of the assigned monetary claim.

The assignment of claims 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 provision, the Lessees are entitled to exercise rights of set-off in respect of amounts due under any Lease Contract to the Issuer against any amounts payable by the Originator to the Lessees which came into existence (were *crediti esistenti*) prior to the later of: (i) the publication of the notice of assignment of the relevant Claims in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the registration of such notice in the competent companies' register.

The above interpretation has been confirmed by article 4, paragraph 2 of the Securitisation Law, as amended by the *Destinazione Italia* Decree provides that assigned debtors in securitisation transactions shall not be entitled to exercise any set- off between the amounts due by them under the assigned receivables 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 has been paid.

Pursuant to the Master Transfer Agreement, the Originator can not assign any Claim if the relevant Lessee is the holder of any bank accounts, deposits, bonds or other securities which may be subject to a potential set-off against amounts due to the Originator by such Lessee.

Under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Lessee of a right of set-off. There can be no assurance that the Originator will have the financial resources to meet their respective obligations to indemnify the Issuer in the event that any such reduction arises.

Italian consumer protection legislation

Certain Lease Contracts qualify as consumer contracts, *i.e.* conracts entered into by individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities (the "**Consumers**"). In Italy, consumer contracts are regulated by, *inter alia*: (a) articles 121 to 126 of the Banking Act and (b) regulation of the Bank of Italy dated 9 February 2011 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*) as recently amended pursuant to Bank of Italy provision dated 15 July 2015.

The Lease Contracts entered into by Lessees qualifying as Consumers pursuant to the Italian Banking Act are regulated, *inter alia*, by article 1469 bis of the Italian civil code and by the legislative decree 6 September 2005, No. 206 (*Codice del consumo, a norma dell'articolo 7 della legge 29 luglio 2003, n. 229*) (the "**Consumer Code**"), which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith. Article 33 of the Consumer Code identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, *inter alia*, clauses which give the right to the non-consumer contracting party to (a) terminate the contract or (b) modify the conditions of the contract without reasonable cause. However, with regard to financial contracts, if there is a valid reason, the provider is empowered to modify the economic terms but must inform the consumer immediately; in this case, the consumer has the right to terminate the contract. Pursuant to article 36 of the Consumer Code, the following clauses, *inter alia*, are considered null and void as a matter of law and are not enforceable: (a) any clause which has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the non-consumer contracting party to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer party to be bound by clauses he has not had any opportunity to consider and evaluate before entering into the consumer contract. The Issuer has represented and warranted in the Warranty and Indemnity Agreement, and confirmed and repeated in the Master Transfer Agreement, that the Lease Contracts comply with all applicable laws and regulations.

Usury Law

The interest payments and other remuneration paid by the Borrowers under the Mortgage Loans are subject to Italian law No. 108 of 7 March 1996, as amended by law decree number 70 of 13 May 2011 (*Decreto Sviluppo*), as converted into Law No. 106 of 12 July 2011 (the "**Usury Law**"), which 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 (the last such decree having been issued on 26 September 2016). The Supreme Court, with two aligned decisions, No. 12028/2010 and No. 28743/2010, has clarified that in the calculation of the interest rate for the assessment of its compliance with the Usury Law, any costs and/or expenses, including overdraft (*commissione di massimo scoperto*), related to the relevant agreement (other than taxes and fees) shall also be considered. In addition, with the decision No. 350 issued by the Supreme Court on 9 January 2013 it has been further clarified that, for the purpose of the calculation of the usury rates also default interest (*interessi moratori*) shall be taken into account.

It should be noted in addition, even where the applicable Usury Rates are not exceeded, interest and other benefits and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific situations of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay them was in financial and economic difficulties. The provision of usurious interest, benefits or remuneration has the same consequences as non-compliance with the Usury Rates.

The Italian Government, with law decree No. 394 of 29 December 2000 (the "**Usury Law Decree**" and, together with the Usury Law, the "**Usury Regulations**"), converted into law by law No. 24 of 28 February 2001, has established, *inter alia*, that interest is to be deemed usurious only if the interest rate agreed by the parties exceeds the Usury Rate applicable at the time the relevant agreement is reached. The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be substituted with a lower interest rate fixed in accordance with parameters determined by the Usury Law Decree.

No official or judicial interpretation of it is yet available. However, the Italian Constitutional Court has rejected, with decision No. 29/2002 (deposited on 25 February 2002), a constitutional exception raised by the Court of Benevento (2 January 2001) concerning article 1, paragraph 1, of the Usury Law Decree (now reflected in article 1, paragraph 1 of the above mentioned conversion law No. 24 of 28 February, 2001). In so doing, it has confirmed the constitutional validity of the provisions of the Usury Law Decree which hold that interest rates may be deemed to be void due to usury only if they infringe Usury Regulations at the time they are agreed between the borrower and the lender and not at the time such rates are actually paid by the borrower.

Pursuant to the Warranty and Indemnity Agreements, the Originator has undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any loss or reduction on any interest as a result of any challenge in respect of the Usury Regulations. If a Lease Contract is found to contravene the Usury Regulations, the relevant Lessee might be able to claim relief on any interest previously paid and to oblige the Issuer to accept a reduced rate of interest, or potentially no interest on such Lease Contract. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

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 only (i) under an agreement subsequent to such accrual or (ii) 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 ("***usi***") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione)* No. 2374/99, No. 2593/03, No. 21095/2004 and No. 24418/2010) have held that such practices may not be defined as customary practices ("*uso normativo*").

As a result of the above, if the Lessees 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 Lease Contracts may be prejudiced.

Article 1, paragraph 629 of law No. 147 of 27 December 2013 (so called, "*Legge di Stabilità 2014*") amended article 120, paragraph 2, of the Consolidated Banking Act, providing that interests shall not accrue on capitalised interests. Moreover, it should also be noted that paragraph 2 of article 120 of the Consolidated Banking Act has been recently amended by article 17-*bis* of Law Decree No. 18 of 14 February 2016, converted into Law No. 49 of 8 April 2016. On 3 August 2016 the relevant implementation provisions, required by the second paragraph of article 120 of the Consolidated Banking Act (as amended), were enacted by CICR, establishing the methods and criteria of compounding of interest.

Such new provisions seem to partially permit compounding of interest but only in relation to certain limited cases (*i.e* overdraft facilities) and subject to the previous approval of the relevant debtor. The general principle would be the prohibition of any compounding of interest.

The impact of the new provisions of article 120, paragraph 2 of the Consolidated Banking Act on leasing contracts may not be predicted as at the date of this Prospectus.

Prospective Noteholders should note that the Originator has undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the interest on interest.

Article 182-bis of the Bankruptcy Law

Article 182-*bis* of the 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 per cent. 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 del 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, 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 become effective upon its publication in the companies register.

Starting from the mentioned publication and pending the bankruptcy court approval (*omologazione*) of the restructuring agreement, creditors of the entrepreneur with title acquired prior to the relevant publication are prevented to carry out any precautionary measures (*azione cautelare* or *esecutiva*) against the entrepreneur estate, nor to acquire any pre-emption rights unless agreed before the relevant publication.

Law No. 3 of 27 January 2012

Following the enactment of Law No. 3 of 27 January 2012, as subsequently amended ("**Law No. 3**"), a debtor who is neither subject nor eligible to be subject to ordinary insolvency proceedings in accordance with the Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors.

Law No. 3 applies to debtors who are not eligible to be adjudicated bankrupt under the Bankruptcy Law and who are in a state of over indebtedness ("*sovra-indebitamento*"), being a situation where there is a continuing imbalance between the debtor's obligations and his/her highly liquid assets which causes a considerable difficulty in fulfilling his/her obligations, or a definitive incapacity to duly perform his/her obligations. In addition, Law No. 3 also contemplates a specific type of restructuring procedure and restructuring plan for consumers.

A debtor in a state of over indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*O.C.C. - Organismo per la Composizione della Crisi*), a draft restructuring arrangement which shall ensure, *inter alia*, the regular payment of creditors having certain claims which cannot he attached (*impignorabili*) in accordance with article 545 of the Italian Civil Code.

Such draft restructuring arrangement will set out, among others, the revised terms for payments due to the creditors, the security interests which may be created to secure such payments and the conditions for the dismissal of the debtor's assets. If the debtor's assets and income are not sufficient to ensure the implementation of the draft restructuring arrangement, the debtor's obligations under the draft restructuring arrangement must be endorsed by one or more third parties who undertake to provide, also by way of security, additional assets or income.

Subject to certain conditions, the draft restructuring arrangement can provide for a (up to a one-year period) moratorium on payments due to creditors benefiting from pledges, mortgages or privileges, except in the case that the draft restructuring arrangement provide for the liquidation of the assets subject to security.

Upon filing of the draft restructuring arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order an hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft restructuring arrangement and the court decision need to be published and notified to the creditors. During the hearing, the judge may award an automatic stay up to the approval (*omologazione*) with respect to the enforcement actions over

the assets of the relevant debtor. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

A favourable vote of creditors representing at least 60 per cent. of the relevant claims is required for the approval of the draft restructuring arrangement (the silence of creditors being considered as a consent to the proposed draft).

Once the draft restructuring arrangement is approved, the competent body shall deliver to all creditors a report on the approval procedure attaching the restructuring arrangement and the relevant creditors may challenge such arrangement within 10 days of receipt of such report.

Upon expiry of such term the competent body will deliver the relevant report (including any challenge received and a feasibility assessment of the draft restructuring arrangement) to the competent judge who will be entitled, subject to appropriate final verification, to certify the restructuring arrangement.

The competent body will be in charge to supervise the due performance of the obligations arising from the relevant restructuring arrangement. Such arrangement, however, remains subject to termination or may be declared null and void in specific circumstances provided for by applicable law.

It is worth noting that such piece of legislation provides also for a liquidation procedure alternative to the restructuring arrangement: the judge appointed for the procedure is entitled to appoint a liquidator and to award an automatic stay up to the closing of the procedure with respect to the enforcement actions over the assets of the relevant debtor. The liquidator has the administration of the assets of the debtor, and has the task of determining the profits and losses of the latter. In case of disputes in respect of this determination, the judge is entitled to settle them. Following the closing of the procedure, and subject to certain conditions, the debtor is entitled to obtain the cancellation of the remaining debts (*esdebitazione*).

Should any Lessee enter into a proceeding set out by Law No. 3, the Issuer could be subject to the risk of having the payments due by the relevant Lessee suspended or part of its debts released.

Political and economic developments in the Republic of Italy and in the European Union

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 Lessees to repay the Claims.

The Issuer is affected by disruptions and volatility in the global financial markets. During the period between 2011 and 2012, the debt crisis in the Euro-zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund. More recently, in 2013, aid was also requested by Cyprus. It should be noted that the risk that certain EU Member States could exit from European Union and consequently from the single currency has become more consistent at the beginning of 2015, in particular with reference to Greece.

Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding. In particular, the credit ratings assigned to the Class A Notes, are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Class A Notes could be reduced.

In addition these potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes or have other unforeseen consequences relevant to the Noteholders. These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market's anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of the parties to the Transaction. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income

markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations. These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

The performance of the Notes may be adversely affected by the United Kingdom leaving the European Union

On 23 June 2016 the United Kingdom voted to leave the European Union in a referendum (the "**Brexit Vote**"). On 29 March 2017 the United Kingdom notified the European Council of its intention to withdraw from the European Union within the meaning and for the purposes of Article 50(2) of the Treaty on European Union. Article 50(2) requires that, in the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with the United Kingdom, setting out the arrangements for its withdrawal from the European Union, taking account of the framework for its future relationship with the Union. Article 50 requires that such agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union and concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament. Under Article 50(3) of the Treaty, the EU Treaties shall cease to apply to United Kingdom from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in Article 50(2), unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period. Absent such extension, and subject to the terms of any withdrawal agreement, the United Kingdom shall withdraw from the European Union no later than 29 March 2019. However, at this stage both the terms and the timing of the United Kingdom's exit from the European Union are not clear. Moreover, the nature of the relationship of the United Kingdom with the remaining EU member states (the "**EU27**") has yet to be discussed and negotiations with the EU on the terms of the exit have yet to commence. In addition to the economic and market uncertainty this brings (please see paragraph headed "*Market uncertainty*" below) there are a number of potential risks for the Securitisation that Noteholders should consider:

Legal uncertainty

A significant proportion of English law currently derives from or is designed to operate in concert with European Union law. This is especially true of English law relating to financial markets (including derivatives markets), financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality and market infrastructure. Depending on the timing and terms of the UK's exit from the EU, significant changes to English law in areas relevant to the Securitisation (including in particular the English Law Transaction Documents which are governed by English law). The Issuer cannot predict what any such changes will be and how they may affect payments of principal and interest to the Noteholders.

Market uncertainty

Since the Brexit Vote, there has been volatility and disruption of the capital, currency and credit markets, including the market for asset-backed securities.

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

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

Counterparty risk

Counterparties on the Transaction may be unable to perform their obligations due to changes in regulation, including the loss of existing regulatory rights to do cross-border business. Additionally, they may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the Brexit Vote. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on Noteholders.

Once the UK ceases to be a Member State of the EU, the current passporting arrangements will cease to be effective, as will the current mutual rights of access to market infrastructure and current arrangements for mutual recognition of bank recovery and resolution regimes. The ability of regulated financial institutions to continue to do business between the UK and the EU27 after the UK ceases to be a Member State of the EU would therefore be subject to separate arrangements between the UK and the EU27, in respect of which negotiations have not yet begun. There can be no assurance that there will be any such arrangements concluded and, if they are concluded, on what terms. Such uncertainty could adversely impact the ability of third parties who are regulated financial institutions to provide services to the Issuer and the Securitisation.

Rating actions

The Brexit Vote has resulted in downgrades of the UK sovereign and the Bank of England by Standard & Poor's and by Fitch. Standard & Poor's, Fitch and Moody's have all placed a negative outlook on the UK sovereign rating and that of the Bank of England, suggesting a strong possibility of further negative rating action.

The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties on the Transaction meaning that they cease to have the relevant required ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the Transaction with others who have the required ratings on similar terms or at all.

While the extent and impact of these issues is unknown, Noteholders should be aware that they could have an adverse impact on Noteholders and the payment of interest and repayment of principal on the Notes.

Certain payments on the Notes may be subject to U.S. withholding tax under FATCA

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. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Fixed and floating security

Security given under the English-law governed transaction documents, howsoever expressed, may take effect as a floating charge and thus on enforcement certain preferential creditors may rank ahead of the Issuer Secured Creditors.

Change of law

The structure of the transaction and, *inter alia*, the issue of the Notes and the ratings assigned to the Class A Notes, are based on Italian law (or English law in the case of the English Law Transaction Documents), tax and administrative practice in effect at the date hereof, 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, English law, tax or administrative practice will not change after the Increase Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

Projections, forecast and estimates

Forecasts and estimates set out 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, the projections are only estimates. Actual results may vary from projections and the variation 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. None of the Issuer, the Originator, the Restructuring Arranger or any other party to the Transaction Documents 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.

Potential conflicts of interest

The Restructuring Arranger and its affiliates has 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 may also perform multiple roles, including the Originator which, in addition to being the Originator, is also the Servicer. BNP Paribas Securities Services, through its Milan Branch is acting as Italian Account Bank, Agent Bank and Paying Agent, and through its London Branch is acting also as English Account Bank. Securitisation Services S.p.A. is the Representative of the Noteholders and also acts as Corporate Services Provider, Back-up Servicer and Computation Agent.

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

Investment Company Act of 1940

The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act. Because the Issuer intends to rely on the exemption from registration set out in Section 3(c)(7) of the Investment Company Act, any U.S. Person that acquires a direct or indirect interest in any of the Notes will be required to represent that such U.S. Person is a Qualified Purchaser ("**Qualified Purchaser**") as such term is defined in, and for purposes of the Investment Company Act. See also "*Volcker Rule*" below.

Volcker Rule

On 10 December 2013, five U.S. financial regulators approved a final rule to implement Section 13 of the Bank Holding Company Act of 1956, commonly known as the "**Volcker Rule**". The Volcker Rule became effective on 21 July 2015. Among other things, the Volcker Rule generally prohibits sponsorship of and investment in "covered funds" by "banking entities," a term that includes most internationally active banking organisations and their affiliates, though a banking entity may sponsor and invest in a covered fund in certain limited circumstances and subject to a number of exceptions. A sponsor or adviser to a covered fund is also prohibited from entering into certain "covered transactions" with that covered fund. Covered transactions include (among other things) entering into a swap transaction or guaranteeing notes if the swap or the guarantee would result in a credit exposure to the covered fund. The Volcker Rule includes as a covered fund any entity that would be an investment company under the Investment Company Act but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The Issuer intends to rely on Section 3(c)(7) and, therefore, absent an exemption, the Issuer would likely constitute a covered fund. The Issuer intends to qualify for the "**loan securitization exemption**", which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights (including

certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans.

In order to qualify for the loan securitization exemption, the Issuer will not be permitted to purchase securities (such as bonds and floating rate notes) and any other debt obligations that are not "loans" under and as defined in the Volcker Rule, other than Eligible Investments, which may limit or reduce the returns available to the Notes. No assurance can be made that the Issuer will qualify for the loan securitization exemption or for any other exclusion or exemption that might be available under the Volcker Rule.

If the Issuer is a covered fund, the Volcker Rule and its related regulatory provisions will impact the ability of certain entities (including, without limitation, "banking entities") from holding "**ownership interests**" in the Issuer. The Volcker Rule and interpretations thereunder are still uncertain, and may restrict or discourage the acquisition of the Notes by such entities, and may adversely impact the market price and liquidity of the Notes. Further, if a banking entity is considered the "**sponsor**" of the Issuer under the Volcker Rule, that banking entity may face a prohibition on covered transactions with the Issuer. This could adversely impact the ability of the banking entity to enter into new transactions with the Issuer and may require amendments to certain existing transactions and arrangements.

Each investor in the Notes must make its own determination as to whether it is subject to the Volcker Rule, whether its investment in the Notes would be restricted or prohibited under the Volcker Rule, whether any investment in any Class of Notes constitutes an "ownership interest" and the potential impact of the Volcker Rule on its investment, any liquidity in connection therewith and on its portfolio generally.

The "anti-deprivation" principle

The validity of contractual priorities of payments such as those contemplated in this transaction (the Priority of Payments and the Collateral Accounts 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) ("**flip clauses**") 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.

On 28 June 2016 the U.S. Bankruptcy Court issued a decision in *Lehman Brothers Financing Inc. v. Bank of America National Association et al. Case No. 10-3547 (In re Lehamn Brothers Holdings Inc.),* No. 10-03547 (Bankr S.D.N.Y. June 208, 2016). In this decision, the court held that not all priority of payment provisions would be unenforceable *ipso facto* clauses under the U.S. Bankruptcy Code. Instead, the court identified two materially distinct approaches to such provisions. Where a counterparty's automatic right to payment priority ahead of the noteholders is "flipped" or modified upon, for example such counterparty' s default under the swap document, the court confirmed that such priority provisions were unenforceable *ipso facto* clauses. Conversely, the court held that priority provisions where no right of priority is established until after a termination event under the swap documents has occurred were not ipso facto clauses and therefore fully enforceable. Moreover, even where the provisions at issue were *ipso facto* clauses, the court found that they were nonetheless enforceable under the Code's safe harbour provisions. Specifically, the court concluded that priority distribution was a necessary part of liquidation, which the safe harbour

provisions expressly protect. The court effectively limited the analysis in the BNY case to cases where the flip provisions are only in an indenture, and do not constitute part of the swap agreement. This judgment highlights the difference in approach taken between U.S. and English law on this subject although it significantly reduces the practical difference in outcome. There remain several actions in the U.S. commenced by debtors of Lehman Brothers concerning the enforceability of flip clauses and this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdiction 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 rated Class A Notes and/or the ability of the Issuer to satisfy all or any of its obligations under the rated Class A Notes.

Risk factors in relation to the Issuer

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for limited regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus. 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 (the "**Destinazione Italia Decree**"), 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 immediate di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014 (the "**Competitività Decree**"), introduce certain amendments to the Securitisation Law by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Securitisation Law. For further details with respect to such new legislation, please see the paragraphs headed *"Claims of Unsecured Creditors of the Issuer"* below, *"Rights of Set-Off and other rights of the Lessees"* above and the section headed *"Selected aspects of Italian Law – The Securitisation Law"*.

Source of payments to the Noteholders

The Notes will be direct and limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by any of the Representative of the Noteholders, the Co-obligor, the Computation Agent, the Account Banks, the Paying Agent, the Agent Bank, the Back-up Servicer, the Corporate Services Provider, the Interest Rate Hedging Counterparty, the Restructuring Arranger, the Senior Notes Subscribers, the Junior Notes Subscriber, IFIS Leasing (in any capacity) nor the quotaholder of the Issuer. None of any such persons, 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.

As at the date hereof, the Issuer's principal assets in respect of the Securitisation are the Claims. For a description of the Claims and the Criteria, see "*The Portfolio*" and "*The Transfer Agreements*".

The Issuer will not have any significant assets to be used for making payments under the Notes other than the Portfolio and the Issuer's Rights. Consequently, there is no assurance that, over the life of the Notes or at the redemption date of any Class of Notes (whether on the Final Maturity Date, upon redemption by acceleration of maturity following the service of an Issuer Acceleration Notice, or otherwise), there will be

sufficient funds to enable the Issuer to pay interest on the Class A Notes or Variable Return on the Junior Notes, and/or to repay the outstanding principal on the Notes in full.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on, *inter alia*, (i) the timely payment of amounts due under the Lease Contracts by the Lessees, (ii) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Portfolio, (iii) the support provided by the Cash Reserve; and (iv) the receipt of any other amounts required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the relevant Transaction Documents. The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. See "*Risk Factors – Credit risk on the Servicer and the other parties to the Transaction Documents*" below.

The Notes will be direct and limited recourse obligations solely of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes and any other amounts due in respect of the Notes only if and to the extent that the Issuer has sufficient Issuer Available Funds to make such payments in accordance with the applicable Priority of Payments. If there are not sufficient funds available to the Issuer to pay in full all principal and interest and any 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. After the Notes have become due and payable following the delivery of an Issuer Acceleration 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.

Upon enforcement of the Issuer Security, the Representative of the Noteholders will have recourse only to the Claims and to the assets charged and assigned pursuant to the English Deed of Charge and Assignment. Other than as provided in the Warranty and Indemnity Agreement, the Transfer Agreements, the Servicing Agreement and the Intercreditor Agreement, the Issuer and the Representative of the Noteholders will have no recourse to IFIS Leasing (in any capacity) or the Co-obligor or to any other entity including, but not limited to, in circumstances where the proceeds received by the Issuer from the enforcement of any particular Lease Contract are insufficient to repay in full the Claim in respect of such Lease Contract.

If, upon default by one or more Lessees under the Lease Contracts and after the exercise by the Servicer of all usual remedies in respect of such Lease Contracts, the Issuer does not receive the full amount due from those Lessees, then holders of the Class A Notes may receive by way of principal repayment an amount less than the face value of their Class A Notes and the Issuer may be unable to pay in full interest due on the Class A Notes.

No independent investigation in relation to the Claims and the Portfolio

None of the Issuer, the Restructuring Arranger nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Lease Contracts, nor has any of them undertaken or will undertake any other investigation, searches or other actions to verify the details of the Portfolio (including the Claims sold by the Originator to the Issuer), nor has any of such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the existence of the Claims or the creditworthiness of any Lessees or to ascertain whether or not the Lease Contracts contain provisions limiting the transferability of the Claims. There can be no assurance that the assumptions used in modelling the cash flows of the Claims and the Portfolio accurately reflect the status of the underlying Lease Contracts.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement. Among the remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty will be the requirement that the Originator indemnifies the Issuer for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement (see the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*", below). Such indemnification obligations undertaken by the Originator are unsecured claims of the Issuer and no assurance can be given that the Originator can or will pay the relevant amounts if and when due. None of the Issuer, the Restructuring Arranger or any other party to the Transaction Documents accepts any responsibility towards investors in relation to the regulatory treatment of their investment in the Notes in any jurisdiction.

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the scheduled Interest Payment Dates and the actual receipt of payments from the Lessees. The Issuer is also subject to the risk of, *inter alia*, default in payment by the Lessees and failure by the Servicer to collect or recover sufficient funds in respect of the Claims in order to enable the Issuer to discharge all amounts payable under the Notes. These risks are mitigated in respect of the Class A Notes only by (A) the credit support provided to Class A Notes by the subordination of the Junior Notes and (B) to a lesser extent, the credit support provided in respect of the Class A Notes by the Cash Reserve.

However there can be no assurance that the levels of credit support and collections and recoveries received from the Portfolio will be adequate to ensure punctual and full receipt of amounts due under the Notes.

Credit risk on the Servicer and the other parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Servicer and the other parties to the Transaction Documents of their respective obligations (including indemnity payment obligations) under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on: (i) the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Claims (if any); (ii) the Interest Rate Hedging Counterparty complying with its obligations under the Interest Rate Cap Agreement and (iii) the continued availability of hedging under the Cap Transaction. Prospective Noteholders should note that the Cap Transaction may be terminated in certain circumstances set out in the Interest Rate Cap Agreement, as further detailed below. In addition, the ability of the Issuer to make payments under the Notes may depend to an extent upon the due performance by the Originator of its obligations under the Warranty and Indemnity Agreement and by the Co-obligor under the Intercreditor Agreement. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

It is not certain that a suitable alternative Servicer could be found to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative Servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement.

For the purpose of reducing such risk, the Issuer appointed Securitisation Services S.p.A. as a back-up servicer (the "**Back-up Servicer**"). The Back-up Servicer will assume and perform all the obligations of the Servicer under the Servicing Agreement (on the terms of the Servicing Agreement). However, the ability of the Back-up Servicer to fully perform their respective duties would depend on the information and records available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Claims upon the substitution of the Servicer. No assurance can be given that Back-up Servicer will be available to act as successor servicer or continue to service the Portfolio on the same terms as those provided for by the Servicer. See for further details the section headed "*Description of the Transaction Documents - The Back-up Servicing Agreement*".

In addition, the Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections then held by the Servicer are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as requiring the Servicer to transfer any Collections to the Collection Account (which shall at all times be maintained with an Eligible Institution) on the second Business Day following receipt thereof. See for further details the section headed "*Description of the Transaction Documents - The Servicing Agreement*".

Interest rate risk

The Issuer expects to meet its floating rate payment obligations under the Class A Notes primarily from payments received from collections and recoveries made in respect of the Claims. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Class A Notes.

The Claims comprised in the Portfolio may either accrue (i) interest at a floating rate (the "**Floating Rate Claims**") or (ii) at a fixed rate (the "**Fixed Rate Claims**").

If the rate of EURIBOR or other applicable floating rate, as determined on the relevant reset dates under the relevant Lease Contracts, at which interest accrues on the relevant Floating Rate Claims is lower than the EURIBOR accruing on the Notes, as determined on the applicable Interest Determination Date, there is a risk that the yield on the Floating Rate Claims may not be sufficient to cover the interest due on the Class A Notes. This basis risk is partially mitigated by the credit enhancement provided by the subordination of the Class B Notes. However, the Issuer has also entered into the Cap Transaction with the Interest Rate Hedging Counterparty in order to partially hedge its potential interest rate risk exposure under the Class A Notes in an amount equal to the scheduled cap notional amount (which has been calculated as the principal amount outstanding of the Fixed Rate Claims on the basis of the scheduled amortisation profile of the Class A Notes (assuming, *inter alia*, zero defaults and arrears on, and no early repayment or termination of, the relevant Lease Contracts)) (the "**Scheduled Cap Notional Amount**").

In particular, under the Cap Transaction, the Issuer has hedged its potential interest rate risk exposure in a situation where the EURIBOR accruing on the Notes from time to time is higher than 1 (one) per cent. However, given that any potential payment by the Interest Rate Hedging Counterparty under the Cap Transaction is based on the Scheduled Cap Notional Amount and not on the actual principal amount outstanding of the Fixed Rate Claims from time to time, there is a risk that a portion of the Fixed Rate Claims remains unhedged. For so long as the EURIBOR accruing on the Class A Notes is less than 1 (one) per cent., the Cap Transaction offers no protection in respect of the Issuer's potential interest rate risk exposure and, therefore, the amounts available for distribution to the Noteholders may be reduced accordingly.

In addition, should the Interest Rate Hedging Counterparty fail to provide the Issuer with all amounts owing to the Issuer on or prior to any payment date under the Interest Rate Cap Agreement (or should the Cap Transaction be otherwise terminated), then the Issuer may have insufficient funds to make payments of principal and interest on the Class A Notes. See *"Description of the Transaction Documents - The Interest Rate Cap Agreement"*, below.

In addition, pursuant to the Master Transfer Agreement, the aggregate of the Outstanding Principal of the Claims arising from Lease Contracts which provide for a fixed rate of interest can not exceed 35% of the Outstanding Principal of all Claims comprised in the Portfolio as at the relevant Valutation Date.

However, prospective investors' attention is drawn to the fact that, in such circumstances, if the Issuer is not able to make payments due on the Notes, such non-payment would enable the Representative of the Noteholders to serve to the Issuer an Issuer Acceleration Notice in respect of the Notes.

Termination of the Interest Rate Cap Agreement

The Interest Rate Cap Agreement contains certain limited termination events and events of default which will entitle either party to terminate the Cap Transaction (see *"Description of the Transaction Documents - The Interest Rate Cap Agreement"* below). For example, the Issuer may terminate the Cap Transaction, *inter alia*, if the Interest Rate Hedging Counterparty is downgraded below certain rating thresholds set out in the Interest Rate Cap Agreement and the Interest Rate Hedging Counterparty fails to take such action as is required in the Interest Rate Cap Agreement to remedy such downgrade.

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

In the event of the insolvency of the Interest Rate Hedging Counterparty, to the extent that a termination payment is owed by the Interest Rate Hedging Counterparty to the Issuer that exceeds the value (if any) of the Collateral (whether in the form of cash and/or securities) posted by the Interest Rate Hedging Counterparty to the Issuer pursuant to the terms of the Interest Rate Cap Agreement, the Issuer will be treated as a general and unsecured creditor of the Interest Rate Hedging Counterparty in respect of any such claim. Consequently, the Issuer is exposed to the credit risk of the Interest Rate Hedging Counterparty in addition to the risk of the debtors of the Claims.

The Interest Rate Hedging Counterparty is required, pursuant to the terms of the Interest Rate Cap Agreement, to have certain minimum ratings from the Rating Agencies. Although contractual remedies are provided in the event of a downgrading of the Interest Rate Hedging Counterparty, any replacement

arrangement with a third party may not be as favourable as the terms of the Cap Transaction and the Class A Noteholders may be adversely affected as a result. For further details please see *"Description of the Transaction Documents - The Interest Rate Cap Agreement"* below.

Further Securitisation

The Issuer may, by way of a separate transaction, purchase (or finance pursuant to article 7 of the Securitisation Law) and securitise further portfolios of monetary claims in addition to the Claims (each, a "**Further Securitisation**").

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction carried out by a company are stated to be segregated from all other assets of the company and from those related to each other securitisation transaction, and, therefore, on a winding-up of such a company, such assets will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation. Accordingly, the right, title and interest of the Issuer in and to the Claims should be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to any Further Securitisation) and amounts deriving therefrom should be available on a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the payment of any amounts due and payable to the Other Issuer Creditors.

Although the Securitisation Law provides for the assets relating to a securitisation transaction carried out by the Issuer to be segregated and separated from those of the Issuer or of other securitisation transactions carried out by the Issuer, such as any Further Securitisation, this segregation principle will not extend to the tax treatment of the Issuer and should not affect the applicable methods of calculation of the net taxable income of the Issuer.

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to (i) the Claims, (ii) the Collections (to the extent that they are clearly identifiable as the Issuer's collections under the Claims), (iii) any monetary claims accrued by the Issuer in the context of the Transaction and arising under the Italian Law Transaction Documents, as well as (iv) any financial asset (including those constituting Eligible Investments) from time to time owned by the Issuer and held in an account located in Italy resulting from the investment of the cash referred to above will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law). No actions against such segregated assets may be taken by creditors other than the Noteholders. Any amount deriving from the Portfolio will be available both prior to and on or following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolio incurred by the Issuer. Amounts deriving from the Portfolio will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Portfolio would have the right to claim in respect of the Portfolio, even in a bankruptcy of the Issuer.

Please see the section headed *"Selected aspects of Italian Law – The Securitisation Law"*.

In addition, the Destinazione Italia Decree and the Competitività Decree have introduced the new paragraphs 2-*bis* and 2-*ter* to article 3 of the Securitisation Law, pursuant to which amounts standing to the credit of the accounts opened in the context of securitisation transactions may not be seized or attached by any person other than the Noteholders and may be applied only in or towards repayment of the asset backed securities, payments of amounts due, as well as for any other cost incurred by an issuer in connection with a securitisation transaction.

In particular, it is now provided under the Securitisation Law that the amounts paid by the assigned debtors and any other amount due to the special purpose vehicle under the securitisation 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 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 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, 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 the Destinazione Italia Decree and the Competitività Decree) have not been tested in any case law nor specified in any further regulation.

For further details with respect to the Destinazione Italia Decree and the Competitività Decree, 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 obligated 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 Securitisation have undertaken not to credit to the Accounts amounts other than those set out in the Agency and Accounts 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.

Prior to the commencement of winding up proceedings in respect of the Issuer, the Issuer will only be entitled to pay any amounts due and payable to any third parties who are not Other Issuer Creditors in accordance with the Priority of Payments and the Collateral Accounts Priority of Payments. Following commencement of winding up proceedings in respect of the Issuer, a liquidator would control the assets of the Issuer including the Portfolio, which would likely result in delays in any payments due to the Noteholders and no assurance can be given as to the length or costs of any such winding up proceedings.

Without prejudice to the right of the Representative of the Noteholders to enforce the Issuer Security and the ring-fencing under the Securitisation Law, the Conditions contain provisions stating, and each of the Other Issuer Creditors has undertaken pursuant to the Intercreditor Agreement, that no Noteholder or Other Issuer Creditor shall petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling two years and one day after the date on which the Notes and any other note issued in the context of any further securitisations undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

In addition, under Italian law, any other creditor of the Issuer who is not a party to the Intercreditor Agreement, an Italian public prosecutor (*pubblico ministero*), a director of the Issuer (who could not validly undertake not to do so) or an Italian court in the context of any judicial proceedings to which the Issuer is a party would be able to begin insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt. Such creditors could arise, for example, by virtue of unexpected expenses owed to third parties including those additional creditors that the Issuer will have as a result of the further securitisations undertaken by the Issuer. In order to address this risk, the Priority of Payments contains provisions for the payment of amounts to third parties. Similarly, monies to the credit of the Expenses Account may be used

for the purposes of paying the ongoing fees, costs, expenses, liabilities and taxes of the Issuer to third parties not being Other Issuer Creditors.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other securitisation transaction because the corporate object of the Issuer, as contained in its by-laws (*statuto*), is limited and the Issuer has provided certain covenants in the Intercreditor Agreement and in the Conditions which contain restrictions on the activities which the Issuer may carry out with the result that the Issuer may only carry out limited transactions.

No creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Creditors and any third-party creditors having the right to claim for amounts due in connection with this Securitisation would have the right to claim in respect of the Portfolio, even in a bankruptcy of the Issuer.

Notwithstanding the above, there can be no assurance that, if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Historical, financial and other information

The historical, financial and other information set out in the sections headed *"The Originator and the Servicer"*, and *"The Portfolio"*, including information in respect of collection rates, represents the historical experience of the Originator. There can be no assurance that the future experience and performance of the Originator, as Servicer of the Portfolio, will be similar to the experience shown in this Prospectus.

Tax treatment of the Issuer

Italian corporate entities are in principle subject to corporation tax ("**IRES**") at the current rate of 24 per cent and to regional tax on business activities ("**IRAP**") at the current rate of 3.9 per cent (IRAP rate may be increased in relation to the activities carried out in certain Italian regions). For banking and financial institutions, other than asset management companies, referred to in Legislative Decree 27 January 1992, no. 87, the IRES rate is increased to 27.5 per cent. and the IRAP rate is increased to 4.65 per cent.. As regards special purpose vehicles incorporated and operating under the Securitization Law, as from 2011 they are no longer required to be registered in the special register of financial companies provided for by article 106 of the Consolidated Banking Act; moreover, further to the abrogation of Legislative Decree 27 January 1992, no. 87, they have also been excluded from the Guidelines of the Bank of Italy of 9 December 2016 for financial institutions other than banks. Hence a question arises as to whether, considering the business activity actually carried out, the Issuer qualifies as a financial institution to which the 27.5 per cent. IRES and the 4.65 per cent. IRAP rate apply. In the absence of any official clarification by the Italian tax authorities, according to certain interpretations, due regard should be given to the type of activity carried out by the Issuer in the context of the transaction as described in this Prospectus and, therefore, the Issuer could be subject to the 27.5 per cent. IRES and to the 4.65 per cent. IRAP rates applicable to banking and financial institutions. Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986 (the "**Decree No. 917**"). Pursuant to the current regulations issued by the Bank of Italy, the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Claims will be treated as off-balance sheet assets and liabilities, costs and revenues (except for overhead and general expenses and any amount that the Issuer may apply out of the available funds for the payment of such overhead and general expenses).

Based on the general rules applicable under Decree No. 917 the taxable income should be calculated on the basis of the on-balance sheet earnings (as opposed to the off-balance sheet earnings), subject to such adjustments as are specifically provided for by applicable income tax rules and regulations (Decree No. 917).

On this basis, no taxable income should accrue to the Issuer in the context of the Securitisation as any and all amounts deriving therefrom are specifically targeted at the fulfilment of the obligations owed to the Noteholders and to third party creditors in respect of the securitisation of the Claims in compliance with applicable laws. This opinion has been confirmed by the Italian tax authority (Circular No. 8/E issued by the Italian Tax Authority (*Agenzia delle Entrate*) on 6 February 2003) on the grounds that 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 issuer's obligations towards 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. With Circular number 8/E of 6 February 2003, the Italian Tax Authority has taken the position that only amounts, if any, available to securitisation vehicles after fully discharging their obligations to the noteholders and any other creditors of the securitisation vehicles in respect of any costs, fees and expenses in relation to securitisation transactions should be imputed for tax purposes to the securitisation vehicles. Consequently, according to such view, the Issuer should not have any taxable income if no amounts are available to the Issuer after discharging all its obligations deriving from and connected to the Securitisation.

It is however possible that the Italian tax authorities issue tax assessments, audits, regulations, circular letters or generally binding rules relating to the Securitisation Law which might alter or affect the above treatment, or that any competent court may take a different view with respect to the tax position of the Issuer as described above. Pursuant to Legislative Decree No. 141 of 13 August 2010 which modified article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer requested to be registered as financial intermediary under article 106 of the Consolidated Banking Act while it is recorded in the register for securitization vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 30 September 2014. Following this change in law, the Italian tax authorities have not changed its tax guidelines.

Any interest accrued on the accounts held by the Issuer with Italian resident banks or with Italian permanent establishment of foreign banks, is subject to an advance 26 per cent withholding tax pursuant to Article 26, paragraph 2 and 4, of the Presidential Decree No. 600 of 29 September 1973. Pursuant to Article 79 of Decree No. 917, the 26 per cent withholding tax levied is deductible against the taxes payable by the Issuer, *provided that* the interest, on which the advance withholding tax is applied, is included in the Issuer's taxable income as clarified by the Italian tax authority (Ruling No. 222/E on 5 December 2003). The Italian tax authority (Ruling No. 77/E issued on 4 August 2010) has clarified that the above-mentioned requirement cannot be deemed as satisfied until the receivables are segregated for the purpose of the securitization transaction. At the end of the securitization transaction, the withholding tax levied in excess of the corporate income tax due can be carried forward to the following tax period or claimed for refund with the Italian tax authority. The refund is taxable income in the hands of the Issuer/recipient if the notes have already been cancelled upon payment of the refund and the refund is retained by the Issuer.

Consideration paid by the Issuer for the services concerning the transferred receivables and rendered to it:

(i) as credit collection and payment services (including any strictly related activities), should be subject to VAT although exempt (0 per cent rate) pursuant to Article 10, paragraph 1, No. 1, of Presidential Decree No. 633 of 26 October 1972 (the "**Decree No. 633**"); and

(ii) as credit recovery services (*attività di recupero crediti*), will be subject to VAT at the current rate applicable. If the Italian tax authorities argue – on the basis of, *inter alia*, a judgment of the ECJ in the case of Commissioners for Her Majesty Revenue and Customs vs AXA UK Plc (Case C-175/09, October 28, 2010) and or certain statements of the Ruling of the Italian Revenue Agency (Agenzia delle Entrate) No. 130/E of 6 June 2007 – that the complex of management and collection activities concerning the transferred receivables constitutes a credit recovery service (*attività di recupero crediti*), not falling within the scope of the VAT exemption generally provided for by Article 10, paragraph 1, No. 1, of Decree No. 633, all the servicing fees will be subject to VAT at the current rate. In this case, the economic burden of the VAT will be borne by the Issuer.

Registration Tax on transfer of Claims

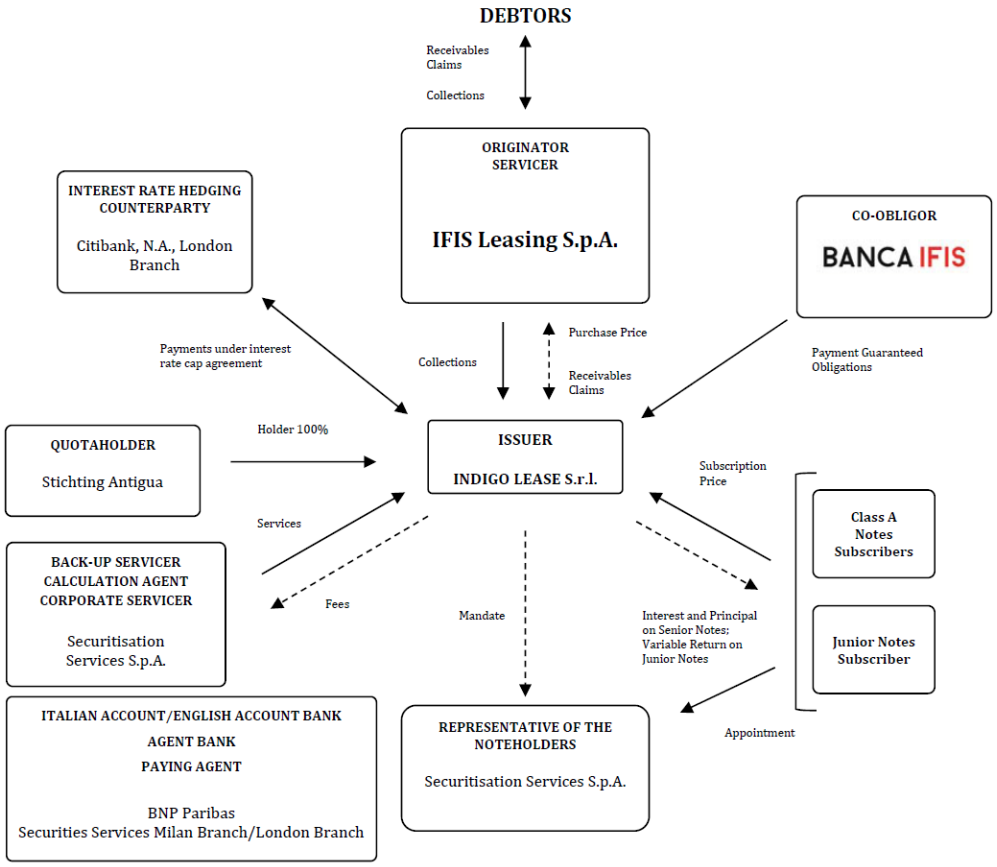
A transfer of receivables falls within the scope of VAT, being VAT exempt if (i) it has a "financial purpose" pursuant to article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to article 3, paragraph 1 of the above mentioned Presidential Decree. In this respect, a transfer of receivables in the context of a securitisation transaction should be considered a "financial transaction" carried out with a " financial purpose" since (a) the Originator transfers the Receivables to the Issuer in order to enable the latter to raise funds (through the issuance of Notes collateralised by the receivables) to be advanced to the Originator as a purchase price of the Claims; (b) the Issuer will effectively be entitled to retain for itself all collection and recoveries proceeds of the claims to the extent necessary to repay the principal amount of the Notes and to pay interest thereon and all costs borne by the Issuer in the context of the Securitisation. The consideration should amount to the discount applied on the Claims. However, if the Italian tax authorities were to argue that the transfer of Claims does not fall within the scope of VAT, a 0.5 per cent registration tax (pursuant to the provisions of article 6 of

Tariff – Part I attached to Decree of 26 April 1986, No. 131 ("**Decree 131/1986**") and article 49 of such Decree) would be payable on the nominal value of the transferred Claims in case of registration of the Transfer Agreements, or in a "*caso d'uso*" event affecting the Transfer Agreements pursuant to article 6 of the same Decree or in the event of mention in a document executed by the same parties and subject to registration pursuant to the *enunciazione* principle provided for by article 22 of the Decree.

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

STRUCTURE DIAGRAM

The following structure diagram does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this structure diagram.



TRANSACTION OVERVIEW

The following information is an overview of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.

Certain terms used in this section, but not defined, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is contained at the end of this Prospectus, commencing on page 224.

1. THE PRINCIPAL PARTIES

Issuer	Indigo Lease S.r.l. (the "**Issuer**"), a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata*, having its registered office at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), with a quota capital of Euro 10,000.00 (fully paid up), fiscal code and enrolment with the companies register of Treviso-Belluno number 04830440261, enrolled in the register of the special purpose vehicles held by the Bank of Italy pursuant to the regulation of the Bank of Italy dated 30 September 2014 (*albo delle società veicolo tenuto dalla Banca d'Italia ai sensi del Provvedimento del Governatore della Banca d'Italia del 30 settembre 2014*) under number 35310.2 and having as its sole corporate object the performance of securitization transactions under Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**").
Originator	IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.) a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Vecchia di Cuneo, 136, 12084, Loc. Pogliola, Mondovì (CN), Italy, registered with the companies' register of Cuneo under No. 00596300046 and with the register held by the Bank of Italy pursuant to article 106 of the Italian legislative decree No. 385 of 1 September 1993, as amended from time to time (the "**Consolidated Banking Act**") (so called "*Albo Unico*") under No. 83, a company with a sole shareholder, which is part of Banca IFIS Banking Group (the "**Originator**" or "**IFIS Leasing**").
Servicer	IFIS Leasing (the "**Servicer**"). The Servicer will act as such pursuant to the terms of a servicing agreement dated 1 December 2016 (the "**Initial Execution Date**") between the Issuer, the Servicer and the Co-obligor (as amended and/or restated from time to time, the "**Servicing Agreement**").
Representative of the Noteholders	Securitisation Services S.p.A., a company incorporated under the laws of the Republic of Italy, having its registered office at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of €2,000,000 (fully paid up), fiscal code and enrolment with the companies register of Treviso-Belluno number 03546510268, enrolled under number 50 in the register of Financial Intermediaries (*albo degli intermediari finanziari*) held by Bank of Italy pursuant to

	article 106 of the Consolidated Banking Act, subject to the activity of direction and coordination (*attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A. (the "**Representative of the Noteholders**"). The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Intercreditor Agreement and the Mandate Agreement.
Co-obligor	Banca IFIS S.p.A., a bank organised as a joint stock company (*società per azioni*), incorporated under the laws of the Republic of Italy, listed on the Italian Stock Exchange (registration No. 02505630109), with registered office at Via Terraglio, 63, Mestre, registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 5508 ("**Banca IFIS**") is co-obligated with the Originator and the Servicer pursuant to the terms of the Intercreditor Agreement in relation to the performance of their respective obligations under the Transaction Documents to which they are parties.
Computation Agent	Securitisation Services S.p.A., is the computation agent to the Issuer (in such capacity, the "**Computation Agent**"). The Computation Agent will act as such pursuant to the terms of an agency and accounts agreement dated 13 December 2016 (the "**Signing Date**") between the Issuer, the Representative of the Noteholders, the Computation Agent, the Back-up Servicer, the Italian Account Bank, the Paying Agent, the Agent Bank, the English Account Bank, the Servicer, the Originator, and the Interest Rate Hedging Counterparty (as amended and/or restated from time to time, the "**Agency and Accounts Agreement**").
Italian Account Bank	BNP Paribas Securities Services, Milan branch, a French *société en commandite par actions* with capital stock of € 177,453,913, having its registered office at 3, Rue d'Antin, Paris, France, operating for the purpose hereof through its Milan branch offices at Piazza Lina Bo Bardi, 3, 20124, Milan, Italy, registered with the companies' register held in Milan, at number 13449250151, fiscal code and VAT number 13449250151, enrolled in register of banks held by the Bank of Italy at number 5483 is the Italian account bank (in such capacity, the "**Italian Account Bank**"). The Italian Account Bank will act as such pursuant to the Agency and Accounts Agreement.
Paying Agent	BNP Paribas Securities Services, Milan branch is the paying agent (in such capacity, the "**Paying Agent**"). The Paying Agent will act as such pursuant to the Agency and Accounts Agreement.
Agent Bank	BNP Paribas Securities Services, Milan branch is the agent bank (in such capacity, the "**Agent Bank**"). The Agent bank will act as such pursuant to the terms of the Agency and Accounts Agreement.
English Account Bank	BNP Paribas Securities Services, London branch, a French *société en commandite par actions* with capital stock of € 177,453,913, having its registered office at 3, Rue d'Antin, Paris, France, operating for the purpose hereof through its

	London Branch located in 10 Harewood Avenue, London NW1 6AA, United Kingdom, or any other person for the time being acting as such is the English account bank (in such capacity, the "**English Account Bank**"). The English Account Bank will act as such pursuant to the Agency and Accounts Agreement.
Back-up Servicer	Securitisation Services S.p.A. is the back-up servicer (the "**Back-up Servicer**"). The Back-up Servicer will act as such pursuant to the terms of the Back-up Servicing Agreement.
Corporate Services Provider	Securitisation Services S.p.A. is the corporate services provider to the Issuer (in such capacity, the "**Corporate Services Provider**"). The Corporate Services Provider will act as such pursuant to the Corporate Services Agreement.
Quotaholder	Stichting Antigua, is a Dutch foundation (*stichting*) established under the laws of The Netherlands, the statutory seat of which is at Amsterdam (The Netherlands), HN Barbara Strozzilaan 101 (the "**Quotaholder**").
Interest Rate Hedging Counterparty	Citibank, N.A. London Branch, registered as a branch in the United Kingdom at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, registered number BR001018, being the branch of a national bank organised under the laws of the United States of America is the interest rate hedging counterparty (the "**Interest Rate Hedging Counterparty**") an interest rate cap transaction (the "**Cap Transaction**") entered into pursuant to a 1992 ISDA Master Agreement (MultiCurrency - Cross Border) and the schedule and the credit support annex thereto between the Issuer and the Interest Rate Hedging Counterparty (the "**Interest Rate Cap Agreement**"). An amount equal to the premium payable under the Cap Transaction by the Issuer to the Interest Rate Hedging Counterparty was paid on the Issue Date directly out of the proceeds of the issue of the Class B Notes.
Restructuring Arranger	FISG S.r.l., a company incorporated under the laws of the Republic of Italy, having its registered office at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of €50,000.00 (fully paid up), fiscal code and enrolment with the companies register of Treviso-Belluno number 04796740266, subject to the activity of direction and coordination (*attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A. (the "**Restructuring Arranger**").
Junior Notes Subscriber	IFIS Leasing.
Retention Holder for the purposes of the CRR, AIFM Regulation and Solvency II Regulation	IFIS Leasing.

2. THE PRINCIPAL FEATURES OF THE NOTES ***

The Existing Notes	The Existing Notes were issued by the Issuer on 15 December 2016 (the "**Issue Date**") in the following Classes:
Existing Senior Notes	€366,300,000 Class A Asset-Backed Floating Rate Notes due 2029; and
Existing Junior Notes	€138,000,000 Class B Asset-Backed Variable Return Notes due 2029.
Existing Senior Notes Principal Amount Outstanding	€226.953.358,48
Existing Junior Notes Principal Amount Outstanding	€138,000,000
Increased Principal Amount of the Senior Notes	The Class A Notes Increased Principal Amount is equal to € 150,682,655.70 and is to be consolidated and form a single series with the Principal Amount Outstanding of € 226.953.358,48 of the Existing Class A Notes as at the Increase Date.
Increased Principal Amount of the Junior Notes	The Class B Notes Increased Principal Amount is equal to € 31,700,000 and is is to be consolidated and form a single series with the Principal Amount Outstanding of € €138,000,000 of the Existing Class B Notes as at the Increase Date.
Senior Notes Increased Notional Amount	The notional amount of the Existing Senior Notes has been increased by the Issuer by € 243,200,000 on the Increase Date.
Junior Notes Increased Notional Amount	The notional amount of the Existing Junior Notes has been increased by the Issuer by € 31,700,000 on the Increase Date.
Aggregate Notional Amount	On the Increase Date, the notional amount of the Notes results as follows: €609,500,000 Class A Asset-Backed Floating Rate Notes due 2029; and €169,700,000 Class B Asset-Backed Variable Return Notes due 2029.
Aggregate Principal Amount Outstanding of the Class A Notes (as increased)	€ 377, 636, 014.18
Issue Price of the Notes (as increased)	
Class	*Issue Price*
Class A Notes Increased Notional Amount	100 per cent.
Junior Notes Increased Notional Amount	100 per cent.
Interest on the Class A Notes	The Class A Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the

following margin above EURIBOR for one-month deposits in Euro (so long as no Issuer Acceleration Notice has been served and except in respect of the first Interest Period where an interpolated interest rate based on one-month and two-month deposits in Euro will be substituted for one-month EURIBOR):

Class A Notes: 0.80 per cent. per annum.

The EURIBOR applicable to the Class A Notes for each Interest Period will be determined on the date falling two Target2 Days prior to the Interest Payment Date at the beginning of such Interest Period (except in respect of the first Interest Period, where the applicable EURIBOR will be determined two Target2 Days prior to the Issue Date).

Interest in respect of the Class A Notes will accrue on a daily basis and will be payable in arrear in Euro on each Interest Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Class A Notes was made on the Interest Payment Date falling in 25 January 2017 in respect of the period from (and including) the Issue Date to (but excluding) such date.

The applicable EURIBOR in respect of any Interest Period may be a negative rate provided that it shall be subject to a floor of minus 0.80 per cent.

"**Interest Payment Date**" means: (a) prior to the service of an Issuer Acceleration Notice, the 25th calendar day of each month (or, if any such date is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day), the first of such dates being 25 January 2017; and (b) following the service of an Issuer Acceleration Notice, the day falling 3 Business Days after the Accumulation Date (if any) or any other Business Day nominated by the Representative of the Noteholders.

"**Principal Amount Outstanding**" means, on any date, (i) the principal amount of a Note or a Class of Notes upon issue, *minus* (ii) the aggregate amount of all Principal Payments which have been paid prior to such date, in respect of such Note or Class of Notes.

"**Principal Payment**" means the principal amount redeemable in respect of each Note on any Interest Payment Date pursuant to Condition 7(e) (*Mandatory redemption of the Notes*).

"**Target2 Day**" means any day on which the TARGET2 is open.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**Accumulation Date**" means, following the service of an Issuer Acceleration Notice, the earlier of: (i) each date on which the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments to be made in accordance with the Post-Enforcement Priority of Payments shall be equal to at least one per cent of the aggregate Principal Amount Outstanding of all Classes of Notes and (ii) each day falling 3 (three) Business Days before the day that, but for the service of an Issuer Acceleration Notice, would have been an Interest Payment Date.

Variable Return on the Junior Notes

The Junior Notes will accrue interest in an amount equal to the Variable Return (if any) calculated in accordance with Condition 6 (*Interest*), payable in euro in arrear on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 8 (*Payments*).

The Variable Return payable on the Junior Notes on each Interest Payment Date will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Variable Return on the Junior Notes in accordance with the applicable Priority of Payments.

Form and denomination of the Notes

The Notes are issued in bearer form and are to be held in dematerialised form (*emesse in forma dematerializzata*) by Monte Titoli S.p.A, having its registered office at Piazza degli Affari, 6, 20123 Milan, Italy ("**Monte Titoli**") on behalf of the Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder.

"**Monte Titoli Account Holders**" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System).

"**Relevant Clearing System**" means Clearstream Banking S.A., having its registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg ("**Clearstream**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System, having its registered office at 1, Boulevard du Roi Albert II B, 1210 Brussels, Belgium ("**Euroclear**").

Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of Article 83-*bis* and following of the Financial Laws Consolidation Act and with the Regulation of 22 February 2008 of Consob and the Bank of Italy regarding the discipline of central dematerialised management (*servizi di gestione accentrata*), of liquidation, of guarantee systems and the relevant management companies, both as subsequently amended and supplemented.

No physical document of title will be issued in respect of the Notes.

The minimum authorised denomination of the Senior Notes will be €100,000 *plus* integral multiples of €1,000 in addition to the said sum of €100,000. The minimum authorised denomination of the Junior Notes will be €100,000 *plus*

integral multiples of €1,000 in addition to the said sum of €100,000.

Ranking, status and subordination

In respect of the obligations of the Issuer to pay interest and to repay principal on the Notes, the terms and conditions of the Notes (the "**Conditions**") and the Intercreditor Agreement provide that:

(a) in respect of the obligations of the Issuer to pay interest (including any Variable Return) on the Notes prior to the service of an Issuer Acceleration Notice:

(A) the Class A Notes will rank *pari passu* without any preference or priority among themselves and in priority to the Junior Notes; and

(B) the Junior Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment of interest and repayment of principal (up to the applicable Class A Notes Formula Redemption Amount) on the Class A Notes;

(b) in respect of the obligations of the Issuer to repay principal on the Notes, prior to the service of an Issuer Acceleration Notice:

(A) the Class A Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment of interest in respect of the Class A Notes and in priority to repayment of principal on the Junior Notes; and

(B) the Junior Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment of interest and repayment of principal on the Class A Notes, and no amount of principal in respect of the Junior Notes shall become due and payable or be repaid until redemption in full of the Class A Notes;

(c) in respect of the obligations of the Issuer (a) to pay interest and (b) to repay principal on the Notes following the service of an Issuer Acceleration Notice or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(c) (*Optional redemption of the Notes*) or Condition 7(d) (*Optional redemption for taxation, legal or regulatory reasons*):

(A) the Class A Notes will rank *pari passu* without any preference or priority among themselves and in priority to payment of interest and repayment of principal on the Junior Notes; and

(B) the Junior Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment in full of all amounts due under the Class A Notes and no amount of principal in respect of the Junior Notes shall

become due and payable or be repaid until redemption in full of the Class A Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. Each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds net of any claims ranking in priority to or *pari passu* with such claims in accordance with the applicable Priority of Payments. The Conditions and the Intercreditor Agreement set out the order of priority of application of the Issuer Available Funds.

Withholding on the Notes

As at the date of this Prospectus, payments of interest, Variable Return and other proceeds under the Notes may be subject to withholding or deduction for or on account of Italian tax, in accordance with Decree 239. Upon the occurrence of any withholding or deduction for or on account of tax from any payments under the Notes, neither the Issuer nor any other person shall have any obligation to pay any additional amount(s) to any holder of the Notes. For further details see section headed "*Taxation*".

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

Final Maturity Date

Unless previously redeemed in full, the Notes are due to be repaid in full at their Principal Amount Outstanding on the Final Maturity Date. The Notes, to the extent not redeemed in full on their Final Maturity Date, shall be cancelled.

Cancellation Date

The Notes will be cancelled on the "**Cancellation Date**" which is the later of (i) the last Business Day in July 2030; (ii) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (iii) the date when all the Claims then outstanding will have been entirely written off by the Issuer.

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which (i) the Portfolio, (ii) the Collections (to the extent that they are clearly identifiable as the Issuer's collections under the Claims), (iii) any monetary claims accrued by the Issuer in the context of the Securitisation, as well as (iv) any financial asset (including those constituting Eligible Investments) from time to time owned by the Issuer in the context of the Securitisation are segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Portfolio will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. See for further details the section headed: "*Selected Aspects of Italian Law - Ring-fencing of the assets*".

The (i) Portfolio, (ii) Collections (to the extent that they are clearly identifiable as the Issuer's collections under the Claims), (iii) any monetary claims accrued by the Issuer in

the context of the Securitisation, as well as (iv) any financial asset (including those constituting Eligible Investments) from time to time owned by the Issuer in the context of the Securitisation may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of an Issuer Acceleration Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's non-monetary rights, powers and discretion under certain 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 powers.

Events of Default

Each of the following events shall constitute an "**Event of Default**":

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

(A) to repay any amount of principal in respect of the Senior Notes (as resulting from the relevant Payments Report) within 5 (five) Business Days of the due date for repayment of such principal; or

(B) to pay any Class A Interest Amount in respect of the Class A Notes within 5 (five) Business Days of the relevant Interest Payment Date; or

(b) *Breach of other obligations*

the Issuer fails to perform or observe any of its other obligations under or in respect of the Senior Notes (other than any obligation for the repayment of principal and payment of any Class A Interest Amount in respect of the Class A Notes pursuant to (a) above), the Intercreditor Agreement or any other Transaction Document to which it is a party and such default is, in the reasonable opinion of the Representative of the Noteholders, (i) incapable of remedy or (ii) capable of remedy, but remains un-remedied for 30 days or such longer period as the Representative of the Noteholders may agree (in its sole discretion) after the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Senior Noteholders and requiring the same to be remedied; 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) *Failure to take action*

any action, condition or thing at any time required to be taken, fulfilled or done in order:

(A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes of the Most Senior Class and the Transaction Documents to which the Issuer is a party; or

(B) to ensure that those obligations are legal, valid, binding and enforceable,

is not taken, fulfilled or done at any time and the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders of the Most Senior Class and requiring the same to be remedied; or

(e) *Insolvency Event*

an Insolvency Event occurs with respect to the Issuer; or

(f) *Unlawfulness*

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; or

(g) *Ineffective Security*

the Issuer Security becomes invalid, ineffective or unenforceable.

Following the occurrence of an Event of Default the Representative of the Noteholders:

(i) in the case of the occurrence of any of the events mentioned under (a) (*Non-payment by the Issuer*), (d) (*Failure to take action*), (e) (*Insolvency Event*), (f) (*Unlawfulness*) and (g) (*Ineffective Security*) above, shall; and

(ii) in the case of the occurrence of any of the events mentioned under (b) (*Breach of other obligations*) and (c) (*Breach of Representations and Warranties*

by the Issuer) above may, at its sole discretion, and shall:

(A) if so directed in writing by the holders of at least three-fourths of the Principal Amount Outstanding of the Most Senior Class of Notes; or

(B) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

deliver an Issuer Acceleration Notice in each case subject to having been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

Upon the service of an Issuer Acceleration Notice: (i) the Notes of each Class shall become immediately due and repayable at their Principal Amount Outstanding, together with any interest accrued but which have not been paid on any preceding Interest Payment Date, without further action, notice or formality, (ii) the Issuer Security shall become immediately enforceable; and (iii) the Representative of the Noteholders may dispose of the Claims in the name and on behalf of the Issuer by virtue of the power of attorney granted in accordance with the Mandate Agreement.

Following the service of an Issuer Acceleration Notice, if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments in accordance with the Post-Enforcement Priority of Payments shall be less than one per cent of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date.

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 under or in respect of the Notes (the "**Obligations**") or enforce the ring-fencing under the Securitisation Law and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce the ring-fencing under the Securitisation Law. In particular:

(i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the ring-fencing under the Securitisation Law and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the ring-fencing under the Securitisation Law;

(ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(iii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless an Issuer Acceleration Notice has been served or an Insolvency Event in respect of the Issuer has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is 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 Noteholders may then only proceed subject to the provisions of the Conditions; and

(iv) no Noteholder shall be entitled to take or join in the taking of any corporate action, enforcement or insolvency proceedings or other procedure or step which would result in the Priority of Payments or the Collateral Accounts Priority of Payments not being complied with.

Limited recourse obligations of the Issuer

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

(i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder; and (b) the Issuer Available Funds, net of any sums which

are payable by the Issuer in accordance with the Priority of Payments and the Collateral Accounts Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and

if the Servicer has given evidence to the Representative of the Noteholders and the Representative of the Noteholders is satisfied in that respect that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the ring-fencing under the Securitisation Law (whether arising from judicial enforcement proceedings, enforcement of the ring-fencing under the Securitisation Law or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the ring-fencing under the Securitisation Law (whether arising from judicial enforcement proceedings, enforcement of the ring-fencing under the Securitisation Law or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

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 (attached to the Conditions as an Exhibit), 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, which is appointed by the Class A Notes Subscribers and Junior Notes Subscriber in the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment. On the Increase Date each Noteholder has accepted and confirmed such appointment.

Rating

Upon issue the Class A Notes were rated "AA(sf)" by DBRS and "Aa3(sf)" by Moody's.

Upon increase of the notional amount of the Existing Notes it is expected that the Class A Notes (as increased) will be affirmed the rating "AA(sf)" by DBRS and "Aa3(sf)" by Moody's.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension

	or withdrawal at any time by the assigning rating organisation. As of the date hereof, DBRS and Moody's are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and by Regulation (EU) No. 462/2013 (collectively, the "**CRA3**") and are included in the list of credit rating agencies registered in accordance with the CRA3 published on the website of the European Securities and Markets Authority: (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA3 unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA3 and such registration is not refused. No rating will be assigned to the Junior Notes (as increased).
Listing and admission to trading	Application has been made to list the Class A Notes (as increased on the Increase Date) on the Official List of the Luxembourg Stock Exchange and to admit the Class A Notes to trading on its regulated market on 25 July 2017. The Junior Notes (as increased) will be neither listed nor admitted to trading.
Selling restrictions	There will be restrictions on the sale of the Notes and on the distribution of information in respect thereof. See for further details the section headed "*Subscription and Sale*".
Retention	Under the terms of the Junior Notes Subscription Agreement, the Second Subscription Agreement and the Intercreditor Agreement the Originator has undertaken to the Issuer that it will retain, on an ongoing basis and in accordance with option (1)(d) of article 405 of the CRR and Part IV, Chapter 8 of the Bank of Italy's guidelines No. 288 of 3 April 2015 (*Disposizioni di vigilanza per gli intermediari finanziari*), as subsequently amended (the "**Instructions**"), option (1)(d) of article 51 the AIFM Regulation and option 2(d) of article 254 of the Solvency II Regulation, a material net economic interest of 5 per cent in the Securitisation. Accordingly, as at the Increase Date, such interest will be comprised of an interest in the Junior Notes which is not less than 5 per cent of the nominal value of the securitised exposures. "**AIFM Regulation**" means the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council, as amended and supplemented from time to time. "**CRR**" means Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended and/or supplemented from time to time, together with any guidelines, technical standards or Q&A responses published

in relation thereto by the European Banking Authority (or any successor or replacement agency or authority).

"**Solvency II Regulation**" means the Commission Delegated Regulation (EU) 35/2015 of the European Parliament and of the Council of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council), as amended and supplemented from time to time.

For further information, please see section "*Regulatory Disclosure and Retention Undertaking*" below.

Governing law

The Notes and any non-contractual obligation arising out thereof are governed by Italian law.

3. ISSUER AVAILABLE FUNDS AND PRIORITY OF PAYMENTS

Issuer Available Funds

On each Calculation Date, the Computation Agent will calculate the Issuer Available Funds, which will be used by the Issuer to make the payments set out in the relevant Priority of Payments.

"**Issuer Available Funds**" means:

(a) as of each Calculation Date prior to the service of an Issuer Acceleration Notice, an amount equal to the sum of:

(i) the Collections in respect of the Portfolio pertaining to the immediately preceding Collection Period consisting of, *inter alia*, (A) payment of any Instalment under the Lease Contracts, (B) any recovery in respect of Defaulted Claims including any disposal proceeds deriving from the sale of any Defaulted Claims, and (C) any insurance proceeds;

(ii) the Cash Reserve as at the relevant Calculation Date;

(iii) without duplication of (i) and (ii) above, an amount equal to the monies invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account and the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date;

(iv) without duplication of (i) above, the Revenue Eligible Investments Amount realised on the preceding Liquidation Date (if any);

(v) without duplication of any other item, the amount standing to the credit of the Payment Account as at the immediately preceding Payment Date (following payments to be done on such Payments Date);

(vi) any refund or repayment obtained by the Issuer from any tax authority in respect of the Claims, the Transaction Documents or,

otherwise, the Securitisation during the immediately preceding Collection Period;

(vii) without duplication of (i) above, all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts (other than the Collateral Accounts) during the immediately preceding Collection Period;

(viii) any amount due and payable, although not yet paid, to the Issuer by the Interest Rate Hedging Counterparty in accordance with the terms of the Interest Rate Cap Agreement on the Interest Payment Date immediately following the relevant Calculation Date;

(ix) (A) on any Calculation Date, the amount standing to the credit of the Expenses Account which is in excess of the Retention Amount and (B) on the Calculation Date immediately preceding the Final Redemption Date and on any Calculation Date thereafter, the amount standing to the credit of the Expenses Account;

(x) any proceeds arising from the sale of the Portfolio or of individual Claims in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;

(xi) any indemnity amount received by the Issuer under the Warranty and Indemnity Agreement during the relevant Collection Period;

(xii) any other amount received by the Issuer under any of the Transaction Documents during the relevant Collection Period, including without limitation any Collateral Account Surplus and any amount paid by the Co-obligor under the Transaction Documents, other than amounts already referred to in this definition of Issuer Available Funds; and

(xiii) upon the occurrence of a breach of any of the Servicer Financial Covenant and/or the Banca IFIS Financial Covenants, into the Collection Account, all amounts standing to the credit of the Overpayments and Suspended Payments Account;

(b) as of each Calculation Date following the service of an Issuer Acceleration Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims and the Issuer´s Rights under the Transaction Documents, in any case excluding (i) the Collateral (if any) (which is required to be paid or returned to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments in accordance with the Collateral Accounts Priority of Payments, the

Interest Rate Cap Agreement, the Agency and Accounts Agreement and the English Deed of Charge and Assignment and (ii) any Swap Tax Credits (which shall be paid to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments and the Collateral Accounts Priority of Payments).

"**Final Redemption Date**" means the Interest Payment Date immediately following the earlier of: (i) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (ii) the date when all the Claims then outstanding will have been entirely written off by the Issuer.

"**Instalment**" means the scheduled monthly payment falling due from the Lessee under a Lease Contract, excluding the Residual Optional Instalment.

Pre-Enforcement Priority of Payments

Prior to the service of an Issuer Acceleration Notice the Issuer Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments (other than, for avoidance of any doubt, payments to be made under certain conditions only if such conditions are not met) or provisions of a higher priority have been made in full:

(i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to the Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent

that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(C) any and all outstanding fees, costs and expenses due and payable to, the Representative of the Noteholders or any appointee thereof; and

(D) the amount necessary to replenish the Expenses Account up to the Retention Amount;

(iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Corporate Services Provider, the Servicer, the Back-up Servicer and the Account Banks each under the Transaction Documents to which each of them is a party, as well as any amount equal to the sums erroneously transferred to the Issuer by the Servicer and any Reversed Amount to be refunded to the Servicer pursuant to the Servicing Agreement;

(iv) *fourth*, in or towards satisfaction of all amounts due and payable to the Interest Rate Hedging Counterparty under the terms of the Interest Rate Cap Agreement including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, except where the Interest Rate Hedging Counterparty is the Defaulting Party (as defined in the Interest Rate Cap Agreement) or the sole Affected Party (as defined in the Interest Rate Cap Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Interest Rate Hedging Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the Interest Rate Cap Agreement, or in respect of a termination event that is a Tax Event Upon Merger (as defined in the Interest Rate Cap Agreement);

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;

(vi) *sixth*, for so long as there are Class A Notes outstanding, to credit the Cash Reserve Account with such an amount that will bring the balance of the Cash Reserve Account up to the Target Cash Reserve Amount;

(vii) *seventh*, following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report

Delivery Failure Event is still outstanding, to credit the remainder to the Collection Account;

(viii) *eighth*, during the Revolving Period, in or towards satisfaction, of all amounts due and payable to the Originator as Purchase Price for the Claims included in any Additional Portfolio to be purchased on such Payment Date;

(ix) *ninth*, to credit the Payment Account with an amount equal to the Cash Collateral Amount (equal to the difference, if positive, between the Target Amount and the Collateral Portfolio Outstanding Amount);

(x) *tenth*, following the end of the Revolving Period in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes in an aggregate amount equal to the Class A Notes Formula Redemption Amount in respect of the Class A Notes on such Interest Payment Date;

(xi) *eleventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);

(xii) *twelfth*, to pay to the Interest Rate Hedging Counterparty any amounts due and payable under the Interest Rate Cap Agreement, including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, other than the payments referred to under item (iv) above;

(xiii) *thirteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable: (i) to the Initial Arrangers under the terms of the Class A Notes Subscription Agreement;

(xiv) *fourteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to the Originator, in respect of the Originator's Claims;

(xv) *fifteenth*, following the end of the Revolving Period upon repayment in full of the Class A Notes, in or towards satisfaction, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes in an aggregate amount equal to the Class B Notes Formula Redemption Amount in respect of the Junior Notes on such Interest Payment Date until the Principal Amount Outstanding of each Junior Note is equal to €100 (one hundred);

(xvi) *sixteenth*, if the Cash Trapping Condition is not met, in or towards satisfaction, *pro rata* and *pari passu*, of the Variable Return (if any) due and payable on the Junior Notes;

(xvii) *seventeenth*, on the Final Maturity Date and on any Interest Payment Date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes have been repaid in full; and

(xviii) *eighteenth*, to retain in the Payment Account any residual amount.

From time to time, during an Interest Period, the Issuer shall, in accordance with the Agency and Accounts Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors, in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business. The Collateral and/or the Swap Tax Credits do not form part of the Issuer Available Funds and shall be applied, in the case of the Collateral, solely in accordance with the Collateral Accounts Priority of Payments and, in the case of any Swap Tax Credits, shall be paid to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments (and, for the avoidance of doubt, the Collateral Accounts Priority of Payments) on the Interest Payment Date immediately following the date on which any amounts in respect of Swap Tax Credits are received by the Issuer from the relevant tax authority.

Post-Enforcement Priority of Payments

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(c) (*Optional redemption of the Notes*) or Condition 7(d) (*Optional redemption for taxation, legal or regulatory reasons*), the Issuer Available Funds, as calculated on each Calculation Date, will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the "**Post-Enforcement Priority of Payments**") but in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to the Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(C) any and all outstanding fees, costs and expenses due and payable to, the Representative of the Noteholders or any appointee thereof; and

(D) the amount necessary to replenish the Expenses Account up to the Retention Amount;

(iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Corporate Services Provider, the Servicer, the Back-up Servicer and the Account Banks each under the Transaction Documents to which each of them is a party, as well as any amount equal to the sums erroneously transferred to the Issuer by the Servicer and any Reversed Amount to be refunded to the Servicer pursuant to the Servicing Agreement;

(iv) *fourth*, in or towards satisfaction of all amounts due and payable to the Interest Rate Hedging Counterparty under the terms of the Interest Rate Cap Agreement including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, except where the Interest Rate Hedging Counterparty is the Defaulting Party (as defined in the Interest Rate Cap Agreement) or the sole Affected Party (as defined in the Interest Rate Cap Agreement) in respect of any termination event, howsoever

described, resulting from a rating downgrade of the Interest Rate Hedging Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the Interest Rate Cap Agreement, or in respect of a termination event that is a Tax Event Upon Merger (as defined in the Interest Rate Cap Agreement);

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;

(vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes;

(vii) *seventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);

(viii) *eighth*, to pay to the Interest Rate Hedging Counterparty any amounts due and payable under the Interest Rate Cap Agreement, including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, other than the payments referred to under item (iv) above;

(ix) *ninth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to: (i) the Initial Arrangers under the terms of the Class A Notes Subscription Agreement;

(x) *tenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to the Originator, in respect of the Originator's Claims;

(xi) *eleventh*, upon repayment in full of the Class A Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of each Junior Note is equal to €100 (one hundred);

(xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Variable Return (if any) due and payable on the Junior Notes; and

(xiii) *thirteenth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of

the Junior Notes until the Junior Notes have been repaid in full,

provided, however, that if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than one per cent. of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date. The Collateral and/or the Swap Tax Credits do not form part of the Issuer Available Funds and shall be applied, in the case of the Collateral, solely in accordance with the Collateral Accounts Priority of Payments and, in the case of any Swap Tax Credits, shall be paid to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments (and, for the avoidance of doubt, the Collateral Accounts Priority of Payments) on the Interest Payment Date immediately following the date on which any amounts in respect of any Swap Tax Credits are received by the Issuer from the relevant tax authority.

Class A Notes Formula Redemption Amount

Means, in respect of any Interest Payment Date prior to the service of an Issuer Acceleration Notice:

(i) if the Cash Trapping Condition is not met, an amount equal to the lower of: (a) the Principal Amount Outstanding of the Class A Notes on the relevant Calculation Date; and (b) the Aggregate Notes Formula Redemption Amount for that Interest Payment Date;

(ii) if the Cash Trapping Condition is met, the Principal Amount Outstanding of the Class A Notes up to the amount available after application of the Issuer Available Funds on the Interest Payment Date immediately following the relevant Calculation Date to all items ranking in priority to the repayment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payment, *provided that* the Class A Notes Formula Redemption Amount shall continue to be calculated in accordance with paragraph (ii) above until the Cash Trapping Condition will cease to be outstanding for at least six consecutive Calculation Dates.

"**Aggregate Notes Formula Redemption Amount**" means, in respect of any Interest Payment Date following the end of the Revolving Period and prior to the service of an Issuer Acceleration Notice, an amount calculated in accordance with the following formula:

$$A + B – CP – R$$

Where:

A = the Principal Amount Outstanding of the Class A Notes on the day following the immediately preceding Interest Payment Date or, in respect of the first Interest Payment Date, the day following the Issue Date;

B = the Class B Notes Equivalent Notional Amount on the day following the immediately preceding Interest Payment Date or, in respect of the first Interest Payment Date, the day following the Issue Date;

CP = the Collateral Portfolio Outstanding Amount on the last day of the immediately preceding Collection Period; and

R = the Target Cash Reserve Amount calculated with reference to the immediately following Interest Payment Date.

"**Class B Notes Equivalent Notional Amount**" means, on any date, with reference to the Class B Notes, (i) EUR 149,900,000, being equal to the Portfolio Outstanding Amount on the Valuation Date of the Second Portfolio, *less* the Principal Amount Outstanding of the Class A Notes on the Increase Date, *plus* the Cash Reserve Amount and the Retention Amount on the Increase Date, rounded to the denomination of the Class B Notes, (ii) *less* the aggregate amount of all Principal Payments which have been paid on the Class B Notes on such date or prior to such date.

Class B Notes Formula Redemption Amount

"**Class B Notes Formula Redemption Amount**" means, in respect of any Interest Payment Date following the end of the Revolving Period and prior to the service of an Issuer Acceleration Notice:

(i) if the Cash Trapping Condition is not met, an amount equal to the lower of: (a) the Principal Amount Outstanding of the Junior Notes on the relevant Calculation Date; and (b) the Aggregate Notes Formula Redemption Amount for that Interest Payment Date less the Class A Notes Formula Redemption Amount for that Interest Payment Date;

(ii) if the Cash Trapping Condition is met, the Principal Amount Outstanding of the Junior Notes up to the amount available after application of the Issuer Available Funds on the Interest Payment Date immediately following the relevant Calculation Date to all items ranking in priority to the repayment of principal on the Junior Notes in accordance with the Pre-Enforcement Priority of Payment,

provided that the Class B Notes Formula Redemption Amount shall continue to be calculated in accordance with paragraph (ii) above until the Cash Trapping Condition will

cease to be outstanding for at least six consecutive Calculation Dates;

Cash Trapping Condition

The "**Cash Trapping Condition**" is met in respect of an Interest Payment Date, up to but excluding the Interest Payment Date on which the Senior Notes are redeemed in full, if on the immediately preceding Calculation Date any of the following event or circumstance has occurred:

(a) the Portfolio Cumulative Net Default Ratio exceeds, as at the preceding Calculation Date and on the basis of the relevant Servicer Report, the percentages set out in the table below:

Month after Increase Date	**Percentage of the aggregate Outstanding Principal of the Portfolio as at the relavant Valuation Date**
0	
1	0.16%
2	0.37%
3	0.56%
4	0.69%
5	0.78%
6	1.01%
7	1.23%
8	1.42%
9	1.57%
10	1.69%
11	1.80%
12	1.90%
13	2.00%
14	2.10%
15	2.20%
16	2.30%
17	2.40%
18	2.50%
19	2.57%
20	2.64%
21	2.71%
22	2.78%
23	2.85%
24	2.95%
25	3.02%
26	3.09%
27	3.16%
28	3.23%
29	3.30%
30	3.37%
31	3.43%

32	3.49%
33	3.55%
34	3.61%
35	3.67%
36	3.73%
37	3.79%
38	3.85%
39	3.91%
40	3.97%
41	4.03%
42	4.09%
43	4.15%
44	4.20%
45	4.25%
46	4.30%
47	4.35%
48 and afterwards	4.40%

and/or

(b) a breach of any of the following financial covenants by the Servicer and/or Banca IFIS occurs:

(A) as to the Servicer: a Common Equity Tier 1 (CET1) lesser than 15%;

(B) as to Banca IFIS, (i) a Common Equity Tier 1 (CET1) lesser than the higher of: (a) 10% and (b) 1.5% over the Minimum Common Equity Tier 1 ratio as prescribed by the competent authority including the additional buffer required under the Supervisory Review and Evaluation Process, if any, and (ii) a Liquidity Coverage Ratio as prescribed by Basel III Capital Regime lower than 130% for the year 2017 and lower than 150% for the year 2018; and/or

(c) the aggregate amount paid to the Junior Noteholders in accordance with the Pre-Enforcement Priority of Payment is equal to or higher than 75% of the Principal Amount Outstanding of the Junior Notes at the Issue Date multiplied by the relevant Issue Price; and/or

(d) the Portfolio Outstanding Amount is less than 25% of the Portfolio Outstanding Amount at the Valuation Date of the Second Portfolio.

Portfolio Cumulative Net Default Ratio Means, in relation to any Interest Payment Date, the percentage, calculated on the immediately preceding Calculation Date on the basis of the relevant Servicer Report, equivalent to the fraction between: (i) (1) the sum

of the Defaulted Amount as at the Default Date in relation to the Defaulted Lease Contracts from the Valuation Date of the Second Portfolio up to the immediately preceding Collection Date (excluded) *minus* (2) the aggregate amount of the Collections and of the indemnity amounts under the Warranty and Indemnity Agreement received by the Issuer in respect of all Defaulted Lease Contracts from the relevant Default Date up to the immediately preceding Collection Date (excluded); and (ii) the aggregate of the Outstanding Principal of the Portfolio as at the Valuation Date of the Second Portfolio.

Collateral Portfolio Outstanding Amount Means, at any given date, the Portfolio Outstanding Amount net of any (i) Defaulted Claims and (ii) Delinquent Claims.

Portfolio Trigger Event means each of the following events:

(a) *Portfolio Delinquency Trigger*: if the Portfolio Delinquency Ratio is greater than 1.5% for 3 consecutive calendar months;

(b) *Portfolio Cumulative Net Default Ratio*: if the Portfolio Cumulative Net Default Ratio exceeds, as at the preceding Calculation Date and on the basis of the relevant Servicer Report, the percentages set out in the table below:

Month after Increase Date	Percentage of the aggregate Outstanding Principal of the Portfolio as at the relevant Valuation Date
1	0.32%
2	0.74%
3	1.12%
4	1.38%
5	1.56%
6	2.02%
7	2.46%
8	2.84%
9	3.14%
10	3.38%
11	3.60%
12	3.80%
13	4.00%
14	4.20%
15	4.40%
16	4.60%
17	4.80%
18	5.00%
19	5.14%
20	5.28%
21	5.42%
22	5.56%
23	5.70%

24	5.90%

(c) *Dynamic Gross Default Trigger*: if the Dynamic Gross Default Ratio is greater than 1.0% for 3 consecutive calendar months.

Purchase Termination Events Each of the following events will constitute a purchase termination event in relation to any Additional Portfolio:

a) *Unlawfulness:* it becomes unlawful for the Originator to perform a material part of its obligations under the Master Transer Agreement, unless such unlawfulness cured within fifteen (15) Business Days of the Originator becoming aware of it.

b) *Breach of Obligations*: the Originator fails to observe or perform any of its material obligations under the Master Transfer Agreement and such failure (i) would have a material adverse effect on the ability of the Originator to perform its material obligations under the Master Transer Agreement; and (ii) if capable of remedy before the expiry of such period) continues unremedied for a period of 15 Business Days from the date the Originator becomes aware of such breach.

c) *Failure to transfer*: failure by the Originator to transfer, deposit or pay any amount to be transferred, deposited or paid hereunder within five (5) Business Days of the due date for transfer, deposit or payment, unless such failure is caused by administrative difficulties or settlement error and is remedied by the Originator on or prior to the 7th Business Day from the day on which such failure occurred.

d) *Servicer Termination Event*: the occurrence of a Servicer Termination Event, unless, within twenty (20) Business Days from the occurrence of such Servicer Termination Event, a substitute servicer is appointed in accordance with the Servicing Agreement;

e) *Incorrect representations*: any representation or warranty made by the Originator under the Warranty and Indemnity Agreement which is confirmed and repeated under the Master Transfer Agreement, and any representation or warranty made by the Originator under the Master Transfer Agreement, proves to be incorrect in any material respect, or if repeated at any time with reference to the facts and circumstances subsisting at such time would not be accurate in all material respects unless, if curable, cured within

fifteen (15) Business Days of the Originator becoming aware of it.

f) *Insolvency proceedings relating to the Originator*: any Insolvency Event occurs with respect to the Originator.

g) *Change in jurisdiction*: there has been a change in the jurisdiction of incorporation of the Originator.

h) *Auditors' negative opinion*: the auditors of the Originator issue a negative opinion on the consistency of the financial statements of the Originator and such event is in the opinion of the Issuer materially adverse to the interest of the Issuer under the Master Transer Agreement.

i) *Event of Default*: the occurrence of an Event of Default.

j) *Change of Business*: a substantial change is made to the general nature of the business of the Originator from that carried on at the date of this Transfer Agreement.

k) *Portfolio Trigger Event*: the occurrence of a Portfolio Trigger Event.

"**Additional Portfolio**" means any additional portfolio of Claims purchased on the relevant Transfer Date by the Issuer pursuant to the terms and conditions of the Master Transfer Agreement.

"**Revolving Period**" means the period beginning from the Second Execution Date and ending on the earlier of: (i) the occurrence of a Purchase Termination Event and; (ii) the Revolving Period End Date;

"**Revolving Period End Date**" means the Interest Payment Date falling on July 2019.

"**Claims**" means the monetary claims and other connected rights transferred by the Originator to the Issuer pursuant to the Transfer Agreements, as defined under clause 1.2 (*Definitions*) thereto, which, for avoidance of any doubt, do not include any claim of the Originator with respect to taxes (including VAT and stamp duty), amounts due by Lessees with respect to Insurance Policies (as defined in the Transfer Agreements), fees and any Residual Optional Instalment;

"**Defaulted Claim**" means any Claim (i) arising out of a Lease Contract in respect of which (a) there have been at least 7 (seven) Instalments, which have remained unpaid by the relevant Lessee after the scheduled instalment date under the relevant Lease Contract, (b) the relating Asset has been stolen, (c) the relating Lessee is subject to bankruptcy (d) termination of the contract and repossession of the Asset

has occurred, (e) a legal proceeding has started or (f) the Asset has not been redeemed 9 (nine) months after the related termination date, or (ii) which has been classified as defaulted (*crediti in sofferenza*) by the Servicer on behalf of the Issuer in accordance with the Bank of Italy Supervisory Regulations.

"**Default Date**" means the date on which each relevant Claim becomes a Defaulted Claim.

"**Delinquent Claim**" means any Claim arising out of a Lease Contract in respect of which there are at least 3 (three) monthly Instalments which are unpaid by the relevant Lessee after the scheduled instalment date under the relevant Lease Contract and which is not a Defaulted Claim.

"**First Portfolio**" means the first portfolio of Claims purchased on the Initial Execution Date by the Issuer pursuant to the terms and conditions of the Original Transfer Agreement.

"**Interest Component**" means the collections deriving from the interest component of each Instalment including the Prepayment Interest.

"**Prepayment Interest**" means any interest due by any Lessee opting for a voluntary prepayment of the relevant Lease Contracts;

"**Outstanding Amount**" means, with respect to each Claim, the sum of the Outstanding Principal of such Claim, together with the Interest Component of the due and unpaid Instalments of such Claim.

"**Outstanding Principal**" means, on any date and in respect of each Claim, the aggregate of all Principal Components of Instalments scheduled to be paid after such date and not yet paid and any Principal Components of Instalments due but unpaid at such date.

"**Portfolio Outstanding Amount**" means, in relation to the Portfolio, the sum of the Outstanding Amount of all Claims comprised in the Portfolio.

"**Principal Components**" means the principal component of each Instalment.

"**Portfolio**" means collectively, the First Portfolio, the Second Portfolio and any Additional Portfolio.

"**Residual Optional Instalment**" means the residual price (*prezzo di riscatto*) due from a Lessee to the Originator under a Lease Contract at the end of the contractual term of the Lease Contract if the Lessee elects to exercise its option to purchase the relevant Asset.

"Second Portfolio" means the second portfolio of Claims purchased on the relevant Transfer Date by the Issuer

pursuant to the terms and conditions of the Master Transfer Agreement.

4. TRANSFER OF THE PORTFOLIOS

Transfer of the Claims

On the Initial Execution Date and pursuant to the terms of the Original Transfer Agreement the Issuer acquired from the Originator without recourse (*pro soluto*) the Claims included in the First Portfolio in accordance with the Securitisation Law.

On the relevant Transfer Date and pursuant to the terms of the Master Transfer Agreement the Issuer acquired from the Originator without recourse (*pro soluto*) the Claims included in the Second Portfolio and undertook to acquire during the Revolving Period and on each relevant Transfer Date any Additional Portfolio in accordance with the Securitisation Law.

See "*The Portfolio*" and " *Transfer Agreements*" below.

Warranties in relation to the Portfolio

On the Initial Execution Date, the Issuer and the Originator entered into a warranty and indemnity agreement (the "**Warranty and Indemnity Agreement**"), pursuant to which IFIS Leasing has given certain representations and warranties in favour of the Issuer in relation to the Claims, the Lease Contracts and the Assets relating to the First Portfolio and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of such Claims. Pursuant to the Warranty and Indemnity Agreement, the Issuer may, in specific limited circumstances relating to a breach of representations in relation to the Lease Contracts, require IFIS Leasing to repurchase certain Claims included in the First Portfolio. The Warranty and Indemnity Agreement is governed by Italian law.

The representations and warranties under the Warranty and Indemnity Agreement shall be deemed to be repeated and confirmed by each relevant party as at the relevant Transfer Date, to the extent applicable, with respect to the Second Portfolio and any Additional Portfolio.

"**Asset**" means any registered or unregistered movable property leased by IFIS Leasing to the Lessees under the terms of a Lease Contract.

Servicing and collection procedures

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Portfolio on behalf of the Issuer and, in particular, to:

(a) collect amounts in respect of each Claim under the Portfolio;

(b) administer relationships with any person or entity that is a lessee under a Lease Contract (a "**Lessee**"); and

(c) carry out the administration of each Claim and to commence any Proceedings (as defined below) with respect thereto in accordance with the terms of the relevant Servicing Agreement.

"**Lease Contracts**" means, from time to time, the aggregate of the lease contracts comprised in the Portfolio, the Claims in respect of which are transferred to the Issuer in accordance with the Transfer Agreements and "**Lease Contract**" means any one of these.

"**Collections**" means all amounts received by the Servicer or any other person in respect of any Instalments (other than any Residual Optional Instalment) due in respect of the Claims and any other amounts whatsoever received by the Servicer or any other person in respect of the Claims.

The Collections are required to be transferred by the Servicer into the Collection Account within two Business Day of receipt, in accordance with the procedure described in the Servicing Agreement. The Servicing Agreement provides that if monies already transferred to the Collection Account are identified as having not been paid, in whole or in part, by the relevant Lessee, following the verification activity carried out by the Servicer, the Servicer may deduct those unpaid amounts from the Collections not yet transferred to the Issuer.

Collections in respect of the Lease Contracts will be calculated by reference to Collection Periods.

"**Collection Period**" means: (a) prior to the service of an Issuer Acceleration Notice, each period commencing on (and including) a Collection Date and ending on (and excluding) the next succeeding Collection Date up to the redemption in full of the Notes, the first Collection Period having commenced on (but excluding) the Valuation Date of the First Portfolio and ended on (but including) 31 December 2016; and (b) following the service of an Issuer Acceleration Notice, each period commencing on (but excluding) the last day of the preceding Collection Period and ending on (and including) the immediately following Accumulation Date.

"**Collection Date**" means the first calendar day of each calendar month.

The Servicer has undertaken to prepare and submit to the Computation Agent, the Rating Agencies, the Initial Arrangers, the Restructuring Arranger, the Back-up Servicer, the Representative of the Noteholders and the Issuer by no later than 7 (seven) Business Days prior to the 25th calendar day of each month (or, if any such date is not a Business Day, the immediately following Business Day) (each such date, a "**Reporting Date**") monthly reports (each, a "**Servicer Report**") in the form set out in the Servicing Agreement and containing information as to, *inter alia*, the Portfolio, the Collections and the Lease Contracts in respect of the preceding Collection Period.

Servicing Fees

In consideration of the performance of its obligations hereunder, the Issuer undertakes to pay to the Servicer on each Interest Payment Date in accordance with the relevant Priority of Payments the following amounts (plus VAT, if applicable):

(a) with respect to the collection of the performing Claims (other than the Defaulted Claims), an amount equal to 0.4 per cent., on an annual basis, of the Outstanding Principal of such Claims as at the last day of the immediately preceding Collection Period (the "**Collection Fee**"); and

(b) with respect to the management, collection and recovery of the Defaulted Claims, an aggregate amount equal to € 1,667 for each Collection Period (the "**Recovery Fee**").

Any costs and expenses relating to the Delinquent Claims and the Defaulted Claims and the relevant Proceedings shall be paid in advance by the Servicer.

The Servicer expressly and unconditionally waives any right to receive any fee or reimbursement not provided for under the Servicing Agreement.

Servicer Termination Events

Under the Servicing Agreement the Issuer may, or shall, if so requested in writing by the Representative of the Noteholders, terminate the Servicer's appointment and appoint a successor servicer if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include, *inter alia*, the following events:

(a) *Servicer Insolvency*

occurrence of an Insolvency Event with respect to the Servicer;

(b) *Failure to Pay*

failure on the part of the Servicer or the Co-Obligor to deposit or pay any amount required to be paid or deposited by it within two Business Days after the due date thereof;

(c) *Breach of Obligations*

failure by the Servicer to comply with any other terms and conditions of the Servicing Agreement (other than the obligation to prepare and deliver the Servicer Report) or any other Transaction Document to which it is a party, which failure to comply is not remedied, where a cure is possible, within a period of 5 (five) Business Days from the date on which the Servicer receives a written notice of such non-compliance from the Issuer;

(d) *Failure to deliver the Servicer Report*

failure on the part of the Servicer to deliver the Servicer Report by the relevant Reporting Date, unless such failure is remedied by the Servicer within two Business Days;

(e) *Breach of Warranties*

any of the representation and warranties given by the Servicer under the Servicing Agreement or any other Transaction Document to which it is a party is incorrect or incomplete in any material respect when given or repeated, unless the Servicer provides a remedy within 10 (ten) Business Days from the date on which such representation or warranty is contested;

(f) *Others*

(i) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party;

(ii) any of the Servicer or the Co-Obligor ceases to be authorised to carry out, respectively, financial activity and banking activity in Italy;

(iii) the Servicer changes significantly the offices and/or the services involved in the activity of management of the Claims and/or of the Proceedings, if such changes are capable of having a material adverse effect on the capacity of the Servicer to perform its obligations undertaken pursuant to the Servicing Agreement; and

(iv) failure by the Servicer to meet:

(A) the requirements set forth by any applicable law or regulation for the entities that assume the tasks provided for under the Servicing Agreement in the context of a securitisation transaction; or

(B) the current or future legal requirements required to entities acting as servicers in the context of a securitisation transaction by the Bank of Italy or other competent authorities.

"**Servicer Termination Date**" means, following the occurrence of a Servicer Termination Event and service of a Servicer Termination Notice, the date when a new servicing agreement, substantially in the form of the Servicing Agreement, is signed between Securitisation Services S.p.A., as new servicer, and the Issuer.

As a result of a termination of the Servicer following the occurrence of a Servicer Termination Event, starting from the Servicer Termination Date, the appointment of the Back -Up Servicer as successor Servicer pursuant to the Back-Up Servicing Agreement shall become effective. See "*The Servicing Agreement*" below.

5. THE ACCOUNTS

The Italian Accounts

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened with the Italian Account Bank for the purposes of the Securitisation the following accounts (collectively the "**Italian Accounts**"):

(a) a euro-denominated current account into which, *inter alia*, the Servicer will be required to deposit the Collections within the Second Business Day immediately following their receipt pursuant to the Servicing Agreement (the "**Collection Account**");

(b) a euro-denominated current account into which the Issuer: (i) deposited on the Issue Date, €5,494,500.00, out of the proceeds of the issue of the Junior Notes; (ii) will be required to deposit on each Liquidation Date an amount equal to the aggregate of (A) the monies invested in Eligible Investments (if any) from the Cash Reserve Account during the preceding Collection Period and (B) any Revenue Eligible Investments Amount owned by the Issuer and deriving from the amount under (A); (iii) will deposit on the Increase Date out of the proceeds of the issue of the Junior Notes the amount necessary to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount; (iv) will be required to deposit on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, the amount necessary to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount (if any); and (v) the interest accrued on the Cash Reserve Account during the preceding Collection Period (the "**Cash Reserve Account**");

(c) a euro-denominated current account into which, *inter alia*: (i) the proceeds of the issue of the Existing Notes on the Issue Date were credited; (ii) the proceeds of the increase of the notional amount of the Existing Notes on the Increase Date were credited; (iii) the Italian Account Bank will be required to transfer, two Business Days prior to each Interest Payment Date (A) the balance

standing to the credit of the Collection Account and the Cash Reserve Account as at the last day of each Collection Period; and (B) for the avoidance of doubt, without duplication of amounts to be credited under (A) above, the monies invested in Eligible Investments (if any) from the Collection Account and the Cash Reserve Account during the preceding Collection Period and any Revenue Eligible Investments Amounts owned by the Issuer and deriving from such amounts; and (iv) the Interest Rate Hedging Counterparty is required to make the payments due by it to the Issuer under the Interest Rate Cap Agreement, and the credit balance of which will be used to make payments due on each Interest Payment Date to the Noteholders and the other Issuer Creditors in accordance with the applicable Priority of Payments (the "**Payments Account**");

(d) a euro-denominated current account into which (i) were credited on the Issue Date, the Initial Overpayments and Suspended Collections Amount; and (ii) will be credited on each Business Day immediately following each Reporting Date, an amount equivalent to the Positive Difference (if any) as indicated in the Servicer Report delivered on the immediately preceding Reporting Date (the "**Overpayments and Suspended Payments Account**");

(e) a euro-denominated current account into which on the Issue Date the Issuer deposited €25,000 (the "**Retention Amount**") and the remainder of the proceeds of the issue of the Notes which have not been otherwise applied on such date (the "**Expenses Account**"). The Expenses Account will be replenished on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, up to the Retention Amount and such amount will be applied by the Issuer to pay all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business; and

(f) an eligible investments securities account into which will be deposited, *inter alia*, all Eligible Investments (as defined below), from time to time made by or on behalf of the Issuer (the "**Eligible Investments Securities Account**").

"**Initial Overpayments and Suspended Collections Amount**" means an amount equal to the Overpayments and the Suspended Collections not yet reconciled and invoiced by the Servicer as at 30 November 2016, which on the Issue

Date, were to be paid by the Originator into the Overpayments and Suspended Payments Account pursuant to clause 3.2(d) of the Transfer Agreement.

Collateral Accounts

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened with the English Account Bank for the purposes of the Securitisation:

(a) a euro-denominated current account, opened in the name of the Issuer in the United Kingdom (secured in favour of the Issuer Secured Creditors but subject always to the Collateral Accounts Priority of Payments), into which Collateral in the form of cash (and any interest in respect thereof or distributions or liquidation or other proceeds in respect of Collateral in the form of securities) posted pursuant to the provisions of the Interest Rate Cap Agreement will be held (the "**Cash Collateral Account**"); and

(b) a securities account, opened in the name of the Issuer in the United Kingdom (secured in favour of the Issuer Secured Creditors but subject always to the Collateral Accounts Priority of Payments), into which Collateral in the form of securities posted pursuant to the provisions of the Interest Rate Cap Agreement will be held (the "**Securities Collateral Account**" and, together with the Cash Collateral Account, the "**Collateral Accounts**").

Equity Capital Account

The Issuer has also opened with Banca Finint S.p.A. a euro-denominated account (the "**Equity Capital Account**") into which the Issuer's equity capital of €10,000 will be required to be deposited for as long as any notes (including the Notes) issued or to be issued by the Issuer are outstanding.

Provisions relating to the Account Banks

Pursuant to the Agency and Accounts Agreement, each of the Italian Account Bank and the English Account Bank has agreed to provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies and securities, as applicable, from time to time standing to the credit of, respectively, the Italian Accounts and the Collateral Accounts, including the preparation of statements of account on each Reporting Date (each, a "**Statement of the Accounts**").

If the Italian Account Bank ceases to be an Eligible Institution:

(a) the Italian Account Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, commercially reasonable efforts to select a leading bank:

(i) approved by the Representative of the Noteholders and the Issuer; and

(ii) which is an Italian Eligible Institution willing to act as successor Italian Account Bank under the Agency and Accounts Agreement; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs:

(i) appoint the successor Italian Account Bank which meets the requirements set out above (and will promptly after so doing notify the Representative of the Noteholders, the Initial Arrangers, the Restructuring Arranger and the Rating Agencies thereof) which, on or before the replacement of the Italian Account Bank, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other agreement providing for, *mutatis mutandis*, the same obligations contained in the Agency and Accounts Agreement for the Italian Account Bank;

(ii) open a replacement Collection Account, a replacement Cash Reserve Account, a replacement Eligible Investments Securities Account, a replacement Overpayments and Suspended Payments Account, a replacement Payments Account and a replacement Expenses Account with the successor Italian Account Bank specified in (a) above;

(iii) transfer the balance standing to the credit of, or the securities deposited with, respectively, the Collection Account, the Cash Reserve Account, the Eligible Investments Securities Account, the Overpayments and Suspended Payments Account, the Payments Account and the Expenses Account to the credit of each of the relevant replacement accounts set out above;

(iv) close the Collection Account, the Cash Reserve Account, the Eligible Investments Securities Account, the Overpayments and Suspended Payments Account, the Payments Account and the Expenses Account once the steps under (i), (ii) and (iii) are completed; and

(v) terminate the appointment of the Italian Account Bank (and will promptly after so doing notify the Representative of the Noteholders, the Restructuring Arranger, the Initial Arrangers and the Rating

Agencies thereof) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that the administrative costs incurred with respect to the selection of a successor Italian Account Bank (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Italian Account Bank) under (a) above and the transfer of funds referred under (b) above shall be borne by the Italian Account Bank.

If the English Account Bank ceases to be an Eligible Institution:

(a) the English Account Bank will notify the Issuer, the Interest Rate Hedging Counterparty, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, commercially reasonable efforts to select a leading bank:

(i) approved in writing by the Representative of the Noteholders, the Interest Rate Hedging Counterparty, and the Issuer; and

(ii) which is an Eligible Institution willing to act as successor English Account Bank thereunder; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs:

(i) appoint the successor English Account Bank which meets the requirements set out above (and will promptly after so doing notify the Representative of the Noteholders, the Initial Arrangers, the Restructuring Arranger, the Interest Rate Hedging Counterparty and the Rating Agencies thereof) which, on or before the replacement of the English Account Bank, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement, the English Deed of Charge and Assignment and of any other agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the English Account Bank;

(ii) open replacement Collateral Accounts with the successor English Account Bank specified in (a) above;

(iii) transfer the balance (if any) standing to the credit of, or the securities deposited in, the Collateral Accounts to the credit of the

relevant replacement accounts set out above;

(iv) close the Collateral Accounts once the steps under (i), (ii) and (iii) are completed; and

(v) terminate the appointment of the English Account Bank (and will promptly after so doing notify the Representative of the Noteholders, the Restructuring Arranger, the Initial Arrangers and the Rating Agencies thereof) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that the administrative costs incurred with respect to the selection of a successor English Account Bank (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor English Account Bank) under (a) above and the transfer of funds referred under (b) above shall be borne by the English Account Bank.

Provisions relating to the Paying Agent

If the Paying Agent ceases to be an Eligible Institution, it will promptly notify the Issuer, the Interest Rate Hedging Counterparty and the Representative of the Noteholders and the Issuer will promptly notify the Rating Agencies thereof. The Issuer will then, by no later than 30 (thirty) calendar days from the date when the Paying Agent ceases to be an Eligible Institution, terminate the appointment of such Paying Agent and appoint a substitute Paying Agent which is an Eligible Institution, provided that the administrative costs incurred with respect to the selection of a successor Paying Agent (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Paying Agent) shall be borne by the Paying Agent.

Eligible Institution

"**Eligible Institution**" means any depository institution organised under the laws of any State which is a member of the European Economic Area or of the United States of America:

(a) whose long term, unsecured and unsubordinated debt obligations are rated (or whose obligations under the Transaction Documents to which it is a party are guaranteed, in a manner which complies with DBRS' 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 of America, whose long term, unsecured and unsubordinated debt obligations are rated at least) (i) at least "BBB(high)" by DBRS (either by way of a public rating or, in the absence of a public rating, by way of a private rating supplied to the relevant entity by DBRS) or (ii) in the absence of a public rating or a private rating by DBRS, the DBRS Minimum Rating of "BBB(high)", and

(b) with respect to Moody's: at least a "A3" long-term rating by Moody's or, in the event of a depository institution which does not have a long-term rating by Moody's, at least a "P-1" short-term rating by Moody's.

Eligible Investments means any dematerialised euro-denominated senior (unsubordinated) debt securities issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(a) with regard to investments having a maturity of less than, or equal to, 30 (thirty) calendar days, (A) if the issuer or the guarantor (on the basis of an unconditional irrevocable, independent first demand guarantee) of such investments are rated by DBRS, "R-1 (low)" by DBRS in respect of short-term debt or "BBB (high)" by DBRS in respect of long-term debt or (B) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, a DBRS Minimum Rating of "BBB (high)" in respect of long-term debt; and

(b) with regard to investments having a maturity of less than 30 days, either "A3" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt,

provided that, in all cases, such investments (1) are immediately repayable on demand, disposable without penalty and in any case have a maturity date falling on or before the immediately succeeding Liquidation Date and (2) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; and further provided that, in no case shall such investment be made, in whole or in part, actually or potentially, in (a) tranches of other asset-backed securities; or (b) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (c) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Most Senior Class of Notes as eligible collateral.

"**DBRS Minimum Rating**" means:

(a) if a Fitch public rating, a Moody's public rating and an S&P public rating, in each case, given to senior unsecured long term debt rating (or an equivalent rating) (each, a "Public Long Term Rating") 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 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). For this purpose, 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; and

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings of the Eligible Investment by any two of Fitch, Moody's and S&P 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).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) and (b) above, then the Eligible Investment will be deemed to have a DBRS Minimum Rating of "C" at such time.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aal	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)	Baal	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Bal	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)	Caal	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

Revenue Eligible Investments Amount

"**Revenue Eligible Investments Amount**" means, as at each Amount Liquidation Date, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment.

Liquidation Date

"**Liquidation Date**" means the date falling five Business Days before each Interest Payment Date.

Computation Agent

Pursuant to the Agency and Accounts Agreement, the Computation Agent has agreed to provide the Issuer with certain calculation, notification and reporting services in relation to the Claims and the Notes. By no later than the third Business Day prior to each Interest Payment Date (each such date, a "**Calculation Date**"), the Computation Agent will calculate, based, inter alia, on the Statement of the Accounts, the Issuer Available Funds and the payments to be made under the Priority of Payments set out below and will prepare a report (the "**Payments Report**") setting forth, inter alia, each of the above amounts and will deliver the Payments Report to, *inter alia*, the Issuer, the Restructuring Arranger, the Initial Arrangers, the Representative of the Noteholders, the Paying Agent, the Account Banks, the Corporate Services Provider, the Rating Agencies and the Servicer.

In addition, the Computation Agent has agreed to prepare and deliver (by no later than the three Business Days immediately following each Interest Payment Date) to, *inter alia*, the Issuer, the Representative of the Noteholders, the Luxembourg Stock Exchange, the Servicer, the Initial Arrangers, the Restructuring Arranger, and the Rating Agencies, a report substantially in the form set out in the Agency and Accounts Agreement (the "**Investor Report**") containing details of, inter alia, the Claims, amounts received by the Issuer from any source during the preceding Collection Period, amounts paid by the Issuer during such Collection Period and amounts paid by the Issuer on the immediately preceding Interest Payment Date. The first Investor Report will be available by no later than three Business Days following the Interest Payment Date falling in January 2017.

The Investor Report will be available on the website of the Computation Agent, currently at www.securitisation-services.com.

In carrying out its duties, the Computation Agent will be entitled to rely on certain information provided to it by each of the Servicer, the Account Banks, the Agent Bank, the Paying Agent and the Issuer pursuant to the terms of the relevant Transaction Documents.

Based on the Payments Report, the Paying Agent will make the payments under the Notes set forth in the relevant Priority of Payments.

6. REDEMPTION OF THE NOTES

Mandatory redemption

The Notes of each Class will be subject to mandatory redemption on each Interest Payment Date in full (or in part pro rata) in accordance with the Conditions, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

Optional redemption

Prior to the service of an Issuer Acceleration Notice, on any Interest Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Post Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Class A Notes only, if all the Junior Noteholders consent to a partial redemption) and to make all payments ranking in priority, or pari passu, thereto, on any Interest Payment Date, subject to the Issuer:

(a) giving not more than 60 days' nor less than 30 days' notice to the Representative of the Noteholders, the Interest Rate Hedging Counterparty and the Noteholders, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and

(b) delivering, prior to the notice referred to in paragraph (a) above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Interest Payment Date to discharge all of its outstanding liabilities in respect of the Notes (or the Senior Notes only, if all the Junior Noteholders consent to a partial redemption) and any other payment in priority to or pari passu with the Notes in accordance with the Post-Enforcement Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of

the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher or pari passu thereto,

provided, however, that pursuant to the relevant Transfer Agreement, the consideration for the purchase of the Claims which are classified as Defaulted Claims (if any) to be paid by the Originator (should the Originator purchase the Claims from the Issuer) may not exceed the market value of the Claims which are classified as Defaulted Claims (if any), as determined by one or more third-party experts independent from the Originator and its banking group in accordance with the Transfer Agreements.

"**Clean Up Option Date**" means any date on which the Portfolio Outstanding Amount is equal to or lower than 10 per cent. of the Portfolio Outstanding Amount at the Valuation Date of the Second Portfolio.

Optional redemption for taxation, legal or regulatory reasons

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem all the Notes (or the Senior Notes only, if all the Junior Noteholders consent to a partial redemption) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post-Enforcement Priority of Payments:

(a) upon the imposition, at any time after the Issue Date, of any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction);

(b) in case of any changes in the Tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Lessees being obliged to make a Tax Deduction in respect of any payment in relation to any Claims); or

(c) if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party,

subject to the Issuer giving not more than 60 days' nor less than 30 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Interest Rate Hedging Counterparty and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all (but not some only) of the Notes,

and *provided that* the Issuer has provided to the Representative of the Noteholders:

(a) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute opining on the relevant change in law or interpretation or administration thereof;

(b) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(c) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Interest Payment Date, have the funds to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post-Enforcement Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher or pari passu therewith in accordance with the Post-Enforcement Priority of Payments,

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein.

"**Tax Deduction**" means any deduction or withholding on account of Tax.

Estimated weighted average life of the Senior Notes and assumption

The estimated weighted average life of the Senior Notes cannot be predicted as the actual rate at which the Lease Contracts will be repaid and a number of other relevant factors are unknown. Calculations of the estimated weighted average life of the Notes have been based on certain assumptions including the assumptions that the Lease Contracts are subject to a constant pre-payment rate as shown in "*Estimated weighted average life of the Senior Notes and Assumptions*".

7. CREDIT STRUCTURE

Intercreditor Agreement

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders shall be entitled, *inter alia*, following the service of an Issuer Acceleration Notice and until the Notes have been repaid in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders,

	the Other Issuer Creditors and any third party creditors in respect of costs and expenses incurred by the Issuer in the context of the Securitisation in accordance with the terms of the Post-Enforcement Priority of Payments. See for further details the section headed: "*Description of the Transaction Documents - The Intercreditor Agreement*".
Agency and Accounts Agreement	Under the terms of the Agency and Accounts Agreement the Computation Agent, the Account Banks, the Paying Agent, the Servicer and the Agent Bank have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Accounts and the Expenses Account and with certain agency services. See for further details the section headed: "*Description of the Transaction Documents – Agency and Accounts Agreement*".
Mandate Agreement	Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to an Issuer Acceleration Notice being served upon the Issuer following the occurrence of an Event of Default or upon failure by the Issuer to exercise its rights under the Transaction Documents and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party. See for further details the section headed:"*Description of the Transaction Documents - The Mandate Agreement*".
Corporate Services Agreement	Under the corporate services agreement (the "**Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide certain corporate administrative services to the Issuer. See for further details the section headed: "*Description of the Transaction Documents - The Corporate Services Agreement*".
Interest Rate Cap Agreement	The Issuer has entered into the Interest Rate Cap Agreement with the Interest Rate Hedging Counterparty in order to hedge against the potential interest rate exposure of the Issuer in relation to its floating rate interest obligations under the Senior Notes. See for further details the sections headed: "*Credit structure — The Interest Rate Cap Agreement*" and "*Description of the Transaction Documents – The Interest Rate Cap Agreement*".
Cash Reserve	Part of the proceeds of the issuance of the Junior Notes have been used by the Issuer on the Issue Date to establish a reserve in the Cash Reserve Account.

The Cash Reserve will, on each Interest Payment Date, form part of the Issuer Available Funds applied in accordance with the applicable Priority of Payments.

On each Interest Payment Date prior to the delivery of an Issuer Acceleration Notice and to the extent there are Issuer Available Funds to this purpose, the Cash Reserve Account will be replenished up to the then applicable Target Cash Reserve Amount in accordance with the Pre-Enforcement Priority of Payments.

Part of the proceeds of the issuance of the Junior Notes will be used by the Issuer on the Increase Date to increase the Cash Reserve up to the Target Cash Reserve Amount.

"**Cash Reserve**" means the monies standing to the credit of the Cash Reserve Account at any given time, net of any interest accrued and paid thereon, to be applied in accordance with the provisions of the Agency and Accounts Agreement.

"**Target Cash Reserve Amount**" means €5,664,770.75 (being an amount equal to 1.5 per cent of the Principal Amount Outstanding of the Class A Notes as at the Increase Date) save that:

(a) prior to the delivery of an Issuer Acceleration Notice, starting from the Calculation Date on which the Principal Amount Outstanding of the Class A Notes is lower than 50 (fifty) per cent of the Principal Amount Outstanding of the Class A Notes as at the Issue Date and on each Calculation Date thereafter, the Target Cash Reserve Amount will be equal to the higher of (i) 3.00 per cent of the Principal Amount Outstanding of the Class A Notes as at the Interest Payment Date immediately preceding the relevant Calculation Date and (ii) €2,832,270.11 (being an amount equal to 0.75 per cent of the Principal Amount Outstanding of the Class A Notes as at the Increase Date); and

(b) following the delivery of an Issuer Acceleration Notice, on the Final Maturity Date or, if prior, on the Interest Payment Date on which the Class A Notes will be redeemed in full, the Target Cash Reserve Amount will be reduced to zero.

Eligible Investments

Pursuant to the Agency and Accounts Agreement, the Issuer will open the Eligible Investment Securities Account with the Italian Account Bank and the Italian Account Bank shall, if so instructed by the Servicer, in the name and on behalf of the Issuer, invest amounts standing to credit of the Cash Reserve Account, the Payment Account and the Collection Account in Eligible Investments as follows:

(i) the balance of the Cash Reserve Account, or portion thereof, will be invested in Eligible Investments on the Business Day immediately following each Interest Payment Date; and

(ii) the balance of the Collection Account and/ or the Payments Account will be invested in Eligible Investments on the first Business Day following the date on which its balance equals or exceeds €1,000,000.00 and thereafter, within the same Interest Period, on the last Business Day of each week, each such date, an "**Investment Date**".

CREDIT STRUCTURE

Ratings of the Notes

Upon issue, the Existing Class A Notes were rated "AA(sf)" by DBRS Ratings Limited ("**DBRS**") and "Aa3(sf)" by Moody's Investors Service España S.A. ("**Moody's**" and, together with DBRS, the "**Rating Agencies**"). The Existing Junior Notes were not assigned any rating.

Upon increase of the notional amount of the Existing Notes, it is expected that the Class A Notes (as increased) are expected to be affirmed the rating "AA(sf)" by DBRS and "Aa3(sf)" by Moody's. The Junior Notes (as increased) will not be assigned any rating.

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

Cash Flow through the Italian Accounts

Pursuant to the Agency and Accounts Agreement, the Issuer has opened the Cash Reserve Account, the Collection Account, the Expenses Account, the Payments Account, the Eligible Investments Securities Account and the Overpayments and Suspended Payments Account (collectively, the "**Italian Accounts**" and each of them an "**Italian Account**"), each with the Italian Account Bank.

Collections in respect of the Lease Contracts are initially paid by Lessees to the Servicer. Pursuant to the terms of the Servicing Agreement, the Collections are required to be transferred by the Servicer into the Collection Account within the second Business Day of receipt, for value the day of transfer in accordance with the procedure described in the Servicing Agreement.

Pursuant to the Agency and Accounts Agreement, interest will accrue on the funds standing to the credit of the Italian Accounts (other than the Eligible Investment Securities Account) at a rate separately agreed between the Issuer and the Italian Account Bank. Interest on each Italian Account accrued on each Collection Period as described above will be paid to the relevant Italian Account on a periodical basis.

Eligible Investments

The Issuer has established the Eligible Investments Securities Account as a securities account into which it will deposit all Eligible Investments from time to time made by or on behalf of the Issuer as well as any debt securities or debt instruments underlying any repurchase transaction constituting an Eligible Investment.

Pursuant to the Agency and Accounts Agreement, the Italian Account Bank shall, if so instructed by the Servicer, on behalf of the Issuer, invest amounts standing to the credit of the Cash Reserve Account and the Collection Account in Eligible Investments (as defined below) as follows:

(a) the balance of the Cash Reserve Account, or portion thereof, will be invested in Eligible Investments on the Business Day immediately following each Interest Payment Date; and

(b) the balance of the Collection Account will be invested in Eligible Investments on the first Business Day following the date on which its balance equals or exceeds €1,000,000.00 and thereafter, within the same Interest Period, on the last Business Day of each week,

each such date, an "**Investment Date**".

The Italian Account Bank shall not purchase Eligible Investments unless so instructed by the Servicer.

The Servicer, however, may elect to instruct the Italian Account Bank as to which Eligible Investments it should purchase from time to time by means of a standing order in accordance with the Agency and Accounts Agreement. Such standing order may be amended or withdrawn at any time by the Servicer.

On the day which is 5 (five) Business Days before each Interest Payment Date (each, a "**Liquidation Date**"), the Italian Account Bank will liquidate the Eligible Investments and the proceeds will be applied as follows:

(i) an amount equal to the monies invested in Eligible Investments (if any) from the Cash Reserve Account during the preceding Collection Period, together with any surplus (*i.e.* as at the relevant Liquidation Date, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment) (the "**Revenue Eligible Investments Amount**") will be re-credited to the Cash Reserve Account; and

(ii) an amount equal to the monies invested in Eligible Investments (if any) from the Collection Account during the preceding Collection Period, together with any Revenue Eligible Investments Amount will be re-credited to the Collection Account.

The Cash Reserve

The Issuer established a reserve fund in the Cash Reserve Account. The Cash Reserve was funded up to the Target Cash Reserve Amount on the Issue Date by using the proceeds of the issuance of the Existing Junior Notes and will be increased up to the Target Cash Reserve Amount using part of the proceeds of the issuance of the Junior Notes on the Increase Date.

The Cash Reserve will, on each Interest Payment Date, form part of the Issuer Available Funds applied in accordance with the applicable Priority of Payments.

On each Interest Payment Date prior to the delivery of an Issuer Acceleration Notice and to the extent there are Issuer Available Funds to this purpose, the Cash Reserve Account will be replenished up to the then applicable Target Cash Reserve Amount in accordance with the Pre-Enforcement Priority of Payments.

Cash flow through the Collateral Accounts

Pursuant to the Agency and Accounts Agreement, the Issuer opened the Cash Collateral Account and the Securities Collateral Account. In the event that the Interest Rate Hedging Counterparty is required to transfer collateral to the Issuer in respect of its obligations under the Interest Rate Cap Agreement in accordance with the terms of the credit support annex thereto, such collateral will be credited to the Cash Collateral Account or the Securities Collateral Account, as applicable, together with any interest or distributions on, and any liquidation or other proceeds of that collateral, in each case, in accordance with the Agency and Accounts Agreement.

In addition, upon an early termination of the Cap Transaction or novation of the Interest Rate Hedging Counterparty's obligations under the Interest Rate Cap Agreement to a replacement cap counterparty, any termination payment received by the Issuer from the outgoing Interest Rate Hedging Counterparty will be credited to the Cash Collateral Account.

Any transfer of securities to be made in accordance with the Collateral Accounts Priority of Payments shall be made from the Securities Collateral Account and payments to be made in cash (in accordance with the Collateral Accounts Priority of Payments) shall be made from the Cash Collateral Account. Following termination of the Interest Rate Cap Agreement, the Issuer (or the Representative of the Noteholders on behalf of the Issuer) shall have the right to liquidate securities standing to the credit of the Securities Collateral Account in accordance with the terms of the Interest Rate Cap Agreement and shall credit the proceeds thereof to the Cash Collateral Account.

The Interest Rate Cap Agreement

To hedge against possible variation in the Class A Notes EURIBOR to a rate in excess of 1 (one) per cent. from the Issue Date to the Interest Payment Date falling on or about 25 June 2019, the Issuer will enter into the Cap Transaction pursuant to the Interest Rate Cap Agreement with Citibank, N.A., London Branch. Under the Interest Rate Cap Agreement, amounts equal to the excess of (x) the amount produced by applying the Class A Notes EURIBOR for the relevant Interest Period to the notional amount of Scheduled Cap Notional Amount (as defined above) over (y) the amount produced by applying 1 (one) per cent. to the Scheduled Cap Notional Amount for the same period in respect of the Interest Rate Cap Agreement, will

be paid (if such figure is positive) by the Interest Rate Hedging Counterparty to the Issuer on or prior to the next following Interest Payment Date.

Further details on the Interest Rate Cap Agreement can be found in the section: "*Description of the Trnasaction Documents – the Interest Rate Cap Agreement*".

THE PORTFOLIO

Introduction

As at the Increase Date, the Issuer will own the First Portfolio and the Second Portfolio purchased from the Originator pursuant to and in accordance with the relevant Transfer Agreement.

On each relevant Transfer Date during the Revolving Period, the Issuer will purchase from the Originator, pursuant to and in accordance with the Master Transfer Agreement, the Claims included in the Additional Portfolios.

The Claims included in the Portfolio have, at the date of approval of the Prospectus, characteristics that demonstrate capacity to produce funds to service any payment which become due and payable in respect of the Class A Notes in accordance with the Conditions. However, regard should be had both to the characteristics of the Portfolio and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Notes may be exposed. Prospective holders of the Class A Notes should consider the detailed information set out elsewhere in this Prospectus, including without limitation under the section "*Risk Factors*" above.

The information relating to the Second Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Second Portfolio as at the Valuation Date of the Second Portfolio which, for the avoidance of doubt, may differ from the characteristics thereof at Increase Date. As at the date of this Prospectus, no material changes in respect of the Second Portfolio have occurred and no Claim is classified as Defaulted Claim.

The Claims do not consist, in whole or in part, actually or potentially, of credit-linked notes, swaps or other derivatives instruments or synthetic securities.

The Claims included in the First Portfolio purchased by the Issuer pursuant to the Original Transfer Agreement arise out of a portfolio of lease contracts. The Portfolio included 32,273 Lease Contracts for an Outstanding Principal equal to €488,617,880.64.

The Claims included in the Second Portfolio purchased by the Issuer pursuant to the Master Transfer Agreement arise out of a portfolio of lease contracts. The Second Portfolio includes 7,172 Lease Contracts for an Outstanding Principal equal to €182,161,139.04.

The Collateral Portfolio Outstanding Amount as at the Valuation Date of the Second Portfolio was equal to €532,488,282.86.

All Lease Contracts have been entered into by IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.) ("**IFIS Leasing** ") and each Lease Contract provides for a defined payment schedule, with the Lessee having the option to purchase the related asset at the residual value at the end of the contractual term after performing all the obligations it is required to perform under such Lease Contract. The Residual Optional Instalment will not be included in the Portfolio.

The Lease Contracts

The Lease Contracts have been entered into by IFIS Leasing primarily with small and medium size private businesses and other individual entrepreneurs (excluding individual persons). The Lease Contracts are on IFIS Leasing's standard form which incorporates certain standard terms and conditions, the rental payment, 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 and to the extent of its specially negotiated terms and conditions, if any.

There are more than 5 Lessees under the Lease Contracts and none of the Lessees accounts for more than 20% of the Claims included in the Portfolio.

All of the Lease Contracts are net leases which 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 are non-cancellable by the Lessee.

The Lease Contracts expressly prohibit the Lessee from terminating the contract earlier than its stated expiration date, however, IFIS Leasing sometimes waives such prohibition when a Lessee specifically and reasonably requires termination, but operating in such a way so as to not incur any adverse financial consequences.

Specific Details of the Second Portfolio

The following table sets out information with respect to the Second Portfolio derived from the information supplied by the Originator in connection with the acquisition thereof by the Issuer. As at the relevant Valuation Date, the Claims included in the Second Portfolio and the connected Lease Contracts had the characteristics illustrated in the following tables. The amounts, where relevant, are in Euro.

Summary of the Portoflio (as at Second Portfolio Valutation Date)

Portfolio Statistics	Unit of measure	Value
Number of Debtors (group)	#	7,172
Number of Leases	#	7,691
Total Outstanding Principal	€	182,161,139.04
Total Original Principal Balance	€	240,732,458.93
Average Outstanding Principal	€	23,685
Average Original Principal Balance	€	31,301
WA Seasoning	Months	6.7
WA Original Term	Months	55.4
WA Remaining Term	Months	48.9
WA Spread (Floating Leases)	%	5.61
WA Interest Rate (Fix Leases)	%	5.21
	%	
Monthly Payment Frequency	%	100%
French Amortisation	%	100%
Geographical Distribution	%	
	%	
NORTH	%	66.8%
CENTER	%	21.8%
SOUTH	%	11.4%

BREAKDOWN BY OUTSTANDING PRINCIPAL

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
0 - 2,000	191	2.48%	3,400,508.75	1.41%	17,803.71	222,449.12	0.12%	1,164.66
2,000 - 4,000	257	3.34%	5,867,507.99	2.44%	22,830.77	1,275,911.04	0.70%	4,964.63
4,000 - 6,000	242	3.15%	4,612,841.96	1.92%	19,061.33	735,064.60	0.40%	3,037.46
6,000 - 8,000	313	4.07%	5,806,578.06	2.41%	18,551.37	2,210,875.42	1.21%	7,063.50
8,000 - 10,000	443	5.76%	7,292,908.66	3.03%	16,462.55	4,023,253.92	2.21%	9,081.84
10,000 - 15,000	1,358	17.66%	23,457,525.71	9.74%	17,273.58	16,957,670.09	9.31%	12,487.24
15,000 - 20,000	696	9.05%	22,939,169.61	9.53%	32,958.58	19,003,179.37	10.43%	27,303.42
20,000 - 25,000	1,260	16.38%	27,609,643.83	11.47%	21,912.42	21,920,539.76	12.03%	17,397.25
25,000 - 30,000	1,015	13.20%	28,307,284.22	11.76%	27,888.95	22,626,778.41	12.42%	22,292.39
30,000 - 35,000	365	4.75%	16,193,190.17	6.73%	44,364.90	13,612,652.22	7.47%	37,294.94
35,000 - 40,000	470	6.11%	18,335,629.43	7.62%	39,011.98	15,141,181.04	8.31%	32,215.28
40,000 - 45,000	209	2.72%	11,888,710.94	4.94%	56,883.78	9,894,151.36	5.43%	47,340.44
45,000 - 50,000	252	3.28%	13,000,779.73	5.40%	51,590.40	10,707,857.07	5.88%	42,491.50
50,000 - 60,000	246	3.20%	16,185,961.35	6.72%	65,796.59	13,374,940.47	7.34%	54,369.68
60,000 - 70,000	67	0.87%	6,643,026.22	2.76%	99,149.65	5,632,129.27	3.09%	84,061.63
70,000 - 80,000	105	1.37%	9,168,047.01	3.81%	87,314.73	7,849,768.36	4.31%	74,759.70
80,000 - 90,000	123	1.60%	9,316,393.13	3.87%	75,743.03	7,967,637.29	4.37%	64,777.54
90,000 - 100,000	29	0.38%	3,713,763.34	1.54%	128,060.80	3,132,810.29	1.72%	108,027.94
100,000 - 120,000	27	0.35%	3,020,683.91	1.25%	111,877.18	2,545,474.86	1.40%	94,276.85
120,000 - 140,000	16	0.21%	2,585,498.93	1.07%	161,593.68	2,091,790.25	1.15%	130,736.89
140,000 - 160,000	3	0.04%	522,407.21	0.22%	174,135.74	433,787.61	0.24%	144,595.87
160,000 - 180,000	1	0.01%	181,160.32	0.08%	181,160.32	174,399.09	0.10%	174,399.09
180,000 - 200,000	2	0.03%	423,900.77	0.18%	211,950.39	377,784.95	0.21%	188,892.48
200,000 - 300,000	1	0.01%	259,337.68	0.11%	259,337.68	249,053.18	0.14%	249,053.18
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY INTEREST TYPE

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
Float*	5,800	75.41%	182,347,317.47	75.75%	31,439.19	137,423,611.33	75.44%	23,693.73
Fixed	1,891	24.59%	58,385,141.46	24.25%	30,875.27	44,737,527.71	24.56%	23,658.13
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

All Floating Leases are indexed to EUR 3M

BREAKDOWN BY SPREAD FOR FLOATING LEASES

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
2,000 - 2,999	22	0.38%	1,189,414.59	0.65%	54,064.30	1,083,298.28	0.79%	49,240.83
3,000 - 3,999	605	10.43%	25,268,250.37	13.86%	41,765.70	20,409,892.16	14.85%	33,735.36
4,000 - 4,999	1,051	18.12%	37,628,308.88	20.64%	35,802.39	29,424,253.32	21.41%	27,996.44
5,000 - 5,999	1,275	21.98%	40,975,490.29	22.47%	32,137.64	31,104,510.53	22.63%	24,395.69
6,000 - 6,999	1,462	25.21%	39,729,263.86	21.79%	27,174.60	28,915,382.75	21.04%	19,777.96
7,000 - 7,999	969	16.71%	25,258,988.79	13.85%	26,067.07	17,897,023.27	13.02%	18,469.58
8,000 - 8,999	369	6.36%	11,067,499.20	6.07%	29,993.22	8,104,349.01	5.90%	21,963.01
9,000 - 9,999	44	0.76%	1,145,760.90	0.63%	26,040.02	463,864.07	0.34%	10,542.37
10,000 - 10,999	3	0.05%	84,340.59	0.05%	28,113.53	21,037.94	0.02%	7,012.65
Total	**5,800**	**100.00%**	**182,347,317.47**	**100.00%**	**31,439.19**	**137,423,611.33**	**100.00%**	**23,693.73**

BREAKDOWN BY RATE FOR FIX LEASES

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
2,000 - 2,999	12	0.63%	719,366.15	1.23%	59,947.18	547,461.81	1.22%	45,621.82
3,000 - 3,999	258	13.64%	10,390,668.71	17.80%	40,273.91	8,396,140.87	18.77%	32,543.18
4,000 - 4,999	550	29.09%	17,977,009.03	30.79%	32,685.47	14,853,918.57	33.20%	27,007.12
5,000 - 5,999	372	19.67%	10,908,304.14	18.68%	29,323.40	8,321,739.24	18.60%	22,370.27
6,000 - 6,999	382	20.20%	10,346,681.21	17.72%	27,085.55	7,640,138.80	17.08%	20,000.36
7,000 - 7,999	214	11.32%	5,451,351.42	9.34%	25,473.60	3,678,049.26	8.22%	17,187.15
8,000 - 8,999	80	4.23%	2,156,391.44	3.69%	26,954.89	1,198,224.17	2.68%	14,977.80
9,000 - 9,999	21	1.11%	385,584.76	0.66%	18,361.18	91,120.84	0.20%	4,339.09
10,000 - 10,999	2	0.11%	49,784.60	0.09%	24,892.30	10,734.15	0.02%	5,367.08
Total	**1,891**	**100.00%**	**58,385,141.46**	**100.00%**	**30,875.27**	**44,737,527.71**	**100.00%**	**23,658.13**

BREAKDOWN BY YEAR OF ORIGINATION

Amounts in Euro

Range (Euro)	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding Principal	%	Average Size
2,011	5	0.07%	88,925.39	0.04%	17,785.08	4,811.97	0.00%	962.39
2,012	87	1.13%	2,261,758.51	0.94%	25,997.22	188,985.52	0.10%	2,172.25
2,013	428	5.56%	11,409,304.67	4.74%	26,657.25	1,973,243.26	1.08%	4,610.38
2,014	600	7.80%	17,337,388.57	7.20%	28,895.65	5,420,343.63	2.98%	9,033.91
2,015	185	2.41%	4,793,816.16	1.99%	25,912.52	2,465,546.91	1.35%	13,327.28
2,016	2,607	33.90%	80,880,311.38	33.60%	31,024.29	65,803,413.57	36.12%	25,241.05
2,017	3,779	49.14%	123,960,954.25	51.49%	32,802.58	106,304,794.18	58.36%	28,130.40
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY REGION OF BORROWER

Amounts in Euro

Range (Euro)	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding Principal	%	Average Size
ABRUZZO	111	1.44%	3,640,988.42	1.51%	32,801.70	2,824,264.06	1.55%	25,443.82
BASILICATA	20	0.26%	533,228.47	0.22%	26,661.42	446,169.10	0.24%	22,308.46
CALABRIA	12	0.16%	293,044.98	0.12%	24,420.42	232,338.86	0.13%	19,361.57
CAMPANIA	242	3.15%	7,709,589.02	3.20%	31,857.81	6,297,255.10	3.46%	26,021.72
EMILIA-ROMAGNA	894	11.62%	27,547,234.97	11.44%	30,813.46	20,011,721.13	10.99%	22,384.48
FRIULI-VENEZIA GIULI	63	0.82%	2,170,243.21	0.90%	34,448.30	1,459,930.99	0.80%	23,173.51
LAZIO	515	6.70%	15,652,081.68	6.50%	30,392.39	11,898,179.41	6.53%	23,103.26
LIGURIA	536	6.97%	15,459,324.12	6.42%	28,842.02	11,347,648.52	6.23%	21,170.99
LOMBARDIA	1,607	20.89%	49,755,844.23	20.67%	30,961.94	37,121,970.26	20.38%	23,100.17
MARCHE	190	2.47%	5,659,253.32	2.35%	29,785.54	4,081,464.40	2.24%	21,481.39
MOLISE	30	0.39%	759,149.16	0.32%	25,304.97	647,453.27	0.36%	21,581.78
PIEMONTE	741	9.63%	22,811,630.09	9.48%	30,784.93	18,113,311.25	9.94%	24,444.41
PUGLIA	345	4.49%	10,282,079.63	4.27%	29,803.13	8,205,019.80	4.50%	23,782.67
SARDEGNA	19	0.25%	630,838.68	0.26%	33,202.04	434,620.37	0.24%	22,874.76
SICILIA	141	1.83%	5,406,932.23	2.25%	38,347.04	4,502,824.12	2.47%	31,934.92
TOSCANA	679	8.83%	21,834,178.15	9.07%	32,156.37	16,098,561.25	8.84%	23,709.22
TRENTINO-ALTO ADIG	304	3.95%	8,690,770.48	3.61%	28,588.06	7,032,574.33	3.86%	23,133.47
UMBRIA	219	2.85%	6,448,918.62	2.68%	29,447.12	4,767,532.53	2.62%	21,769.55
VALLE D'AOSTA	7	0.09%	247,543.27	0.10%	35,363.32	191,808.59	0.11%	27,401.23
VENETO	1,016	13.21%	35,199,586.20	14.62%	34,645.26	26,446,491.70	14.52%	26,030.01
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY GEOGRAPHICAL AREA

Amounts in Euro

Range (Euro)	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding Principal	%	Average Size
NORTH	5,168	0.67	161,882,177	67.25%	31,323.95	121,725,457	66.82%	23,553.69
CENTER	1,714	0.22	53,235,420	22.11%	31,059.17	39,670,002	21.78%	23,144.69
SOUTH	809	0.11	25,614,862	10.64%	31,662.38	20,765,681	11.40%	25,668.33
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY ASSET TYPE

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
CAR	4,915	63.91%	159,615,640.35	66.30%	32,475.21	111,591,971.22	61.26%	22,704.37
LCV	2,168	28.19%	47,450,415.73	19.71%	21,886.72	40,529,742.53	22.25%	18,694.53
TRUCK	608	7.91%	33,666,402.85	13.98%	55,372.37	30,039,425.29	16.49%	49,406.95
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY NEW AND USED ASSETS

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
Imported Cars	374	4.86%	12,418,701.60	5.16%	33,205.08	9,784,290.02	5.37%	26,161.20
New Cars	6,018	78.25%	192,955,223.84	80.15%	32,063.01	146,172,992.65	80.24%	24,289.30
Used Cars	1,299	16.89%	35,358,533.49	14.69%	27,219.81	26,203,856.37	14.38%	20,172.33
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**31,300.54**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY TOP 20 DEBTORS

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
Group 1	8	0.10%	620,527.98	0.26%	77,566.00	535,047.78	0.29%	66,880.97
Group 2	11	0.14%	536,489.61	0.22%	48,771.78	452,048.76	0.25%	41,095.34
Group 3	2	0.03%	440,498.00	0.18%	220,249.00	423,452.27	0.23%	211,726.14
Group 4	5	0.07%	472,366.60	0.20%	94,473.32	407,127.60	0.22%	81,425.52
Group 5	5	0.07%	389,035.38	0.16%	77,807.08	367,229.96	0.20%	73,445.99
Group 6	6	0.08%	386,061.78	0.16%	64,343.63	351,419.14	0.19%	58,569.86
Group 7	4	0.05%	352,800.00	0.15%	88,200.00	327,526.32	0.18%	81,881.58
Group 8	11	0.14%	288,421.67	0.12%	26,220.15	268,580.06	0.15%	24,416.37
Group 9	11	0.14%	339,282.77	0.14%	30,843.89	253,862.66	0.14%	23,078.42
Group 10	3	0.04%	359,812.98	0.15%	119,937.66	244,054.47	0.13%	81,351.49
Group 11	7	0.09%	282,873.58	0.12%	40,410.51	235,878.63	0.13%	33,696.95
Group 12	4	0.05%	269,039.60	0.11%	67,259.90	234,500.78	0.13%	58,625.20
Group 13	7	0.09%	224,367.36	0.09%	32,052.48	203,225.58	0.11%	29,032.23
Group 14	6	0.08%	230,400.00	0.10%	38,400.00	202,870.38	0.11%	33,811.73
Group 15	7	0.09%	218,363.24	0.09%	31,194.75	201,032.53	0.11%	28,718.93
Group 16	1	0.01%	200,084.02	0.08%	200,084.02	191,256.12	0.10%	191,256.12
Group 17	5	0.07%	220,942.39	0.09%	44,188.48	189,848.81	0.10%	37,969.76
Group 18	6	0.08%	288,814.15	0.12%	48,135.69	188,447.20	0.10%	31,407.87
Group 19	1	0.01%	223,816.75	0.09%	223,816.75	186,528.83	0.10%	186,528.83
Group 20	9	0.12%	236,769.99	0.10%	26,307.78	179,460.55	0.10%	19,940.06
Others	7,572	98.45%	234,151,691.08	97.27%	30,923.36	176,517,740.61	96.90%	23,311.90
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**1,631,186.22**	**182,161,139.04**	**100.00%**	**23,684.97**

BREAKDOWN BY TOP 20 ATECO

Amounts in Euro

Range *(Euro)*	Number of Leases	%	Original Principal Amount	%	Average Size	Outstanding *Principal*	%	Average Size
4941	853	11.09%	35,596,032.27	14.79%	41,730.40	31,369,171.76	17.22%	36,775.11
NA - Code Not Available	1,052	13.68%	34,534,319.63	14.35%	32,827.30	15,086,320.61	8.28%	14,340.61
412	258	3.35%	7,450,993.15	3.10%	28,879.82	6,097,671.91	3.35%	23,634.39
7711	83	1.08%	2,517,584.11	1.05%	30,332.34	2,126,685.08	1.17%	25,622.71
561011	91	1.18%	2,621,146.51	1.09%	28,803.81	2,115,767.44	1.16%	23,250.19
432101	105	1.37%	2,448,405.76	1.02%	23,318.15	2,010,109.50	1.10%	19,143.90
682001	73	0.95%	2,315,336.87	0.96%	31,716.94	1,809,351.47	0.99%	24,785.64
2562	75	0.98%	2,144,868.50	0.89%	28,598.25	1,774,080.82	0.97%	23,654.41
692011	70	0.91%	2,257,499.01	0.94%	32,249.99	1,754,037.38	0.96%	25,057.68
49322	61	0.79%	2,082,230.44	0.86%	34,134.93	1,661,823.35	0.91%	27,243.01
433901	67	0.87%	1,800,351.12	0.75%	26,870.91	1,545,693.16	0.85%	23,070.05
681	54	0.70%	1,994,549.79	0.83%	36,936.11	1,481,204.31	0.81%	27,429.71
812	62	0.81%	1,645,490.61	0.68%	26,540.17	1,350,879.99	0.74%	21,788.39
661921	46	0.60%	1,720,493.88	0.71%	37,402.04	1,345,220.15	0.74%	29,243.92
563	52	0.68%	1,695,466.06	0.70%	32,605.12	1,242,386.96	0.68%	23,892.06
2511	42	0.55%	1,461,932.13	0.61%	34,807.91	1,198,520.99	0.66%	28,536.21
432201	71	0.92%	1,390,173.81	0.58%	19,579.91	1,166,105.84	0.64%	16,424.03
551	40	0.52%	1,449,077.82	0.60%	36,226.95	1,145,810.32	0.63%	28,645.26
451101	44	0.57%	1,528,836.01	0.64%	34,746.27	1,140,040.07	0.63%	25,910.00
6201	54	0.70%	1,399,451.44	0.58%	25,915.77	1,124,911.49	0.62%	20,831.69
Others	4,438	57.70%	130,678,220.01	54.28%	29,445.30	103,615,346.44	56.88%	23,347.31
Total	**7,691**	**100.00%**	**240,732,458.93**	**100.00%**	**653,668.37**	**182,161,139.04**	**100.00%**	**23,684.97**

"Ateco" is the acronym for "*attività economiche*". The "Ateco" classification is used by the Italian national institute for statistics (ISTAT) to identify different business activities for the purposes of carrying out national statistics on the Italian economy. Pursuant to the "Ateco" classification method each different type of business activity (e.g. agriculture, manufacturing, financial and insurance services, etc.) is indeed assigned with a specific "Ateco" code. The "Ateco" system is the Italian implementation of the EU's NACE (*Nomenclature Statistique des Activités Économiques dans la Communauté Européenne*).

THE ORIGINATOR AND THE SERVICER

History

IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.), (the "**Company**") a limited liability company (*società per azioni*) incorporated under the laws of Italy, with registered office at Via Vecchia di Cuneo, 136, 12084, Loc. Pogliola, Mondovì (CN), fiscal code and enrolment with the companies register of Cuneo number 00596300046, enrolled with the register held by the Bank of Italy pursuant to article 106 of Legislative Decree number 385 of 1 September 1993 (so called "*Albo Unico*") under number 83, a company with a sole shareholder.

The Company was incorporated on 29 September 1978 for the purpose of carrying on financial activities including the entering into financial lease contracts.

The by-laws (*statuto*) of the Company provides that the present life of the company ends on 31 December 2050. The share capital of the Company is Euro 41,000,000 (fully paid up) and is wholly owned by Banca IFIS S.p.A..

As part of the group of companies headed by its sole shareholder Banca IFIS S.p.A (the "**Group**"), the Company is principally involved in the finance lease business area. As such, the primary role which the Company has within the Group is the achievement of appropriate levels of profitability relative to the risk it assumes. The Company is obliged consequently to pay great attention to credit quality, applying a lending policy towards the clients that is prudent and discerning.

The Company's organisational structure is concentrated on its core business, outsourcing to other group companies all those activities that are able to be carried out more effectively and/or efficiently by specific areas or entities within the Group, while leaving the Company's ability to operate autonomously within its specific area of business unaffected.

The Board of Directors

The Company's corporate governance is structured "classically", that is to say, with a Board of Directors, a Board of Statutory Auditors, and an auditor appointed pursuant to article 2409-*bis* et seq. of the Civil Code.

The Company's governance has at its foundation the corporate by-laws, which provide most especially for a Board of Directors, which currently has five Directors. The Board of Directors' current membership is set forth in the following table.

Members of the Board of Directors

Name	**Office**
Staccione Alberto	Chair
Zingone Raffaele	Director
Berna Andrea	Director
Egidio Emanuele	Director
Macciocchi Massimo	Director

The Board of Statutory Auditors

The Board of Statutory Auditors comprises three Statutory Auditors and two Alternate Statutory Auditors, each of whom meet all the relevant statutory tests in terms of their integrity, proficiency and independence.

The external auditor of the Company is Ey S.p.A., a member of ASSIREVI, the Italian association of auditing firms.EY S.p.A. is authorised and regulated by the Italian ministry of Economy and Finance ("**MEF**") and registered on the special register of auditing firms held by the MEF. The registered office of EY S.p.A. is at Via Po 32, Rome, 00198, Italy.

The Company is not aware of any potential conflicts of interest between the duties to Company of the persons indicated above and its private interests or other duties.

Members of the Board of Statutory Auditors

Name	Office
Bugna Giacomo	Chair
Vitali Piera	Statutory Auditor
Ciriotto Giovanna	Statutory Auditor
Langosco di Langosco Daria	Alternate Statutory Auditor
Greco Fabio	Alternate Statutory Auditor

Source: IFIS Leasing S.p.A. - Financial statements as at and for the year ended 2016.

The Board of Statutory Auditors carries out the duties with which it is charged by law and by relevant regulations in this area, as is implicit in the Company's by- laws. Currently the Board of Statutory Auditors' duties include oversight of operations, pursuant to articles 2043 et seq. of the Civil Code, while auditing pursuant to articles 2409-*bis* et seq. of the Civil Code, is carried out by Ey S.p.A., which was appointed by the shareholders' meeting of 30 November 2016 to audit the Company's accounts in the years 2016-2024

Human resources

As at 31 December 2016, the Company had 203 employees, as set forth in the following table, which provides a breakdown based upon their occupational category.

Personnel by occupational category as at 31 December 2016

Contractual status	Number of employees
Executives	6
Middle management (*quadri direttivi*)	48
Other personnel	149
Total	203

Source: IFIS Leasing S.p.A. – HR Department 2016.

The Company's financial profile

Accounts

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

The last balance-sheet of the Company related to the fiscal year ended on 31 December 2016 has been approved on 20 April 2017 and filed with the relevant Companies' Register on 19 May 2017.

CREDIT AND COLLECTION POLICIES

Credit Policies

The IFIS Leasing S.p.A.'s origination channel consists of a web platform where Financial Partners (such as agents, dealers, credit institutions), through a dedicated access, can upload leasing applications.

Supporting documentation for credit applications is provided by the Financial Partner proposing the transaction and this is responsible for providing IFIS Leasing S.p.A. with the application and all the necessary accompanying documentation duly signed by the future lessee.

Finance lease applications must be accompanied by the following documentation:

- Application form (web);
- Privacy law form;
- client's identity and guarantors' identity document, tax reference number (partita IVA), contact details (phone number) and data of third party representatives and guarantors;
- identity document of third party representatives and guarantors;
- information of the auto vehicle (category, brand, model, weight in case of commercial vehicles);
- contractual terms and conditions offered (term, deposit, financed amount, instalment amount);
- bank account details (bank, account number);
- official financial statements for limited companies;
- tax returns for other enterprises;

Where the application concerns an existing lessee, the web platform will also consider existing available data and repayment performance.

All application are delivered to the automated scoring and decision system (AUD). Once the application has been received the credit analysis is supported by a number of external databases, such as:

- Cerved, for details on the applicant and its shareholders and on negative credit news;
- Crif private bureau with behavioural information on customer exposures;
- Bank of Italy's Risk Database (Centrale Rischi) for details on exposures with other banks (above a defined trigger);
- Assilea Risks Database (Centrale Rischi Assilea), for details on lease exposures with companies belonging to the Assilea's network.

The analysis will cover:

- Negative events
- Business history
- Business sector
- Number of Cerved queries
- Variations registered at the relevant Chamber of Commerce

- The asset itself (technical features, term of the lease)
- Prospective lessee and members of the business group

Under the procedure leasing contracts are limited to certain assets and cannot comprise vehicles such as ambulances, camper, buses or vehicles for transportation of hazardous substances.

(A) Lending Policies

Lending authority is delegated by the Board to the Underwriting Team in accordance with the Policy 5.0 document.

The delegation is based on a grid where a combination of deal amount/customer exposure/customer rating can be approved by underwriters with different seniority (from risk analyst to Underwriting Leader to the Investment Committee or the Board of Directors for larger exposures).

The credit appetite strategy ("strike zone") is approved by the Board on an annual basis and implemented in the Automatic Decisioning System. The strike zone take into consideration a number of information, in particular: origination channel, customer rating, asset and loan to value, deal structure and guaranties.

(B) Credit Scoring System

All credit application sent by Partners to GE are immediately screened with an Automatic Decisioning System (PACE) which performs a number of activities:

- Retrieves all bureau reports (Creved, Crif and Assilea);
- Check customer exposure and payment behavior;
- Permorm an AML/KYC screening of the customer, directors, shareholders and UBO;
- Assign to the customer a credit score;
- Apply to the credit application credit appetite rules ("strike zone");

At the end of this automatic process PACE suggests a decision on the transaction with an approval/rejection or assign for manual Underwriting.

Collection Policies

(A) Payment Methods

Regular payments are made through SEPA direct debit charged on the lessee's account.

As regards the collection of past due amounts, the payment methods allowed are mainly Wire Transfer (Phone), Checks (Door to Door) and even promissory notes in Legal Collection on repayment plans.

(B) Monitoring and recovery process

Credit monitoring is carried out through the identification of missing payments. At the beginning of the month and on a daily base following the receipt of the unpaid SEPA DD.

The recovery process provides for:

1. Early Collection

Depending on number of missed payments, different collection procedures are put in place:

- Phone collection

- Door to door collection
- Appointment of an external collector can occur in both phases

In case there are at least 5 missed payments the lease contract may be terminated and the asset repossession process start.

2. Repossession of the Asset abroad

IFIS Leasing S.p.A. has in place procedures aimed at preventing the exportation of the Asset outside of the EU area. In this regard agreement have entered into with companies specialising in the recovery of assets abroad and having their own representatives in ports or border points where the assets are most likely to transit through. These companies signal to IFIS Leasing S.p.A. the exportation attempt allowing the same to contact the authorities.

3. Management of the recovered Asset

The recovered asset (in amicable way, or following out of court settlement/ court proceedings) is managed and remarketed in accordance with established procedures.

4. Management of theft or total destruction

Following theft or total destruction the contract is terminated. IFIS Leasing S.p.A. proceeds with removing the vehicle from the register of the vehicles (PRA) and engages an external company to this end. IFIS Leasing S.p.A. then issues a statement (*Nota Risarcimento Danni*) covering all remaining instalments and the file is closed once IFIS Leasing S.p.A. receives the insurance pay-out. The insurance pay-out is then reconciled with accounting statement under the terminated contract and depending on whether IFIS Leasing S.p.A. has a credit or a debt towards the lessee, a payment will be requested from, or made to, the same.

(C) Client Classification

IFIS Leasing S.p.A. credit criteria for the classification of counterparties are the following:

- Performing: this category covers contacts that are:
    - current ("*in bonis*");
    - past due with max 3 instalments.
- Non-performing
    - *Scaduto Deteriorato*: Past due with at least 4 instalments;
    - *Inadempienza probabile* (Unlikely to pay): debt already in past due, after analysis of the possibility to repay debt without legal actions, subsequently early terminated (generally after 5 unpaid);
    - Defaulted (*Sofferenze*): classified in this category after thorough analysis of an evident difficulty to recover even through recourse to legal actions (eg. Bankruptcy, Asset Legal Claim open, Bounced Checks payment, etc.)

In case of conflict between the Credit and Collection Policies and the Servicing Agreement and the Servicing Agreement will prevail.

THE CO-OBLIGOR

Banca IFIS S.p.A. is the parent company of the Group Banca IFIS and, in Italy, the only independent bank specialised in the segment of trade receivables, distressed retail loans and tax receivables. The banking Group is currently composed by:

- the parent company Banca IFIS S.p.A.;

- the factoring company, operating in Poland, IFIS Finance Sp.z o.o., entirely controlled by Banca IFIS The business areas where the Bank operates, financing the real economy, are mainly the following:

  1. management of the trade receivables of companies operating in the Italian market through factoring, with particular focus on Italian SMEs and on companies growing abroad or based abroad and working with Italian customers;

  2. management of the trade receivables of local health services' suppliers and pharmacists;

  3. acquisition and management of distressed retail loans and tax receivables arising mainly from insolvency proceedings.

  Banca IFIS was founded in 1983 by Sebastien Egon Fürstenberg, the current Chairman. Over the years, it has gradually developed and strengthened its own role on the SMEs market. As already mentioned, to date it is the only independent Banking Group in Italy that specialises in the segment of trade receivables, distressed retail loans and tax receivables. The business areas and brands through which the Group operates, financing the real economy, are:

  1. **Banca IFIS Impresa**, dedicated to managing the trade receivables of small- and medium-sized enterprises operating in the Italian market and of companies growing abroad or based abroad and working with Italian customers through factoring;

  2. **Banca IFIS Pharma and Pharmacies**, managing the trade receivables of local health services' suppliers and pharmacists;

  3. **Credi Famiglia and NPL Area**, dedicated to the operations of the business area active in the Distressed Retail Loans (NPL) segment;

  4. **Fast Finance**, focusing on the segment of tax receivables arising mainly from insolvency proceedings.

  With the recent acquisition of GE Capital Interbanca Group, mainly focused on corporate medium/long-term financing, as well as on both financial and operating leasing, Banca IFIS aims to be the only specialty finance Italian player with strong know-how to provide the complete range of financial services to the SMEs and micro enterprises sector (from start-up finance to restructuring and Non Performing Loans).

  As part of its policy, Banca IFIS has always tried to achieve sustainable long-term growth. Bearing in mind the volatility that has characterised the liquidity market especially during the 2009-2011 period, it has implemented a programme to position itself in it the retail funding market and take advantage of a funding mix both well-balanced in full respect of the ALM policies and well-diversified in relation to the institutional and retail component.

  The Bank carries out its retail funding business through the following brands and products:

  1. **rendimax,** the online savings account, completely free, for individuals, business customers and insolvency proceedings;

  2. **contomax**, born in January 2013, the online crowd current account.

  Listed on the STAR segment of Borsa Italiana, Banca IFIS has always been an innovative, steadily growing company with positive and sustainable profitability. The guidelines of the competitive positioning of Banca IFIS are solidity, liquidity and sustainable profitability.

Solidity: protection of equity with high solvency levels suitable for sustaining the Bank's growth;

Liquidity: availability of retail funds and assets eligible for refinancing with the Eurosystem; maintenance of monetizable assets with tactical aims; coherent extension of funding deadlines.

Sustainable profitability: investments with high risk-adjusted return; growth of profitability in absolute value for all sectors of the Bank; choice of investment of resources according to risk-adjusted return (NBI/Investment, net profit/ capital used - RORAC).

The information contained herein relates to and has been obtained from Banca IFIS S.p.A. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by Banca IFIS S.p.A., no facts have been omitted which would render the reproduced information inaccurate or misleading.

THE ISSUER'S BANK ACCOUNTS

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer has opened with the Italian Account Bank for the purposes of the Securitisation the following accounts (collectively the "**Italian Accounts**"):

(a) a euro-denominated current account into which, *inter alia*, the Servicer will be required to deposit the Collections within the second Business Day immediately following their receipt pursuant to the Servicing Agreement (the "**Collection Account**");

(b) a euro-denominated current account into which the Issuer: (i) deposited on the Issue Date, €5,494,500.00, out of the proceeds of the issue of the Existing Junior Notes; (ii) will be required to credit on each Liquidation Date an amount equal to the aggregate of (A) the monies invested in Eligible Investments (if any) from the Cash Reserve Account during the preceding Collection Period and (B) any Revenue Eligible Investments Amount owned by the Issuer and deriving from the amount under (A); (iii) will deposit on the Increase Date out of the proceeds of the issue of the Junior Notes the amount necessary to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount; (iv) will be required to credit on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, the amount necessary to replenish it so that the balance of the Cash Reserve Account equals the Target Cash Reserve Amount (if any); and (v) will be required to credit the interest accrued on the Cash Reserve Account during the preceding Collection Period (the "**Cash Reserve Account**");

(c) a euro-denominated current account into which, *inter alia*: (i) the proceeds of the issue of the Existing Notes on the Issue Date were credited; (ii) the proceeds of the increase of the notional amount of the Existing Notes on the Increase Date were credited; (iii) the Italian Account Bank will be required to transfer, two Business Days prior to each Interest Payment Date (A) the balance standing to the credit of the Collection Account and the Cash Reserve Account as at the last day of each Collection Period; and (B) for the avoidance of doubt, without duplication of amounts to be credited under (A) above, the monies invested in Eligible Investments (if any) from the Collection Account and the Cash Reserve Account during the preceding Collection Period and any Revenue Eligible Investments Amounts owned by the Issuer and deriving from such amounts; and (iv) the Interest Rate Hedging Counterparty is required to make the payments due by it to the Issuer under the Interest Rate Cap Agreement, and the credit balance of which will be used to make payments due on each Interest Payment Date to the Noteholders and the other Issuer Creditors in accordance with the applicable Priority of Payments (the "**Payments Account**");

(d) a euro-denominated current account into which (i) was credited on the Issue Date, the Initial Overpayments and Suspended Collections Amount; and (ii) will be credited on each Business Day immediately following each Reporting Date, an amount equivalent to the Positive Difference (if any) as indicated in the Servicer Report delivered on the immediately preceding Reporting Date (the "**Overpayments and Suspended Payments Account**");

(e) a euro-denominated current account into which on the Issue Date the Issuer deposited €25,000 (the "**Retention Amount**") and the remainder of the proceeds of the issue of the Existing Notes which have not been otherwise applied on such date (the "**Expenses Account**"). The Expenses Account will be replenished on each Interest Payment Date, in accordance with the Pre-Enforcement Priority of Payments and subject to the availability of sufficient Issuer Available Funds, up to the Retention Amount and such amount will be applied by the Issuer to pay all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business; and

(f) an eligible investments securities account into which will be deposited, *inter alia*, all Eligible Investments (as defined below), from time to time made by or on behalf of the Issuer (the "**Eligible Investments Securities Account**").

"**Initial Overpayments and Suspended Collections Amount**" means an amount equal to the Overpayments and the Suspended Collections not yet reconciled and invoiced by the Servicer as at 30

November 2016, which on the Issue Date, were to be paid by the Originator into the Overpayments and Suspended Payments Account pursuant to clause 3.2(d) of the Original Transfer Agreement.

Pursuant to the terms of the Agency and Accounts Agreement, the Issuer opened with the English Account Bank for the purposes of the Securitisation:

(a) a euro-denominated current account, opened in the name of the Issuer in the United Kingdom (secured in favour of the Issuer Secured Creditors but subject always to the Collateral Accounts Priority of Payments), into which Collateral in the form of cash (and any interest in respect thereof or distributions or liquidation or other proceeds in respect of Collateral in the form of securities) posted pursuant to the provisions of the Interest Rate Cap Agreement will be held (the "**Cash Collateral Account**"); and

(b) a securities account, opened in the name of the Issuer in the United Kingdom (secured in favour of the Issuer Secured Creditors but subject always to the Collateral Accounts Priority of Payments), into which Collateral in the form of securities posted pursuant to the provisions of the Interest Rate Cap Agreement will be held (the "**Securities Collateral Account**" and, together with the Cash Collateral Account, the "**Collateral Accounts**").

The Issuer has also opened with Banca Finint S.p.A. a euro-denominated account (the "**Equity Capital Account**") into which the Issuer's equity capital of €10,000 will be required to be deposited for as long as any Notes are outstanding.

Pursuant to the Agency and Accounts Agreement, each of the Italian Account Bank and the English Account Bank has agreed to provide the Issuer with certain services in connection with account handling and reporting requirements in relation to the monies and securities, as applicable, from time to time standing to the credit of, respectively, the Italian Accounts and the Collateral Accounts, including the preparation of statements of account on each Reporting Date (each a "Statement of the Accounts").

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes (the "**Conditions**").

The €366,300,000 Class A Asset-Backed Floating Rate Notes due 2029 (the "**Existing Class A Notes**" or the "**Existing Senior Notes**") and the €138,000,000 Class B Asset-Backed Variable Return Notes due 2029 (the "**Existing Class B Notes**" or the "**Existing Junior Notes**" and, together with the Existing Senior Notes, the "**Existing Notes**") were issued by Indigo Lease S.r.l. (the "**Issuer**") on 15 December 2016 (the "**Issue Date**") in order to finance the purchase of Claims included in the first portfolio (the "**First Portfolio**") purchased by the Issuer from the Originator in accordance with the Securitisation Law and pursuant to the terms and conditions of a transfer agreement entered into by the Originator and the Issuer on 1 December 2016 (the "**Original Transfer Agreement**").

On 25 July 2017 (the "**Increase Date**") the notional amount of the Existing Senior Notes has been increased by € 243,200,000 (the "**Class A Notes Increased Notional Amount**" or the "**Senior Notes Increased Notional Amount**") and the notional amount of the Existing Junior Notes has been increased by € 31,700,000 by the Issuer, (the "**Class B Notes Increased Notional Amount**" or the "**Junior Notes Increased Notional Amount**") to finance the purchase by the Issuer of, *inter alia*, Claims included in a second portfolio (the "**Second Portfolio**") to be transferred from the Originator to the Issuer in accordance with the Securitisation Law and pursuant to the terms and conditions of a master transfer agreement entered into by the Issuer and the Originator on 14 July 2017 (the "**Master Transfer Agreement**").

As a consequence of the increase of the notional amount of the Existing Notes by the Senior Notes Increased Notional Amount and the Junior Notes Increased Notional Amount, respectively, on the Increase Date:

a) the notional amount of the Notes (as increased) results as follows:

   (i) with respect to the Class A Notes: € 609,500,000 (the "**Senior Notes Aggregate Notional Amount**"), and

   (ii) with respect to the Class B Notes: € 169,700,000 (the "**Junior Notes Aggregate Notional Amount**" and together with the Senior Notes Aggregate Notional Amount, the "**Notes Aggregate Notional Amount**");

b) the aggregate principal amount outstanding of the Notes (as increased) results as follows:

   (i) with respect to the Class A Notes: € 377,636,014.18 (the "**Aggregate Principal Amount Outstanding of the Senior Notes**"), and

   (ii) with respect to the Class B Notes: € 169,700,000 (the "**Aggregate Principal Amount Outstanding of the Junior Notes**" and together with the Aggregate Principal Amount Outstanding of the Senior Notes the "**Aggregate Principal Amount Outstanding of the Junior Notes**");

c) the pool factor of the Notes (being the Principal Amount Outstanding of the relevant Notes as at the Increase Date divided by the Aggregate Notional Amount of the relevant Notes) will be:

   (i) with respect to the Class A Notes: 61.958329%(the "**Class A Notes Pool Factor**"),

   (ii) with respect to the Class B Notes: 100% (the "**Class B Notes Pool Factor**" and, together with the Class A Notes Pool Factor, the "**Pool Factor**").

The Existing Senior Notes as increased by the Senior Notes Increased Notional Amount are hereinafter referred to as the "**Senior Notes**" and the Existing Junior Notes as increased by the Junior Notes Increased Notional Amount are hereinafter referred to as the "**Junior Notes**"; the Senior Notes and the Junior Notes are hereinafter referred to as the "**Notes**".

The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law (as defined below), having its registered office at via Vittorio Alfieri, 1, 31015 Conegliano (Treviso), Italy. The Issuer is registered in the register of the special purpose

vehicles held by the Bank of Italy pursuant to the regulation of the Bank of Italy dated 30 September 2014 (*Disposizioni in materia di obblighi informativi e statistici delle società veicolo coinvolte in operazioni di cartolarizzazione*) under number 35310.2, and in the companies' register held in Treviso-Belluno under number 04830440261.

The Notes are subject to and have the benefit of an agency and accounts agreement (as amended and restated from time to time, the "**Agency and Accounts Agreement**") dated 13 December 2016 (the "**Initial Signing Date**") between the Issuer, BNP Paribas Securities Services, Milan Branch as Italian account bank, paying agent and agent bank (in such capacities, respectively, the "**Italian Account Bank**", the "**Paying Agent** " and the "**Agent Bank**", which expressions include any successor Italian account bank, paying agent and agent bank appointed from time to time in respect of the Notes), BNP Paribas Securities Services, London Branch as English account bank (the "**English Account Bank**", which expression includes any successor English account bank appointed from time to time), IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.) as originator (the "**Originator**") and servicer (the "**Servicer**"), Securitisation Services S.p.A. as computation agent, back-up servicer and representative of the holders of the Notes (in such capacities, respectively, the "**Computation Agent**", the "**Back-up Servicer**" and the "**Representative of the Noteholders**", which expressions include any successor or additional computation agent, back-up servicer and representative of the Noteholders appointed from time to time) and Citibank, N.A. London Branch as interest rate hedging counterparty (the "**Interest Rate Hedging Counterparty**", which expression includes any successor interest rate hedging counterparty appointed from time to time in respect of this Securitisation in accordance with the provisions hereof). The Italian Account Bank, the Computation Agent, the Paying Agent, the Agent Bank and the English Account Bank are jointly referred to as the "**Agents**", and "**Agent**" indicates any one of those as the context may require.

The Noteholders are deemed to have notice of, are bound by and shall have the benefit of, *inter alia*, the terms of the rules of the organisation of the Noteholders (the "**Rules of the Organisation of Noteholders**") which constitute an integral and essential part of these Conditions. The Rules of the Organisation of Noteholders are attached hereto as a schedule. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised in accordance with these Conditions and the Rules of the Organisation of Noteholders.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency and Accounts Agreement, the Intercreditor Agreement (as defined below), and the other Transaction Documents (as defined below). Any reference in these Conditions to a particular Transaction Document is a reference to such Transaction Document as from time to time created and/or modified and/or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so amended and/or modified and/or supplemented.

The holders of the Senior Notes (the "**Class A Noteholders**" or "**Senior Noteholders**") and the holders of the Junior Notes (the "**Class B Noteholders**" or "**Junior Noteholders**" and, together with the Senior Noteholders, the " **Noteholders**" and each a "**Noteholder**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency and Accounts Agreement, the Rules of the Organisation of Noteholders, the Intercreditor Agreement and the other Transaction Documents applicable to them. Copies of the Agency and Accounts Agreement, the Rules of the Organisation of Noteholders, the Intercreditor Agreement and the other Transaction Documents are available for inspection during normal business hours by the Noteholders at the Specified Office of the Representative of the Noteholders and at the Specified Office of the Paying Agent.

The Issuer has published to prospective Noteholders the prospetto informativo required by article 2 of Italian law No. 130 of 30 April 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**"). Copies of the *prospetto informativo* will be available, upon request, to the holder of any Note during normal business hours at the Specified Office of the Representative of the Noteholders and at the Specified Office of the Paying Agent.

Any references below to a "**Class**" of Notes or a "**Class**" of Noteholders will be a reference to the Class A Notes or the Junior Notes, as the case may be, or to the respective holders thereof, respectively. References to "**Noteholders**" or to the "**holders**" of Notes are to the beneficial owners of the Notes.

The principal source of funds available to the Issuer for the payment of amounts due on the Notes will be collections and recoveries made in respect of the Claims (as defined below). The Claims, the collections and recoveries in respect thereof, any financial assets purchased with such moneys and any other claims (including the relevant collections thereof) of the Issuer which arise in the context of the Securitisation will be segregated from all other assets of the Issuer by operation of the Securitisation Law and, pursuant to the Intercreditor Agreement, amounts deriving therefrom will be available, both before and after a winding- up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to pay costs, fees and expenses due to the Other Issuer Creditors under the Transaction Documents and to pay any other creditor of the Issuer in respect of costs, liabilities, fees or expenses payable to any such other creditor in relation to the securitisation of the Portfolio by the Issuer through the issuance of the Existing Notes (the "**Securitisation**").

The Servicer shall act as "*soggetto incaricato della riscossione dei crediti e dei servizi di cassa e pagamento*" pursuant to articles 2(6) and 2(3), point (c) of the Securitisation Law and shall be responsible for verifying that the transactions to be carried out in connection with the Securitisation comply with the applicable law and are consistent with the contents of the Prospectus pursuant to article 2(6-bis) of the Securitisation Law.

Under the terms of the Mandate Agreement and the Intercreditor Agreement, the Issuer has, *inter alia*, granted a mandate to the Representative of the Noteholders, pursuant to which, *inter alia*, following service of an Issuer Acceleration Notice, the Representative of the Noteholders shall be authorised under article 1723, second paragraph, of the Italian civil code, to exercise, in the name of the Issuer but in the interest and for the benefit of the Noteholders and the Other Issuer Creditors, all the Issuer's contractual rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Claims, including the right to sell them in whole or in part, in the interest of the Noteholders and the Other Issuer Creditors.

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, by reason of holding one or more Notes, (a) recognises the Representative of the Noteholders as its representative, acting in its name and on its behalf, and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto,

(b) acknowledges and accepts that the Restructuring Arranger, the Senior Notes Subscriber and the Junior Notes Subscriber shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any of the Noteholders as a result of the performance by Securitisation Services S.p.A. (or any permitted assignee or successor) of its duties as Representative of the Noteholders provided in the Transaction Documents and these Conditions and (c) without limiting the generality of the foregoing, acknowledges and accepts the provisions set out under Condition 18 (*Governing Law and Jurisdiction*).

In these Conditions, any reference to a Transaction Document includes reference to that Transaction Document as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

1. **Definitions**

(a) In these Conditions:

"**Account Banks**"means, collectively, the Italian Account Bank and the English Account Bank;

"**Accounts**" means, collectively, the Italian Accounts and the Collateral Accounts and "**Account**" means any one of them.

"**Accumulation Date**" means, following the service of an Issuer Acceleration Notice, the earlier of: (i) each date on which the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments to be made in accordance with the Post-Enforcement Priority of Payments shall be equal to at least one per cent of the aggregate Principal Amount Outstanding of all Classes of Notes and (ii)

each day falling 3 Business Days before the day that, but for the service of an Issuer Acceleration Notice, would have been an Interest Payment Date;

"**Additional Portfolio**" means each additional portfolio of Claims purchased during the Revolving Period on each relevant Transfer Date by the Issuer pursuant to the terms and conditions of the Master Transfer Agreement;

"**Agency and Accounts Agreement**" means an agency and accounts agreement dated the Initial Signing Date between, *inter alios*, the Issuer, the Italian Account Bank, the Paying Agent, the English Account Bank, the Representative of the Noteholders, the Computation Agent, the Back-up Servicer, the Originator and the Interest Rate Hedging Counterparty (as amended and/or restated from time to time).

"**Aggregate Notes Formula Redemption Amount**" means, in respect of any Interest Payment Date prior to the service of an Issuer Acceleration Notice, an amount calculated in accordance with the following formula:

$$A + B - CP - R$$

A = the Principal Amount Outstanding of the Class A Notes on the day following the immediately preceding Interest Payment Date or, in respect of the first Interest Payment Date following the Increase Date, the day following the Increase Date;

B = the Class B Notes Equivalent Notional Amount on the day following the immediately preceding Interest Payment Date or, in respect of the first Interest Payment Date following the Increase Date, the day following the Increase Date;

CP = the Collateral Portfolio Outstanding Amount on the last day of the immediately preceding Collection Period; and

R = the Target Cash Reserve Amount calculated with reference to the immediately following Interest Payment Date;

"**Agreement for the Confirmation and Extension of the Mandate Agreement**" means the agreement for the confirmation and extension of the Mandate Agreement, entered into on or about the Increase Date between the Issuer and the Representative of the Noteholders.

"**AIFM Regulation**" means the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council, as amended and supplemented from time to time;

"**Asset**" means any registered or unregistered movable property leased by IFIS Leasing to the Lessees under the terms of a Lease Contract;

"**Back-up Servicer**" means Securitisation Services S.p.A. or any successor thereto acting as such under the Back-up Servicing Agreement;

"**Back-up Servicing Agreement**" means the back-up servicing agreement dated the Initial Signing Date between the Issuer, the Servicer, the Back-up Servicer and the Representative of the Noteholders (as ameded, restated, supplemented and/or extended from time to time);

"**Banca IFIS**" means a bank organised as a joint stock company (*società per azioni*), incorporated under the laws of the Republic of Italy, listed on the Italian Stock Exchange (registration No. 02505630109), with registered office at Via Terraglio, 63, Mestre, registered with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to article 13 of the Banking Act under No. 5508;

"**Banca IFIS Financial Covenants**" means:

(i) the Minimum Common Equity Tier 1 (CET1) ratio being as prescribed by the competent authority; and

(ii) the Minimum Liquidity Coverage Ratio being as prescribed by Basel III Capital Regime.

"**Basel III Capital Regime**" means the set of capital regime rules adopted by the EU through Directives 2013/36 and Regulation 2016/575 and implemented in the Republic of Italy through Legislative Decree No. 72 of 12 May 2015 and the Bank of Italy Circular No. 285 of 17 December 2013, as subsequently amended;

"**Basic Terms Modification**" has the meaning given to it in the Rules of the Organisation of Noteholders;

"**Business Day**" means a day which is not a bank holiday or a public holiday in Milan, Luxembourg and London and which is a Target2 Day;

"**Calculation Date**" means the date that falls three Business Days prior to each Interest Payment Date;

"**Cancellation Date**" means the later of (i) the last Business Day in July 2030; (ii) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (iii) the date when all the Claims then outstanding will have been entirely written off by the Issuer;

"**Cap Transaction**" means the interest rate cap transaction entered into on the Initial Signing Date and executed between the Issuer and the Interest Rate Hedging Counterparty, pursuant to the Interest Rate Cap Agreement;

"**Cash Collateral Account**" means a euro-denominated current account opened on the Issue Date in the name of the Issuer with the English Account Bank into which Collateral in the form of cash posted pursuant to the provisions of the Interest Rate Cap Agreement will be held, or any other current account which may replace it in accordance with the provisions of the Agency and Accounts Agreement;

"**Cash Reserve**" means the monies standing to the credit of the Cash Reserve Account at any given time, net of any interest accrued and paid thereon, to be applied in accordance with the provisions of the Agency and Accounts Agreement;

"**Cash Reserve Account**" means a euro-denominated account opened by the Issuer with the Italian Account Bank, as better identified in the Agency and Accounts Agreement;

"**Claims**" means the monetary claims and other connected rights transferred by the Originator to the Issuer pursuant to the Transfer Agreements, as defined under clause 1.2 (*Definitions*) thereto, which, for avoidance of any doubt, do not include any claim of the Originator with respect to taxes (including VAT and stamp duty), amounts due by Lessees with respect to Insurance Policies (as defined in the Transfer Agreements), fees and any Residual Optional Instalment;

"**Class A Interest Amount**" has the meaning given in Condition 6(e) (*Calculation of Class A Interest Amounts*);

"**Class A Interest Amount Arrears**" means the portion of the relevant Interest Amount for the Senior Notes of any Class, calculated pursuant to Condition 6(e) (*Calculation of Class A Interest Amounts*), which remains unpaid on the relevant Interest Payment Date;

"**Class A Notes Formula Redemption Amount**" means, in respect of any Interest Payment Date prior to the service of an Issuer Acceleration Notice:

(a) if the Cash Trapping Condition is not met, an amount equal to the lower of: (a) the Principal Amount Outstanding of the Class A Notes on the relevant Calculation Date; and (b) the Aggregate Notes Formula Redemption Amount for that Interest Payment Date;

(b) if the Cash Trapping Condition is met, the Principal Amount Outstanding of the Class A Notes up to the amount available after application of the Issuer Available Funds on the Interest Payment Date immediately following the relevant Calculation Date to all items ranking in priority to the repayment of principal on the Class A Notes in accordance with the Pre-Enforcement Priority of Payment,

provided that the Class A Notes Formula Redemption Amount shall continue to be calculated in accordance with paragraph (b) above until the Cash Trapping Condition will cease to be outstanding for at least six consecutive Calculation Dates;

"**Class A Notes Subscription Agreement**" means the subscription agreement dated the Initial Signing Date between the Issuer, the Originator, the Senior Notes Subscribers, the Initial Arrangers and the Representative of the Noteholders;

"**Class A Rate of Interest**" has the meaning given in Condition 6(c) (*Rate of interest on the Class A Notes*);

"**Class B Notes Equivalent Notional Amount**" means, on any date, with reference to the Class B Notes, (i) EUR 149,900,000, being equal to the Portfolio Outstanding Amount on the Valuation Date of the Second Portfolio, *less* the Principal Amount Outstanding of the Class A Notes on the Increase Date, *plus* the Cash Reserve Amount and the Retention Amount on the Increase Date, rounded to the denomination of the Class B Notes, (ii) *less* the aggregate amount of all Principal Payments which have been paid on the Class B Notes on such date or prior to such date;

"**Class B Notes Formula Redemption Amount**" means, in respect of any Interest Payment Date prior to the service of an Issuer Acceleration Notice:

(a) if the Cash Trapping Condition is not met, an amount equal to the lower of: (a) the Principal Amount Outstanding of the Junior Notes on the relevant Calculation Date; and (b) the Aggregate Notes Formula Redemption Amount for that Interest Payment Date less the Class A Notes Formula Redemption Amount for that Interest Payment Date;

(b) if the Cash Trapping Condition is met, the Principal Amount Outstanding of the Junior Notes up to the amount available after application of the Issuer Available Funds on the Interest Payment Date immediately following the relevant Calculation Date to all items ranking in priority to the repayment of principal on the Junior Notes in accordance with the Pre-Enforcement Priority of Payment,

provided that the Class B Notes Formula Redemption Amount shall continue to be calculated in accordance with paragraph (b) above until the Cash Trapping Condition will cease to be outstanding for at least six consecutive Calculation Dates;

"**Clean Up Option Date**" means any date on which the Portfolio Outstanding Amount is equal to or lower than 10 per cent. of the Portfolio Outstanding Amount as at the Valuation Date of the Second Portfolio;

"**Clearstream**" means Clearstream Banking, *société anonyme*;

"**Collateral**" means the cash amount and/or securities (if any) (and any interest in respect thereof or distributions or liquidation or other proceeds in respect of Collateral in the form of securities) standing to the credit of, respectively, the Cash Collateral Account and the Securities Collateral Account;

"**Collateral Accounts**" means, together, the Cash Collateral Account and the Securities Collateral Account;

"**Collateral Accounts Priority of Payments**" has the meaning given to such term in Condition 3(f) (*Collateral Accounts Priority of Payments*);

"**Collateral Account Surplus**" has the meaning given to such term in Condition 3(f) (*Collateral Accounts Priority of Payments*);

"**Collateral Portfolio Outstanding Amount**" means, at a given date, the Portfolio Outstanding Amount net of any (i) Defaulted Claims and (ii) Delinquent Claims;

"**Collection Account**" means an euro-denominated account opened by the Issuer with the Italian Account Bank into which the Servicer will be required to deposit the Collections within the second Business Day immediately following their receipt pursuant to the Servicing Agreement;

"**Collection Date**" means the first calendar day of each calendar month;

"**Collection Period**" means: (a) prior to the service of an Issuer Acceleration Notice, each period commencing on (and including) a Collection Date and ending on (and excluding) the next succeeding Collection Date up to the redemption in full of the Notes, the first Collection Period having commenced on (but excluding) the Valuation Date of the First Portfolio and having ended on (but including) 31 December 2016; and (b) following the service of an Issuer Acceleration Notice, each period commencing on (but excluding) the last day of the preceding Collection Period and ending on (and including) the immediately following Accumulation Date;

"**Collections**" means all amounts received by the Servicer or any other person in respect of any Instalments (other than any Residual Optional Instalment) due in respect of the Claims and any other amounts whatsoever received by the Servicer or any other person in respect of the Claims;

"**CONSOB**" means the Commissione Nazionale per le Società e la Borsa;

"**Consolidated Banking Act**" means Italian legislative decree No. 385 of 1 September 1993, as subsequently amended;

"**Co-Obligor**" means Banca IFIS;

"**Corporate Services Agreement**" means the corporate services agreement dated the Initial Signing Date between the Issuer, the Representative of the Noteholders and the Corporate Services Provider;

"**Corporate Services Provider**" means Securitisation Services and includes any successor corporate services provider appointed from time to time under the Corporate Services Agreement in respect of this Securitisation;

"**CRA3**" means the Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies (as the same may be amended from time to time), including any implementing and/or delegated regulation, technical standards and guidance related thereto;

"**CRR**" means Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended and/or supplemented from time to time, together with any guidelines, technical standards or Q&A responses published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority);

"**DBRS**" means DBRS Ratings Limited;

"**DBRS Minimum Rating**" means:

(a) if a Fitch public rating, a Moody's public rating and an S&P public rating, in each case given to senior unsecured long term debt rating (or an equivalent rating) (each, a "**Public Long Term Rating**") 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* 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). For this purpose, 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; and

(b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings of the Eligible Investment by any two of Fitch, Moody's and S&P 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).

If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) and (b) above, then the Eligible Investment will be deemed to have a DBRS Minimum Rating of "C" at such time.

"**DBRS Equivalent Rating**" means the DBRS rating equivalent of any of the below ratings by Fitch, Moody's or S&P:

DBRS	**Moody's**	**S&P**	**Fitch**
AAA	Aaa	AAA	AAA
AA(high)	Aal	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)	Baal	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Bal	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)	Caal	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-

CC	Ca	CC	CC
C	C	D	D

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

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Decree 239;

"**Defaulted Amount**" means, on any given date and with reference to a Defaulted Lease Contract:

(a) if the Defaulted Lease Contract has been terminated, the Outstanding Principal, on the date of termination of the Defaulted Lease Contract, together with the Interest Component of any Instalments due and not paid; or

(b) if the Defaulted Lease Contract has not been terminated, the Outstanding Principal, on the date of determination, together with the Interest Components of any Instalments due and not paid;

"**Defaulted Claim**" means any Claim (i) arising out of a Lease Contract in respect of which there have been at least 7 (seven) Instalments, which have remained unpaid by the relevant Lessee after the scheduled instalment date under the relevant Lease Contract, (b) the relating Asset has been stolen, (c) the relating Lessee is subject to bankruptcy, (d) termination of the contract and repossession of the Asset has occurred, (e) a legal proceeding has started or (f) the Asset has not been redeemed 9 (nine) months after the related termination date, or (ii) which has been classified as defaulted (*crediti in sofferenza*) by the Servicer on behalf of the Issuer in accordance with the Bank of Italy Supervisory Regulations;

"**Default Date**" means the date on which each relevant Claim becomes a Defaulted Claim;

"**Defaulted Lease Contract**" means any Lease Contract from which originate a Claim which has become a Defaulted Claim;

"**Delinquent Claim**" means any Claim arising out of a Lease Contract in respect of which there are at least 3 (three) monthly Instalments which are unpaid by the relevant Lessee after the scheduled instalment date under the relevant Lease Contract and which is not a Defaulted Claim;

"**Dodd-Frank Act**" means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law on 21 July 2010, as amended;

"**Dynamic Gross Default Ratio**" means the ratio (expressed as a percentage) between (i) the Outstanding Principal of the Claims which have become Defaulted Claims during the relevant Collection Period and (ii) an amount equal to the Outstanding Principal of the Portfolio (excluding Defaulted Claims) as at the first date of the relevant Collection Period.

"**Eligible Institution**" means any depository institution organised under the laws of any State which is a member of the European Economic Area or of the United States of America:

(a) whose long term, unsecured and unsubordinated debt obligations are rated (or whose obligations under the Transaction Documents to which it is a party are guaranteed, in a manner which complies with DBRS' 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 of America, whose long term, unsecured and unsubordinated debt obligations are rated at least) (i) at least "BBB(high)" by DBRS (either by way of a public rating or, in the absence of a public rating, by

way of a private rating supplied to the relevant entity by DBRS) or (ii) in the absence of a public rating or a private rating by DBRS, the DBRS Minimum Rating of "BBB(high)"; and

(b) with respect to Moody's: at least a "A3" long-term rating by Moody's or, in the event of a depository institution which does not have a long-term rating by Moody's, at least a "P-1" short-term rating by Moody's;

"**Eligible Investments**" means any dematerialised euro-denominated senior (unsubordinated) debt securities issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(a) with regard to investments having a maturity of less than, or equal to, 30 (thirty) calendar days, (A) if the issuer or the guarantor (on the basis of an unconditional irrevocable, independent first demand guarantee) of such investments are rated by DBRS, "R-1 (low)" by DBRS in respect of short-term debt or "BBB (high)" by DBRS in respect of long-term debt or (B) if the issuer or the guarantor (on the basis of an unconditional, irrevocable, independent first demand guarantee) of such investments are not rated by DBRS, a DBRS Minimum Rating of "BBB (high)" in respect of long-term debt; and

(b) with regard to investments having a maturity of less than 30 days, either "A3" by Moody's in respect of long-term debt or "P-1" by Moody's in respect of short-term debt,

provided that, in all cases, such investments (1) are immediately repayable on demand, disposable without penalty and in any case have a maturity date falling on or before the immediately succeeding Liquidation Date and (2) provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested; and further *provided that*, in no case shall such investment be made, in whole or in part, actually or potentially, in (a) tranches of other asset-backed securities; or (b) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (c) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Most Senior Class of Notes as eligible collateral;

"**Eligible Investments Securities Account**" means a securities account opened with the Italian Account Bank into which will be deposited all Eligible Investments from time to time made by or on behalf of the Issuer (as better identified in the Agency and Accounts Agreement);

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as may be amended, replaced or supplemented, including any implementing and/or delegated regulation, technical standards and guidance related thereto;

"**English Account Bank**" means BNP Paribas Securities Services, London Branch as English account bank pursuant to the Agency and Accounts Agreement;

"**English Deed of Charge and Assignment**" means the deed of charge and assignment executed on the Issue Date between the Issuer and the Representative of the Noteholders and governed by English law;

"**English Law Transaction Documents**" means the Class A Notes Subscription Agreement, the Interest Rate Cap Agreement and the English Deed of Charge and Assignment;

"**Equity Capital Account**" means a euro-denominated deposit account opened by the Issuer with Banca Finint S.p.A., into which the Issuer's equity capital of €10,000 shall remain deposited for as long as any Notes are outstanding;

"**EURIBOR**" means:

(a) prior to the service of an Issuer Acceleration Notice and in respect of each Interest Period, the rate offered in the euro-zone inter-bank market for one-month deposits in euro (save that for the first Interest Period the rate will be obtained upon linear interpolation of EURIBOR for one-month and two-month deposits in euro) which appears on the Reuters page EURIBOR01 or (A) such other page as may replace the Reuters page EURIBOR01 on that service for the purpose of displaying such information or (B) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Reuters page EURIBOR01 (the "**Screen Rate**") at or about 11.00 a.m. (Brussels time) on the Interest Determination Date falling immediately before the beginning of such Interest Period; or

(b) following the service of an Issuer Acceleration Notice and in respect of each Interest Period, the rate offered in the euro-zone inter-bank market for deposits in euro applicable in respect of such Interest Period which appears on the Screen Rate nominated and notified by the Agent Bank for such purpose or, if necessary, the relevant linear interpolation, as determined by the Agent Bank in accordance with the Agency and Accounts Agreement at or about 11.00 a.m. (Brussels time) on the Interest Determination Date which falls immediately before the end of the relevant Interest Period; or

(c) if the Screen Rate is unavailable at such time for deposits in euro in respect of the relevant period, then the rate for any relevant period shall be the arithmetic mean (rounded to three decimal places with the mid-point rounded upwards) of the rates notified to the Agent Bank at its request by each of the Reference Banks as the rate at which deposits in euro in respect of 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 relevant Interest Determination Date; or

(d) if, at that time, the Screen Rate is unavailable and only two or three of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or

(e) if, at that time, the Screen Rate is unavailable and only one or none of the Reference Banks provides the Agent Bank with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of sub-paragraphs (a) or (b) above shall have applied,

provided that should at any time the EURIBOR (determined as per the above) be lower than minus 0.80 per cent per annum, a floor of minus 0.80 per cent shall apply to it for the purposes of determining the applicable Class A Rate of Interest;

"**Euro**" or "**euro**" or "**€**" means the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended;

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"**euro-zone**" means the region comprising those 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) and the Treaty of Amsterdam (signed on 2 October 1997);

"**Event of Default**" has the meaning given to it in Condition 10 (*Events of Default*);

"**Expenses Account**" means the euro-denominated current account opened by the Issuer with the Italian Account Bank, into which the Retention Amount and the remainder of the proceeds of the issue of the Notes which have not been otherwise applied will be paid on the Issue Date. This account will then be replenished on each Interest Payment Date up to the Retention Amount and such amount will be applied by the Issuer to pay all fees, costs, expenses and taxes required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with the applicable legislation and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business;

"**Extraordinary Resolution**" has the meaning given to it in the Rules of the Organisation of Noteholders;

"**FATCA**" means:

(a) sections 1471 to 1474 of the US Internal Revenue Code of 1986;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. 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 Deduction**" means a deduction or withholding from a payment under a Transaction Document required by FATCA;

"**Final Maturity Date**" has the meaning given to it in Condition 7(a) (*Final redemption*);

"**Final Redemption Date**" means the Interest Payment Date immediately following the earlier of: (i) the date when the Portfolio Outstanding Amount will have been reduced to zero; and (ii) the date when all the Claims then outstanding will have been entirely written off by the Issuer;

"**First Master Amendment and Restatement Agreement**" means the master amendment and restatement agreement to the Servicing Agreement and the Back-up Servicing Agreement entered into on 14 July 2017 by, *inter alios*, the Servicer, the Issuer, the Back-up Servicer, the Representative of the Noteholders and the Co-Obligor.

"**First Portfolio**" means the portfolio of Claims purchased on the Initial Execution Date by the Issuer pursuant to the terms and conditions of the Original Transfer Agreement;

"**IFIS Leasing**" means IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.) a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at via Vecchia di Cuneo, 136, Loc. Pogliola, Mondovì (CN), Italy, registered with the companies' register of Cuneo under No. 00596300046 and with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act under No. 83, a company with a sole shareholder and which is part of Banca IFIS Banking Group;

"**Increase Documents**" means the Master Transfer Agreement, the First Master Amendment and Restatement Agreement, the Second Master Amendment and Restatement Agreement, the Second Subscription Agreement, the Agreement for the Confirmation and Extension of the Mandate Agreement.

"**Initial Execution Date**" means 1 December 2016;

"**Initial Overpayments and Suspended Collections Amount**" means an amount equal to the Overpayments and the Suspended Collections not yet reconciled and invoiced by

the Servicer as at 30 November 2016, which on the Issue Date, were to be paid by the Originator into the Overpayments and Suspended Payments Account pursuant to clause 3.2(d) of the Original Transfer Agreement;

"**Initial Signing Date**" means 13 December 2016;

"**Instalment**" means the scheduled monthly payment falling due from the Lessee under a Lease Contract, excluding the Residual Optional Instalment;

"**Intercreditor Agreement**" means an intercreditor agreement dated the Initial Signing Date between the Issuer, the Representative of the Noteholders and the Other Issuer Creditors (as amended and/or restated from time to time);

"**Interest Components**" means the collections deriving from the interest component of each Instalment including the Prepayment Interest;

"**Interest Determination Date**" means:

(a) prior to the service of a Issuer Acceleration Notice, in respect of each Interest Period, the date falling two Target2 Days prior to the Interest Payment Date at the beginning of such Interest Period (except in respect of the first Interest Period, where the applicable EURIBOR will be determined two Target2 Days prior to the Issue Date);

(b) following the service of a Issuer Acceleration Notice, in respect of each Interest Period, the date falling two Target2 Days prior to the Interest Payment Date at the end of such Interest Period;

"**Interest Payment Date**" means: (a) prior to the service of an Issuer Acceleration Notice, the 25th calendar day of each month (or, if any such date is not a Business Day, that date will be the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day), the first of such dates being 25 January 2017; and (b) following the service of an Issuer Acceleration Notice, the day falling three Business Days after the Accumulation Date (if any) or any other Business Day nominated by the Representative of the Noteholders;

"**Interest Period**" has the meaning given in Condition 6(a) (*Interest Payment Dates and Interest Periods*);

"**Interest Rate Cap Agreement**" means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swaps and Derivatives Association, Inc.), and the schedule and the credit support annex thereto executed on or around the Initial Signing Date between the Issuer and the Interest Rate Hedging Counterparty, together with the Cap Transaction executed thereunder on or around the Initial Signing Date between the Issuer and the Interest Rate Hedging Counterparty and any guarantee thereof and any replacement thereof, each as amended or supplemented from time to time;

"**Issuer Acceleration Notice**" has the meaning given to it in Condition 10(b) (*Service of a Issuer Acceleration Notice*);

"**Issuer Available Funds**" means:

(a) as of each Calculation Date prior to the service of an Issuer Acceleration Notice, an amount equal to the sum of:

(i) the Collections in respect of the Portfolio pertaining to the immediately preceding Collection Period consisting of, *inter alia*, (A) payment of any Instalment under the Lease Contracts, (B) any recovery in respect of Defaulted Claims including any disposal proceeds deriving from the sale of any Defaulted Claims, and (C) any insurance proceeds;

(ii) the Cash Reserve at the relevant Calculation Date;

(iii) without duplication of (i) and (ii) above, an amount equal to the monies invested in Eligible Investments (if any) during the immediately preceding Collection Period from the Collection Account and the Cash Reserve Account, following liquidation thereof on the preceding Liquidation Date;

(iv) without duplication of (i) above, the Revenue Eligible Investments Amount realised on the preceding Liquidation Date (if any);

(v) any refund or repayment obtained by the Issuer from any tax authority in respect of the Claims, the Transaction Documents or, otherwise, the Securitisation during the immediately preceding Collection Period;

(vi) without duplication of (i) above, all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts (other than the Collateral Accounts) during the immediately preceding Collection Period;

(vii) any amount due and payable, although not yet paid, to the Issuer by the Interest Rate Hedging Counterparty in accordance with the terms of the Interest Rate Cap Agreement on the Interest Payment Date immediately following the relevant Calculation Date;

(viii) (A) on any Calculation Date, the amount standing to the credit of the Expenses Account which is in excess of the Retention Amount and (B) on the Calculation Date immediately preceding the Final Redemption Date and on any Calculation Date thereafter, the amount standing to the credit of the Expenses Account;

(ix) any proceeds arising from the sale of the Portfolio or of individual Claims in accordance with the provisions of the Transaction Documents during the immediately preceding Collection Period;

(x) any indemnity amount received by the Issuer under the Warranty and Indemnity Agreement during the relevant Collection Period; and

(xi) any other amount received by the Issuer under any of the Transaction Documents during the relevant Collection Period, including without limitation any Collateral Account Surplus and any amount paid by the Co-obligor under the Transaction Documents, other than amounts already referred to in this definition of Issuer Available Funds;

(xii) upon the occurrence of a breach of any of the Servicer Financial Covenant and/or the Banca IFIS Financial Covenants, into the Collection Account, all amounts standing to the credit of the Overpayments and Suspended Payments Account;

(b) as of each Calculation Date following the service of an Issuer Acceleration Notice, the aggregate of the amounts received or recovered by or on behalf of the Issuer or the Representative of the Noteholders in respect of the Claims and the Issuer´s Rights under the Transaction Documents,

in any case excluding: (i) the Collateral (if any) (which is required to be paid or returned to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments and solely in accordance with the Collateral Accounts Priority of Payments, the Interest Rate Cap Agreement, the Agency and Accounts Agreement and the English Deed of Charge and Assignment; and (ii) any Swap Tax Credits (which shall be paid to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments and the Collateral Accounts Priority of Payments);

"**Italian Account Bank**" means BNP Paribas Securities Services, Milan Branch as Italian account bank pursuant to the Agency and Accounts Agreement;

"**Italian Accounts**" means, collectively, the Cash Reserve Account, the Collection Account, the Payments Account, the Eligible Investments Securities Account, the Expenses Account, the Overpayments and Suspended Payments Account and "**Italian Account**" means any one of them;

"**Issuer Creditors**" means (i) the Noteholders (represented, as the case may be, by the Representative of the Noteholders); (ii) the Other Issuer Creditors; and (iii) any other third-party creditors in respect of any taxes, costs, fees, expenses or liabilities incurred by the Issuer in relation to the Securitisation;

"**Issue Price**" means the aggregate of, (i) in respect of the Existing Class A Notes, an amount equal to 98.9812 per cent. of the principal amount of the Class A Notes at the Issue Date, (ii) in respect of the Class A Notes, an amount equal to 100 per cent. of the principal amount of the Class A Notes at the Increase Date, (iii) in respect of the Existing Class B Notes, an amount equal to 100 per cent. of the principal amount of the Class B Notes at the Issue Date and (iv) in respect of the Class B Notes, an amount equal to 100 per cent. of the principal amount of the Class B Notes at the Increase Date;

"**Issuer Secured Creditors**" means the Representative of the Noteholders, the Noteholders, the Paying Agent, the Agent Bank, the Corporate Services, the Computation Agent, the Italian Account Bank, the English Account Bank, the Interest Rate Hedging Counterparty, the Servicer, the Back-up Servicer, the Originator and the Initial Arrangers;

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

"**Issuer Security**" means the Security Interest purported to be created under the English Deed of Charge and Assignment in favour of the Representative of the Noteholders;

"**Italian Law Transaction Documents**" means the Agency and Accounts Agreement, the Corporate Services Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Intercreditor Agreement, the Mandate Agreement, the Quotaholder's Commitment, the Transfer Agreement, the Warranty and Indemnity Agreement, the Junior Notes Subscription Agreement, the Conditions and the Rules of the Organisation of the Noteholders and the Increase Documents;

"**Junior Notes Subscription Agreement**" means the subscription agreement in respect of the Junior Notes dated the Initial Signing Date between the Issuer, the Representative of the Noteholders and the Junior Notes Subscriber;

"**Junior Notes Subscriber**" means IFIS Leasing;

"**Lease Contracts**" means the aggregate of the lease contracts comprised in the Portfolio, the Claims in respect of which are transferred from time to time to the Issuer in accordance with the Transfer Agreements and "**Lease Contract**" means any one of these;

"**Lessees**" means, collectively, the lessees under the Lease Contracts and "**Lessee**" means any one of them;

"**Liquidation Date**" means the date falling five Business Days before each Interest Payment Date;

"**Local Business Day**" has the meaning given to it in Condition 8(c) (*Payments on Business Days*);

"**Mandate Agreement**" means the mandate agreement dated the Initial Signing Date between the Issuer and the Representative of the Noteholders (as supplemented, confirmed and/or extended from time to time);

"**Master Transfer Agreement**" means the master transfer agreement entered into on the Second Execution Date by and between the Originator and the Issuer, pursuant to which (i) the Originator transferred to the Issuer and the Issuer purchased from the Originator without recourse (*pro soluto*) the Claims included in the Second Portfolio; and (ii) the Originator agreed to transfer to the Issuer and the Issuer agreed to purchase from the Originator without recourse (*pro soluto*) during the Revolving Period, the Additional Portfolios, in each case in accordance with the Securitisation Law.

"**Meeting**" has the meaning given to it in the Rules of the Organisation of Noteholders;
"**Monte Titoli**" means Monte Titoli S.p.A.;

"**Monte Titoli Account Holders**" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

"**Moody's**" means Moody's Investors Service España S.A.;

"**Most Senior Class**" means, at any point in time:

(a) the Class A Notes; or

(b) if no Class A Notes are then outstanding, the Junior Notes;

"**Organisation of Noteholders**" means the organisation of the Noteholders created by the issue and subscription of the Notes and regulated by the Rules of the Organisation of Noteholders attached hereto as a schedule;

"**Original Transfer Agreement**" means the original transfer agreement entered into on the Initial Execution Date by and between the Originator and the Issuer, pursuant to which the Originator transferred to the Issuer and the Issuer purchased from the Originator without recourse (*pro soluto*) the Claims included in the First Portfolio in accordance with the Securitisation Law.

"**Originator**" means IFIS Leasing;

"**Originator's Claims**" means, collectively, the monetary claims that the Originator may have from time to time against the Issuer under the Transfer Agreements (other than in respect of the relevant Purchase Price), the Warranty and Indemnity Agreement and any other Transaction Document;

"**Other Issuer Creditors**" means the Representative of the Noteholders, the Paying Agent, the Agent Bank, the Computation Agent, the Italian Account Bank, the English Account Bank, the Interest Rate Hedging Counterparty, the Corporate Services Provider, the Back-up Servicer, the Servicer, and the Initial Arrangers;

"**Outstanding Amount**" means, with respect to each Claim, the sum of the Outstanding Principal of such Claim, together with the Interest Component of the due and unpaid Instalments of such Claim;

"**Outstanding Principal**" means, on any date and in respect of each Claim, the aggregate of all Principal Components of Instalments scheduled to be paid after such date and not yet paid and any Principal Components of Instalments due but unpaid at such date;

"**Overpayments and Suspended Payments Account**" means the euro-denominated current account into which (i) was deposited, on the Issue Date, the Initial Overpayments and Suspended Collections Amount; and (ii) will be credited, on each Business Day immediately following each Reporting Date, an amount equivalent to the Positive Difference (if any) as indicated in the Servicer Report delivered on the immediately preceding Reporting Date;

"**Overpayment**" means, at any relevant reference date any amount collected or recovered in respect of the Claims by the Servicer and itemized in its accounting records on such date under the category (or any replacement thereof) named "*DEP. CAUZ. DA RESTITUIRE*".

"**Payments Account**" means a euro-denominated current account opened by the Issuer with the Italian Account Bank, as better identified in the Agency and Accounts Agreement;

"**Payments Report**" means the payments report compiled by the Computation Agent on each Calculation Date in accordance with the Agency and Accounts Agreement;

"**Portfolio**" means, collectively: (i) the First Portfolio, (ii) the Second Portfolio; and (iii) each Additional Portfolio, purchased by the Issuer under the Transfer Agreements;

"**Portfolio Call Option**" means the option granted by the Issuer to the Originator under clause 17 (*Portfolio Call Option*) of the Master Transfer Agreement;

"**Portfolio Cumulative Net Default Ratio**" means, in relation to any Interest Payment Date, the percentage, calculated on the immediately preceding Calculation Date on the basis of the relevant Servicer Report, equivalent to the fraction between: (i) (1) the sum of the Defaulted Amount as at the Default Date in relation to the Defaulted Lease Contracts from the Valuation Date of the Second Portfolio up to the immediately preceding Collection Date (excluded) *minus* (2) the aggregate amount of the Collections and of the indemnity amounts under the Warranty and Indemnity Agreement received by the Issuer in respect of all Defaulted Lease Contracts from the relevant Default Date up to the immediately preceding Collection Date (excluded); and (ii) the aggregate of the Outstanding Principal of the Portfolio as at the Valuation Date of the Second Portfolio;

"**Portfolio Outstanding Amount**" means, in relation to the Portfolio, the sum of the Outstanding Amount of all Claims comprised in the Portfolio;

"**Portfolio Trigger Event**" means each of the following events:

a) *Portfolio Delinquency Trigger*: if the Portfolio Delinquency Ratio is greater than 1.5% for 3 consecutive calendar months;

b) *Portfolio Cumulative Net Default Ratio*: if the Portfolio Cumulative Net Default Ratio exceeds, as at the preceding Calculation Date and on the basis of the relevant Servicer Report, the percentages set out in the table below:

Month after Increase Date	Percentage of the Outstanding Principal of the Portfolio as at the Valuation Date
1	0.32%
2	0.74%
3	1.12%
4	1.38%
5	1.56%
6	2.02%
7	2.46%

8	2.84%
9	3.14%
10	3.38%
11	3.60%
12	3.80%
13	4.00%
14	4.20%
15	4.40%
16	4.60%
17	4.80%
18	5.00%
19	5.14%
20	5.28%
21	5.42%
22	5.56%
23	5.70%
24	5.90%

c) *Dynamic Gross Default Trigger*: if the Dynamic Gross Default Ratio is greater than 1.0% for 3 consecutive calendar months.

"**Post-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments as set out in Condition 3(e) (*Post-Enforcement Priority of Payments*);

"**Pre-Enforcement Priority of Payments**" means the provisions relating to the order of priority of payments as set out in Condition 3(d) (*Pre-Enforcement Priority of Payments*);

"**Prepayment Interest**" means any interest due by any Lessee opting for a voluntary prepayment of the relevant Lease Contracts;

"**Principal Amount Outstanding**" means, on any day:

(a) in relation to each Class, the aggregate principal amount outstanding of all Notes in such Class; and

(b) in relation to a Note, the principal amount of that Note upon issue less the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that day;

"**Principal Components**" means the principal component of each Instalment;

"**Principal Payment**" has the meaning given to it in Condition 7(e) (*Mandatory redemption of the Notes*);

"**Priority of Payments**" means, as the case may be, the Pre-Enforcement Priority of Payments or the Post-Enforcement Priority of Payments;

"**Prospectus**" means the prospectus prepared by the Issuer in connection with the issue of the Notes in compliance with the Securitisation Law;

"**Purchase Price**" means (i) Euro 488,617,880.64, with respect to the First Portfolio; and (ii) Euro 182,161,139.04, with respect to the Second Portfolio, and (iii) any purchase price payable by the Issuer to the Originator with respect to any Additional Portfolio;

"**Purchase Termination Event**" has the meaning ascribed to it under Clause 9 of the Master Transfer Agreement.

"**Quotaholder**" means Stichting Antigua;

"**Quotaholder's Commitment**" means the quotaholder's commitment in relation to the Issuer dated the Initial Signing Date between the Issuer, the Representative of the Noteholders and the Quotaholder;

"**Rating Agencies**" means DBRS, Moody's and any other rating agency which at any time may assign a credit rating to the Senior Notes;

"**Reference Banks**" means, initially, Barclays Bank PLC, BNP Paribas S.A. and UniCredit S.p.A., each acting through its London office and, if any such bank is unable or unwilling to continue to act as a Reference Bank, such other bank the Issuer shall appoint and as may be approved in writing by the Representative of the Noteholders to act in its place;

"**Relevant Class Noteholders**" means the Class A Noteholders or the Junior Noteholders, as the context requires;

"**Relevant Clearing System**" means Clearstream and Euroclear;

"**Relevant Date**" means, in respect of any payment in relation to the Notes, whichever is the later of:

a) the date on which the payment in question first becomes due; and

b) if the full amount payable has not been received by the Paying Agent or the Representative of the Noteholders on or prior to such date, the date on which, the full amount having been so received, notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*);

"**Reporting Date**" means the seventh Business Day prior to the 25th calendar day of each month (or, if any such date is not a Business Day, the immediately following Business Day) with the first Reporting Date falling on 16 January 2017;

"**Residual Optional Instalment**" means the residual price (*prezzo di riscatto*) due from a Lessee to the Originator under a Lease Contract at the end of the contractual term of the Lease Contract if the Lessee elects to exercise its option to purchase the relevant Asset;

"**Retention Amount**" means an amount equal to €25,000;

"**Revenue Eligible Investments Amount**" means, as at each Liquidation Date, any interest or other remuneration on the Eligible Investments bought by or for the account of the Issuer other than repayment of principal or repayment of the initial capital invested, as applicable, in respect of each Eligible Investment;

"**Reversed Amount**" means any amount which at the time of receipt by the Servicer was subject to collection (*pagamento salvo buon fine*) and has been subsequently reversed for whatever reason by the account bank of the relevant payer;

"**Revolving Period**" means the period beginning from the Second Execution Date and ending on the earlier of: (i) the occurrence of a Purchase Termination Event and; (ii) the Revolving Period End Date;

"**Revolving Period End Date**" means the Interest Payment Date falling on July 2019;

"**Rules of the Organisation of Noteholders**" means the rules of the Organisation of Noteholders attached hereto as a Schedule as amended, modified or supplemented from time to time;

"**Second Execution Date**" or Second Transfer Date, means 14 July 2017;

"**Second Master Amendment and Restatement Agreement**" means the second master amendment and restatement agreement to the Agency and Accounts Agreement, the Intercreditor Agreement and Master Transfer Agreement entered into on or about the Increase Date between, *inter alios*, the Issuer, the Paying Agent, the English Account Bank, the Representative of the Noteholders, the Interest Rate Hedging Counterparty, the Originator and the Co-Obligor;

"**Second Portfolio**" means the second portfolio of Claims purchased on the Second Execution Date by the Issuer pursuant to the terms and conditions of the Master Transfer Agreement;

"**Second Subscription Agreement**" means the subscription agreement entered into by, *inter alios*, the Issuer, the Originator, the Co-obligor and the Representative of the Noteholders on or about the Increase Date.

"**Secured Amounts**" means all the amounts due, owing or payable by the Issuer whether present or future, actual or contingent, to the Issuer Secured Creditors pursuant to the Notes and the Transaction Documents;

"**Securitisation Services**" means Securitisation Services S.p.A. an Italian joint stock company, with registered office at via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of Euro 2,000,000 (fully paid), registered in the Treviso and Belluno Companies Register, VAT No. 03546510268, enrolled in the Register of Financial Intermediaries pursuant to Article 106 of Consolidated Banking Act under no. 50, subject to the direction and coordination of Banca Finanziaria Internazionale S.p.A. (Banca Finint S.p.A.);

"**Securities Collateral Account**" means the securities account to be opened on or about the Issue Date in the name of the Issuer with the English Account Bank into which Collateral in the form of securities posted pursuant to the provisions of the Interest Rate Cap Agreement will be held, or any other securities account as may replace it in accordance with the provisions of the Agency and Accounts Agreement;

"**Security Interest**" means any mortgage, charge, pledge, lien, right of set-off, right of counterclaim, right of combination, 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 Notes Subscribers**" or "**Class A Notes Subscribers**" means Banca IMI, Citi and Deutsche Bank;

"**Servicer**" means IFIS Leasing, and includes any successor servicer appointed from time to time under the Servicing Agreement;

"**Servicer Report**" means the report prepared by the Servicer substantially in the form set out in schedule 2 of the Servicing Agreement on each Reporting Date;

"**Servicer Report Delivery Failure Event**" means a failure by the Servicer to deliver the Servicer Report on the relevant Reporting Date, which has not been cured within two

Business Days after such relevant Reporting Date, *provided that* such event will cease to be outstanding when the Servicer delivers the Servicer Report;

"**Servicing Agreement**" means the servicing agreement dated the Initial Execution Date between the Issuer and the Servicer (as amended and/or restated from time to time);

"**Specified Offices**" means the specified offices of, respectively, the Paying Agent, the Computation Agent, the Italian Account Bank, the Agent Bank, the English Account Bank and the Representative of the Noteholders listed in Condition 17(d) (*Initial Specified Offices*);

"**Solvency II Regulation**" means the Commission Delegated Regulation (EU) 35/2015 of the European Parliament and of the Council of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council), as amended and supplemented from time to time.

"**Suspended Collections**" means, at any given date, any amount collected or recovered in respect of the Claims by the Servicer and itemized in its accounting records on such date under the following categories (or any replacement thereof): "*DEP. CAUZ. CAPARRA RISCATTO" (PREPAYMENTS PORTION ONLY), "DEP. CAUZ. ACCREDITO NRD", "DEP. CAUZ. CESSIONI", "DEP. CAUZ. FALLIMENTI", "DEP. CAUZ. FURTI/SINISTRI" and "DEP. CAUZ. TRANSITORIO*".

"**Swap Tax Credit**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Interest Rate Hedging Counterparty to the Issuer or a reduced payment (if any) from the Issuer to the Interest Rate Hedging Counterparty pursuant to the Interest Rate Cap Agreement.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**Target2 Day**" means any day on which TARGET2 is open;

"**Target Cash Reserve Amount**" means €5,664,770.75 (being an amount equal to 1.5 per cent of the Principal Amount Outstanding of the Class A Notes as at the Increase Date) save that:

(a) prior to the delivery of an Issuer Acceleration Notice, starting from the Calculation Date on which the Principal Amount Outstanding of the Class A Notes is lower than 50 (fifty) per cent of the Principal Amount Outstanding of the Class A Notes as at the Issue Date and on each Calculation Date thereafter, the Target Cash Reserve Amount will be equal to the higher of (i) 3.00 per cent of the Principal Amount Outstanding of the Class A Notes as at the Interest Payment Date immediately preceding the relevant Calculation Date and (ii) €2,832,270.11 (being an amount equal to 0.75 per cent of the Principal Amount Outstanding of the Class A Notes as at the Increase Date); and

(b) following the delivery of an Issuer Acceleration Notice, on the Final Maturity Date or, if prior, on the Interest Payment Date on which the Class A Notes will be redeemed in full, the Target Cash Reserve Amount will be reduced to zero;

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Republic of Italy or any political sub-division thereof or any authority thereof or therein;

"**Tax Deduction**" means any deduction or withholding on account of Tax;

"**Transaction Documents**" means the English Law Transaction Documents together with the Italian Law Transaction Documents and each a "**Transaction Document**";

"**Transfer Agreements**" means, collectively, the Original Transfer Agreement and the Master Transfer Agreement;

"**Transfer Date**" means (i) the Initial Execution Date, with respect to the First Portfolio, (ii) the Second Execution Date, with respect to the Second Portfolio, and (iii) the date on which the Originator has received from the Issuer the acceptance to the relevant bill of sale, as provided from time to time in the notice sent in accordance with the Master Transfer Agreement, with respect to any Additional Portfolio;

"**Valuation Date**" means (i) 31 October 2016, 23:59 Italian time (included), with respect to the First Portfolio, (ii) 30 June 2017, 23:59 Italian time (included), with respect to the Second Portfolio, and (iii) during the Revolving Period each valuation date falling on the last calendar day of each calendar month and set out in the Transfer Notice;

"**Variable Return**" means, on each Interest Payment Date:

(a) for so long as any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors are applied in accordance with the Pre-Enforcement Priority of Payments, the Issuer Available Funds to be applied on such Interest Payment Date *minus* all payments or provisions to be made under the Pre-Enforcement Priority of Payments under items (i) to (xiii); or

(b) in case any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors are applied in accordance with the Post-Enforcement Priority of Payments, the Issuer Available Funds to be applied on such Interest Payment Date *minus* all payments or provisions to be made under the Pre-Enforcement Priority of Payments under items (i) to (xi);

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement dated the Initial Execution Date between the Originator and the Issuer; and

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting of such holders of Notes in accordance with the Rules of the Organisation of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Notes.

(b) In these Conditions, the following events are deemed to have occurred as set out below:

the "**Cash Trapping Condition**" is met in respect of an Interest Payment Date, up to but excluding the Interest Payment Date on which the Senior Notes are redeemed in full, if on the immediately preceding Calculation Date any of the following event or circumstance has occurred:

(i) the Portfolio Cumulative Net Default Ratio exceeds, as at the preceding Calculation Date and on the basis of the relevant Servicer Report, the percentages set out in the table below:

Month after Second Valuation Date	**Percentage of the Outstanding Principal of the Portfolio as at the Second Valuation Date**
0	
1	0.16%
2	0.37%
3	0.56%
4	0.69%

Month after Second Valuation Date	Percentage of the Outstanding Principal of the Portfolio as at the Second Valuation Date
5	0.78%
6	1.01%
7	1.23%
8	1.42%
9	1.57%
10	1.69%
11	1.80%
12	1.90%
13	2.00%
14	2.10%
15	2.20%
16	2.30%
17	2.40%
18	2.50%
19	2.57%
20	2.64%
21	2.71%
22	2.78%
23	2.85%
24	2.95%
25	3.02%
26	3.09%
27	3.16%
28	3.23%
29	3.30%
30	3.37%

Month after Second Valuation Date	Percentage of the Outstanding Principal of the Portfolio as at the Second Valuation Date
31	3.43%
32	3.49%
33	3.55%
34	3.61%
35	3.67%
118	
36	3.73%
37	3.79%
38	3.85%
39	3.91%
40	3.97%
41	4.03%
42	4.09%
43	4.15%
44	4.20%
45	4.25%
46	4.30%
47	4.35%
48 and afterwards	4.40%

and/or

(ii) a breach of any of the following financial covenants by the Servicer and/or Banca IFIS occurs:

(A) as to the Servicer: a Common Equity Tier 1 (CET1) lesser than 15%;

(B) as to Banca IFIS: (i) a Common Equity Tier 1 (CET1) lesser than the higher of: (a) 10% and (b) 1.5% over the Minimum Common Equity Tier 1 ratio as prescribed by the competent authority including the additional buffer required under the Supervisory Review and Evaluation Process, if any, and (ii) a Liquidity

Coverage Ratio as prescribed by Basel III Capital Regime lower of 130% for the year 2017 and lower of 150% for the year 2018;

and/or

(iii) the aggregate amount paid to the Junior Noteholders in accordance with the Pre-Enforcement Priority of Payment is equal to or higher than 75% of the Principal Amount Outstanding of the Junior Notes at the Issue Date multiplied by the relevant Issue Price;

and/or

(iv) the Portfolio Outstanding Amount is less than 25% of the Portfolio Outstanding Amount at the Valuation Date of the Second Portfolio;

an "**Insolvency Event**" will have occurred in respect of any company, entity or corporation if:

(a) such company, entity or corporation becomes subject to any applicable bankruptcy, liquidation, administration, receivership, insolvency, composition or reorganisation (among which, without limitation, *fallimento*, *liquidazione coatta amministrativa*, *concordato preventivo*, *accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing the meaning given to it by the laws of the Republic of Italy, and including also any equivalent or analogous proceedings under the law of the jurisdiction in which the relevant company, entity or corporation is deemed to carry on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of the relevant company, entity 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 opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are being disputed by the relevant company, entity or corporation 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, entity or corporation or the same proceedings are otherwise initiated against such company, entity or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company, entity or corporation takes any action for a re-adjustment 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 (other than, in the case of the Issuer, the Issuer Secured Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation, administration or dissolution in any form of such company, entity or corporation (except a winding-up for the purposes of or pursuant to a solvent amalgamation or reconstruction) or any of the events under article 2484 of the Italian civil code occurs with respect to such company, entity or corporation; or

(e) such company, entity or corporation becomes subject to any proceedings resulting from the implementation of directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and

resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**").

2. **Form, denomination and title**

(a) **Form**

The Notes are issued in bearer form and will be held in dematerialised form and will be wholly and exclusively deposited with Monte Titoli in accordance with article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, through the authorised institutions listed in article 83-*quater* of such legislative decree.

(b) **Denomination**

The Notes are issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof.

(c) **Title**

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The Notes will at all times be in book entry form and title to the Notes will be evidenced by, and title thereto will be transferred by means of, book entries in accordance with: (i) the provisions of article 83 -*bis* of Italian legislative decree No. 58 of 24 February 1998; and (ii) the regulation issued by the Bank of Italy and the CONSOB on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Notes.

(d) **Holder Absolute Owner**

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

3. **Status, ranking and priority**

(a) **Status**

The Notes constitute direct and unconditional obligations of the Issuer and, accordingly, the extent of the obligation of the Issuer to make payments under the Notes is limited to the share of the Issuer Available Funds available for such purpose in accordance with the applicable Priority of Payments. The Notes are secured over certain assets of the Issuer pursuant to the English Deed of Charge and Assignment. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a *contratto aleatorio* under Italian law and they accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian civil code. The rights arising from the English Deed of Charge and Assignment are included in each Note.

(b) **Ranking**

(i) In respect of the obligations of the Issuer to pay interest (including any Variable Return) on the Notes prior to the service of an Issuer Acceleration Notice:

(A) the Class A Notes will rank *pari passu* without any preference or priority among themselves and in priority to the Junior Notes; and

(B) the Junior Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment of interest and repayment of principal (up to the applicable Class A Notes Formula Redemption Amount) on the Class A Notes.

(ii) In respect of the obligations of the Issuer to repay principal on the Notes, prior to the service of an Issuer Acceleration Notice:

(A) the Class A Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment of interest in respect of the Class A Notes and in priority to repayment of principal on the Junior Notes; and

(B) the Junior Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment of interest and repayment of principal on the Class A Notes, and no amount of principal in respect of the Junior Notes shall become due and payable or be repaid until redemption in full of the Class A Notes.

(iii) In respect of the obligations of the Issuer (a) to pay interest and (b) to repay principal on the Notes following the service of an Issuer Acceleration Notice or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(c) (*Optional redemption of the Notes*) or Condition 7(c) (*Optional redemption for taxation, legal or regulatory reasons*):

(A) the Class A Notes will rank *pari passu* without any preference or priority among themselves and in priority to payment of interest and repayment of principal on the Junior Notes; and

(B) the Junior Notes will rank *pari passu* without any preference or priority among themselves, but subordinate to payment in full of all amounts due under the Class A Notes and no amount of principal in respect of the Junior Notes shall become due and payable or be repaid until redemption in full of the Class A Notes.

(c) **Intercreditor Agreement**

The Intercreditor Agreement and the Rules of the Organisation of Noteholders provide that the Representative of the Noteholders shall have regard to the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Class A Noteholders and the interests of the Junior Noteholders, the Representative of the Noteholders is required under the Intercreditor Agreement and the Rules of the Organisation of Noteholders to have regard only to the interests of the Class A Noteholders until the Class A Notes have been entirely redeemed.

(d) **Pre-Enforcement Priority of Payments**

Prior to the service of an Issuer Acceleration Notice, the Issuer Available Funds, as calculated on each Calculation Date, will be applied by the Issuer on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order of priority (the "**Pre-Enforcement Priority of Payments**") but, in each case, only if and to the extent that payments

(other than, for avoidance of any doubt, payments to be made under certain conditions only if such conditions are not met) or provisions of a higher priority have been made in full:

(i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to the Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(C) any and all outstanding fees, costs and expenses due and payable to, the Representative of the Noteholders or any appointee thereof; and

(D) the amount necessary to replenish the Expenses Account up to the Retention Amount;

(iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Corporate Services Provider, the Servicer, the Back-up Servicer and the Account Banks each under the Transaction Documents to which each of them is a party, as well as any amount equal to the sums erroneously transferred to the Issuer by the Servicer and any Reversed Amount to be refunded to the Servicer pursuant to the Servicing Agreement;

(iv) *fourth*, in or towards satisfaction of all amounts due and payable to the Interest Rate Hedging Counterparty under the terms of the Interest Rate Cap Agreement including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, except where the Interest Rate Hedging Counterparty is the Defaulting Party (as defined in the Interest Rate Cap Agreement) or the sole Affected Party (as defined in the Interest Rate Cap Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Interest Rate Hedging Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the Interest Rate

Cap Agreement, or in respect of a termination event that is a Tax Event Upon Merger (as defined in the Interest Rate Cap Agreement);

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;

(vi) *sixth*, for so long as there are Class A Notes outstanding, to credit the Cash Reserve Account with such an amount that will bring the balance of the Cash Reserve Account up to the Target Cash Reserve Amount;

(vii) *seventh*, following the occurrence of a Servicer Report Delivery Failure Event, but only if on such Interest Payment Date the Servicer Report Delivery Failure Event is still outstanding, to credit the remainder to the Collection Account;

(viii) *eighth*, during the Revolving Period, in or towards satisfaction, of all amounts due and payable to the Originator as Purchase Price for the Claims included in any Additional Portfolio to be purchased on such Payment Date;

(ix) *ninth*, to credit the Payment Account with an amount equal to the Cash Collateral Amount (equal to the difference, if positive, between the Target Amount and the Collateral Portfolio Outstanding Amount);

(x) *tenth*, following the end of the Revolving Period in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes in an aggregate amount equal to the Class A Notes Formula Redemption Amount in respect of the Class A Notes on such Interest Payment Date;

(xi) *eleventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);

(xii) *twelfth*, to pay to the Interest Rate Hedging Counterparty any amounts due and payable under the Interest Rate Cap Agreement, including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, other than the payments referred to under item (iv) above;

(xiii) *thirteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable: (i) to the Initial Arrangers under the terms of the Class A Notes Subscription Agreement;

(xiv) *fourteenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to the Originator, in respect of the Originator's Claims;

(xv) *fifteenth*, following the end of the Revolving Period upon repayment in full of the Class A Notes, in or towards satisfaction, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes in an aggregate amount equal to the Class B Notes Formula Redemption Amount in respect of the Junior Notes on such Interest

Payment Date until the Principal Amount Outstanding of each Junior Note is equal to €100 (one hundred);

(xvi) *sixteenth*, if the Cash Trapping Condition is not met, in or towards satisfaction, *pro rata* and *pari passu*, of the Variable Return (if any) due and payable on the Junior Notes;

(xvii) *seventeenth*, on the Final Maturity Date and on any Interest Payment Date thereafter, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes have been repaid in full; and

(xviii) *eighteenth*, to retain in the Payment Account any residual amount.

From time to time, during an Interest Period, the Issuer shall, in accordance with the Agency and Accounts Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors, in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business. The Collateral and/or the Swap Tax Credits do not form part of the Issuer Available Funds and shall be applied, in the case of the Collateral, solely in accordance with the Collateral Accounts Priority of Payments and, in the case of any Swap Tax Credits, shall be paid to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments (and, for the avoidance of doubt, the Collateral Accounts Priority of Payments) on the Interest Payment Date immediately following the date on which any amounts in respect of Swap Tax Credits are received by the Issuer from the relevant tax authority.

(e) **Post-Enforcement Priority of Payments**

Following the service of an Issuer Acceleration Notice, or, in the event that the Issuer opts for the early redemption of the Notes under Condition 7(c) (*Optional redemption of the Notes*) or Condition 7(d) (*Optional redemption for taxation, legal or regulatory reasons*), the Issuer Available Funds, as calculated on each Calculation Date, will be applied by or on behalf of the Representative of the Noteholders on the Interest Payment Date immediately following such Calculation Date in making payments or provisions in the following order (the "**Post-Enforcement Priority of Payments**") but in each case, only if and to the extent that payments of a higher priority have been made in full:

(i) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding taxes due and payable by the Issuer in relation to the Securitisation (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(ii) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of:

(A) any and all outstanding fees, costs, liabilities and any other expenses to be paid in order to preserve the corporate existence of the Issuer, to maintain it in good standing, to comply with applicable legislation and to fulfil obligations of the Issuer to third parties (not being Other Issuer Creditors) incurred in relation to this Securitisation (to the

extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(B) any and all outstanding fees, costs, expenses and taxes required to be paid in connection with any notice to be given to the Noteholders or the other parties to the Transaction Documents (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs);

(C) any and all outstanding fees, costs and expenses due and payable to, the Representative of the Noteholders or any appointee thereof; and

(D) the amount necessary to replenish the Expenses Account up to the Retention Amount;

(iii) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs and expenses of the Paying Agent, the Agent Bank, the Computation Agent, the Corporate Services Provider, the Servicer, the Back-up Servicer and the Account Banks each under the Transaction Documents to which each of them is a party, as well as any amount equal to the sums erroneously transferred to the Issuer by the Servicer and any Reversed Amount to be refunded to the Servicer pursuant to the Servicing Agreement;

(iv) *fourth*, in or towards satisfaction of all amounts due and payable to the Interest Rate Hedging Counterparty under the terms of the Interest Rate Cap Agreement including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap Agreement, except where the Interest Rate Hedging Counterparty is the Defaulting Party (as defined in the Interest Rate Cap Agreement) or the sole Affected Party (as defined in the Interest Rate Cap Agreement) in respect of any termination event, howsoever described, resulting from a rating downgrade of the Interest Rate Hedging Counterparty and/or its failure or inability to take any specified action in relation to such rating downgrade within any specified period within the Interest Rate Cap Agreement, or in respect of a termination event that is a Tax Event Upon Merger (as defined in the Interest Rate Cap Agreement);

(v) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts of interest due and payable on the Class A Notes;

(vi) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Class A Notes;

(vii) *seventh*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any Other Issuer Creditor incurred in the course of the Issuer's business in relation to this Securitisation (other than amounts already provided for in this Pre-Enforcement Priority of Payments);

(viii) *eighth*, to pay to the Interest Rate Hedging Counterparty any amounts due and payable under the Interest Rate Cap Agreement, including any Early Termination Amount (as defined in the Interest Rate Cap Agreement) payable upon early termination of the Interest Rate Cap

Agreement, other than the payments referred to under item (iv) above;

(ix) *ninth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to: (i) the Initial Arrangers under the terms of the Class A Notes Subscription Agreement;

(x) *tenth*, in or towards satisfaction, *pro rata* and *pari passu*, of all amounts due and payable to the Originator, in respect of the Originator's Claims;

(xi) *eleventh*, upon repayment in full of the Class A Notes, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Principal Amount Outstanding of each Junior Note is equal to €100 (one hundred);

(xii) *twelfth*, in or towards satisfaction, *pro rata* and *pari passu*, of the Variable Return (if any) due and payable on the Junior Notes; and

(xiii) *thirteenth*, in or towards repayment, *pro rata* and *pari passu*, of the Principal Amount Outstanding of the Junior Notes until the Junior Notes have been repaid in full,

provided, *however*, *that* if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than one per cent of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may at its discretion invest such monies in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments and may accumulate such investments and the resulting income until the immediately following Accumulation Date. The Collateral and/or the Swap Tax Credits do not form part of the Issuer Available Funds and shall be applied, in the case of the Collateral, solely in accordance with the Collateral Accounts Priority of Payments and, in the case of any Swap Tax Credits, shall be paid to the Interest Rate Hedging Counterparty outside the relevant Priority of Payments (and, for the avoidance of doubt, the Collateral Accounts Priority of Payments) on the Interest Payment Date immediately following the date on which any amounts in respect of any Swap Tax Credits are received by the Issuer from the relevant tax authority.

(f) **Collateral Accounts Priority of Payments**

Notwithstanding any other provision of these Conditions or the Transaction Documents, the Collateral standing to the credit of the Collateral Accounts will not be available for the Issuer to make payments to the Issuer Secured Creditors generally, and may only be applied in accordance with the following provisions (the "**Collateral Accounts Priority of Payments**"):

(i) prior to the occurrence or designation of an Early Termination Date (as defined in the Interest Rate Cap Agreement) in respect of the Cap Transaction entered into under the Interest Rate Cap Agreement pursuant to which the Cap Transaction is terminated early, solely in or towards the payment or transfer of:

(A) any Return Amounts (as defined in the "credit support annex" of the Interest Rate Cap Agreement);

(B) any Interest Amounts and/or Distributions (each as defined in the "credit support annex" of the Interest Rate Cap Agreement) or such other equivalent amounts representing equivalent payments; and

(C) any return of collateral to the Interest Rate Hedging Counterparty upon a novation of its obligations under the Interest Rate Cap Agreement to a replacement Interest Rate Hedging Counterparty, directly to the Interest Rate Hedging Counterparty,

in each case in accordance with the Interest Rate Cap Agreement;

(ii) following the designation of an Early Termination Date (as defined in the Interest Rate Cap Agreement) in respect of the Cap Transaction where (X) an Event of Default (as defined in the Interest Rate Cap Agreement) in respect of the Interest Rate Hedging Counterparty or an Additional Termination Event (as defined in the Interest Rate Cap Agreement) in relation to which the Interest Rate Hedging Counterparty is the sole Affected Party (as defined in the Interest Rate Cap Agreement) and (Y) the Issuer enters into a replacement Interest Rate Cap Agreement or any novation of the Interest Rate Hedging Counterparty's obligations to a replacement Interest Rate Hedging Counterparty, in the following order of priority:

(A) *first*, in or towards payment of any hedge replacement payment (in respect of a replacement hedge transaction relating to the terminated Cap Transaction) (to the extent not funded from the Issuer Available Funds);

(B) *second*, in or towards payment of any hedge termination payment relating to the terminated Cap Transaction (to the extent not funded from the Issuer Available Funds); and

(C) *third*, the surplus remaining (if any) standing to the credit of the Collateral Accounts (the "**Collateral Account Surplus**") be transferred to the Collection Account; and

(iii) following the designation of an Early Termination Date (as defined in the Interest Rate Cap Agreement) in respect of the Cap Transaction (A) other than in respect of a Event of Default (as defined in the Interest Rate Cap Agreement) in respect of the Interest Rate Hedging Counterparty and other than in respect of an Additional Termination Event (as defined in Interest Rate Cap Agreement) in relation to which the Interest Rate Hedging Counterparty is the sole Affected Party (as defined in the Interest Rate Cap Agreement) and (B) the Issuer enters into a replacement Interest Rate Cap Agreement or any novation of the Interest Rate Hedging Counterparty's obligations to a replacement Interest Rate Hedging Counterparty, in the following order of priority:

(A) *first*, in or towards payment of any hedge termination payment relating to the terminated Cap Transaction (to the extent not funded from the Issuer Available Funds);

(B) *second*, in or towards payment of any hedge replacement payment (in respect of a replacement hedge transaction relating to the terminated Cap Transaction) (to the extent not funded from the Issuer Available Funds); and

(C) *third*, the Collateral Account Surplus to be transferred to the Collection Account; and

(iv) following the designation of an Early Termination Date (as defined in the Interest Rate Cap Agreement) in respect of the Cap Transaction, if for any reason the Issuer is unable to or elects not to enter into a replacement Interest Rate Cap Agreement or any novation of the Interest Rate

Hedging Counterparty's obligations to a replacement Interest Rate Hedging Counterparty, in the following order of priority:

(A) *first*, in or towards payment of any hedge termination payment relating to the terminated Cap Transaction (to the extent not funded from the Issuer Available Funds); and

(B) *second*, the Collateral Account Surplus to be transferred to the Collateral Account.

(g) **Expenses**

From time to time, during an Interest Period, the Issuer shall, in accordance with the Agency and Accounts Agreement, be entitled to apply amounts standing to the credit of the Expenses Account in respect of certain monies which properly belong to third parties, other than the Noteholders and the Other Issuer Creditors in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation, and in payment of sums due to third parties, other than the Noteholders and the Other Issuer Creditors, under obligations incurred in the course of the Issuer's business.

4. **Issuer Security and Collateral Accounts**

(a) **Issuer Security**

As security for the discharge of the Secured Amounts, the Issuer, pursuant to the English Deed of Charge and Assignment, created concurrently with the issue of the Existing Notes, in favour of the Representative of the Noteholders for itself and as trustee for the Noteholders and the other Issuer Secured Creditors, (a) an English law assignment by way of security of all the Issuer's rights under the Interest Rate Cap Agreement, the Class A Notes Subscription Agreement and all future contracts, agreements, deeds and documents entered into by the Issuer in connection to the Securitisation and governed by English law; (b) an English law first fixed charge and first priority security interest over (where the applicable assets are securities) and assigned by way of security (where the applicable rights are contractual rights) all present and future rights, title and interest of the Issuer in respect of the Collateral Accounts and the Collateral standing to the credit of the Collateral Accounts (whether such Collateral is in the form of cash or securities); and (c) an English law first floating charge over all of the Issuer's assets which are subject to the charge and assignments described under (a) and (b) above and not effectively assigned or charged thereunder.

The rights arising from the Issuer Security in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

In addition, by operation of Italian law, the Issuer's right, title and interest in and to the Claims (together with the collections and recoveries in respect thereof, any financial assets purchased with such moneys and any other claims (including the relevant collections thereof) of the Issuer which arise the context of the Securitisation) are segregated from all other assets of the Issuer and amounts deriving therefrom will be available both prior to and following a winding-up of the Issuer only to satisfy the obligations of the Issuer to the Noteholders and the other Issuer Creditors in accordance with the relevant Priority of Payments.

(b) **Collateral Accounts**

The Issuer will procure that all Collateral transferred pursuant to the Interest Rate Cap Agreement shall be deposited in separate accounts in respect of the Interest Rate Hedge Counterparty. All Collateral deposited from time to time in the Collateral Accounts shall be held and released pursuant only to the terms set out above in Condition 3(f) (*Collateral Accounts Priority of Payments*), the Interest

Rate Cap Agreement, the Agency and Accounts Agreement and the English Deed of Charge and Assignment.

The funds and/or securities credited to the Collateral Accounts (and any interest or distributions thereon or liquidation or other proceeds thereof) shall be held separate from and do not form part of the Issuer Available Funds (other than in the circumstances set out in Condition 3(f) (*Collateral Accounts Priority of Payments*) and accordingly, are not available to fund general distributions of the Issuer (save as set out above and in the Interest Rate Cap Agreement). The funds and/or securities (and any interest or distributions thereon or liquidation or other proceeds thereof) standing to the credit of the Collateral Accounts shall not be commingled with any other funds from any other party in the books and records of the English Account Bank.

The Issuer and the English Account Bank have agreed that no Collateral Account will be closed or transferred to another bank prior to the satisfaction of all outstanding liabilities owed to the Interest Rate Hedging Counterparty unless permitted or required by the terms of these Conditions, the Agency and Accounts Agreement or the Interest Rate Cap Agreement. The Interest Rate Hedging Counterparty may enforce any covenants, agreements, representations and warranties of the Issuer contained in these Conditions or any of the

Transaction Documents to which the Interest Rate Hedging Counterparty is a party against (i) prior to the date on which the Cap Transaction is terminated early, the funds and/or securities (and any interest or distributions thereon or liquidation or other proceeds thereof) (if any) standing to the credit of the Collateral Accounts pursuant to the Interest Rate Cap Agreement; and (ii) on or following the date on which the Cap Transaction is terminated, the funds and/or securities (and any interest or distributions thereon or liquidation or other proceeds thereof) standing to the credit of the Collateral Accounts (if any) which exceed the termination amount (if any) that would otherwise have been payable by the Interest Rate Hedging Counterparty to the Issuer had the Collateral not been provided.

For the avoidance of doubt, application of amounts received by the Issuer in respect of Swap Tax Credits shall be paid out of the Expenses Account to the Interest Rate Hedging Counterparty in accordance with the terms of the Interest Rate Cap Agreement, without regard to the relevant Priority of Payments (or, for the avoidance of doubt, the Collateral Accounts Priority of Payments), on the Interest Payment Date immediately following the date on which any amounts in respect of Swap Tax Credits are received by the Issuer from the relevant tax authority.

5. **Covenants**

(a) **Covenants**

For so long as any Note remains outstanding, the Issuer, save with the prior written consent of the Representative of the Noteholders or as provided in or envisaged by these Conditions or any of the Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law), shareholders' meetings to be convened in order to:

(i) **Negative pledge**

create or permit to subsist any Security Interest whatsoever upon, or with respect to the Claims, or any part thereof or any of its present or future business, undertaking, assets or revenues relating to this Securitisation or undertakings (other than the Issuer Security);

(ii) **Restrictions on activities**

(A) without prejudice to Condition 5(b) (*Further securitisations and corporate existence*), engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage in;

(B) have any subsidiary (*societá controllata*) or affiliate company (*società collegata*) (as defined in article 2359 of the Italian civil code) or any employees or premises;

(C) at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the holders of the Most Senior Class of Notes under the Transaction Documents 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 holders of the Most Senior Class of Notes under the Transaction Documents; or

(D) become the owner of any Asset;

(iii) **Disposal of assets**

transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant, any option over or any present or future right to acquire all or any part of the Claims, or any part thereof, or any of its present or future business, undertaking, assets or revenues relating to this Securitisation, whether in one transaction or in a series of transactions;

(iv) **Dividends or distributions**

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders or increase its equity capital;

(v) **De-registration**

ask for de-registration from the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 30 September 2014, unless in order to comply with the provisions of law applicable to it;

(vi) **Borrowings**

without prejudice to Condition 5(b) (*Further Securitisations and corporate existence*), incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of any indebtedness or of any obligation of any person;

(vii) **Merger**

consolidate or merge with any other person or convey or transfer any of its properties or assets substantially as an entirety to any other person;

(viii) **Waiver or consent**

(A) permit any of the Transaction Documents to which it is a party to become invalid or ineffective or the priority of any Issuer Security created thereby to be reduced, amended, terminated or discharged;

(B) consent to any variation or novation of, or exercise any powers of consent or waiver pursuant to, the terms of any of the Transaction Documents to which it is a party; or

(C) permit any party to any of the Transaction Documents to which it is a party, or any other person whose obligations form part of the Issuer Security, to be released from its respective obligations or to dispose of any part of the Issuer Security, save as envisaged by the Transaction Documents to which it is a party;

(ix) **Lease Contracts**

agree to any request to change the rate of interest under any Lease Contract or to waive any of its rights under any Lease Contract;

(x) **Bank accounts**

with the exception of the Equity Capital Account and such other accounts that the Issuer may open in the future in the context of securitisation transactions other than this Securitisation and without prejudice to Condition 5(b) (*Further Securitisations and corporate existence*), have an interest in any bank account other than the Accounts;

(xi) **Statutory documents**

amend, supplement or otherwise modify its by-laws (*statuto*), except where such amendment, supplement or modification is required by any compulsory provision of Italian law or by the competent regulatory authorities;

(xii) **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 commingled with those of any other person or entity;

(B) its books and records (if any) relating to the Securitisation being maintained with or commingled with those relating to any other securitisation transaction perfected by the Issuer;

(C) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity; or

(D) its assets or revenues being commingled with those of any other person or entity;

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

(1) separate financial statements in relation to its financial affairs are maintained;

(2) all corporate formalities with respect to its affairs are observed;

(3) separate stationery, invoices and cheques are used;

(4) it always holds itself out as a separate entity; and

(5) any known misunderstandings regarding its separate identity are corrected as soon as possible;

(xiii) **Residency and centre of main interest**

do any act or thing, the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the Republic of Italy or cease to be managed and administered in the Republic of Italy or cease to have its centre of main interests in the Republic of Italy; and

(xiv) **Compliance with corporate formalities**

cease to comply with all necessary corporate formalities.

(b) **Further Securitisations and corporate existence**

None of the covenants in Condition 5(a) (*Covenants*) above shall prohibit the Issuer from:

(i) acquiring, or financing pursuant to article 7 of the Securitisation Law, by way of separate transactions unrelated to this Securitisation, further portfolios of monetary claims in addition to the Claims either from the Originator or from any other entity (the "**Further Portfolios**") or entering into one or more bridge loans for the purposes of purchasing Further Portfolios *provided that* such bridge loans are repaid through the proceeds arising from the Further Notes (as defined below);

(ii) securitising such Further Portfolios (each, a "**Further Securitisation**") through the issue of further debt securities additional to the Notes (the "**Further Notes**");

(iii) entering into agreements and transactions, with the Originator or any other entity, that are incidental to or necessary in connection with such Further Securitisation including, *inter alia*, the ring-fencing or the granting of security over such Further Portfolios and any right, benefit, agreement, instrument, document or other asset of the Issuer relating thereto to secure such Further Notes (the "**Further Security**"), *provided that*:

(A) the Issuer confirms in writing to the Representative of the Noteholders that such Further Security does not comprise or extend over any of the Claims or any of the other Issuer's Rights;

(B) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of the Further Notes 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 Further Notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised in such Further Security;

(C) the Issuer confirms in writing to the Representative of the Noteholders that each party to such Further Securitisation agrees and acknowledges 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 comprised in such Further Security and that each creditor in respect of such Further Securitisation or the representative of the holders of such Further Notes has agreed 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;

(D) the Issuer confirms in writing to the Representative of the Noteholders that the terms and conditions of such Further Notes will include:

(1) covenants by the Issuer in all significant respects equivalent to those covenants provided in paragraphs (A) to (C) above; and

(2) provisions which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to this proviso; and

(E) the Representative of the Noteholders is satisfied that conditions (A) to (D) of this provision have been satisfied.

In giving any consent to the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as it 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 (in its absolute discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer as to the matters contained therein.

The Issuer will give written notice to the Rating Agencies of the issuance of any Further Notes.

None of the covenants in Condition 5(a) (*Covenants*) above shall prohibit the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it.

6. Interest

(a) Interest Payment Dates and Interest Periods

Each Senior Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date at the applicable rate determined in accordance with this Condition 6, payable in euro in arrear on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 8 (*Payments*). The Junior Notes will accrue interest in an amount equal to the Variable Return (if any) calculated in accordance with this Condition 6, payable in euro in arrear on each Interest Payment Date subject to the applicable Priority of Payments and subject as provided in Condition 8 (*Payments*). Each period beginning on (and including) an Interest Payment Date (or, in the case of the first Interest Period, the Issue Date) and ending on (but excluding) the next (or, in the case of the first Interest Period, the first) Interest Payment Date is herein called an "**Interest Period**".

(b) Termination of interest

Each Senior Note shall cease to bear interest from and including its due date for final redemption, unless payment of principal due is improperly withheld or refused or default is otherwise made in respect of payment thereof, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Senior Note up to that date are received by or on behalf of the relevant Noteholder; and

(ii) the Cancellation Date.

(c) **Rate of interest on the Class A Notes**

The rate of interest payable from time to time in respect of the Class A Notes (the "**Class A Rate of Interest**") for each Interest Period shall be determined by the Agent Bank on each the Interest Determination Date on the basis of the following provision:

(i) the Class A Rate of Interest for such Interest Period shall be the sum of:

(A) 0.80 per cent per annum; and

(B) the EURIBOR.

The applicable EURIBOR in respect of any Interest Period may be a negative rate *provided that* it shall be subject to a floor of minus 0.80 per cent.

(d) **Interest on the Junior Notes**

The Junior Noteholders shall be entitled, for each Interest Period, to the payment of an amount equal to the Variable Return calculated on each Calculation Date and which will be payable on the next Interest Payment Date.

(e) **Calculation of Class A Interest Amounts**

The Agent Bank will, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date in relation to each Interest Period, but in no event later than the third Business Day thereafter, determine the amount of interest payable in respect of the Class A Notes for the relevant Interest Period (each such amount, the "**Class A Interest Amount**"). The Class A Interest Amount shall be determined by applying the Class A Rate of Interest for such Interest Period to the Principal Amount Outstanding of the Class A Notes during such Interest Period, multiplying the product of such calculation by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(f) **Calculation of Variable Return**

The Computation Agent will, on the Calculation Date immediately preceding the Interest Payment Date, in relation to each Interest Period, calculate and communicate to the Paying Agent and the Junior Notes Subscriber any Variable Return that may be payable in respect of the Junior Notes on such Interest Payment Date.

(g) **Publication of Class A Rate of Interest and Class A Interest Amount**

The Agent Bank will cause the Class A Rate of Interest and each Class A Interest Amount for each Interest Period and the relative Interest Payment Date, to be notified to the Issuer, the Paying Agent, the Computation Agent, the Representative of the Noteholders, Monte Titoli and any stock exchange or other relevant authority on which the Class A Notes are at the relevant time listed and (if so required by the rules of the relevant stock exchange) to be published in accordance with Condition 17 (*Notices*) as soon as practicable after their determination, but in any event not later than the second Business Day thereafter.

(h) **Amendments to publications**

The Agent Bank will be entitled to recalculate the Class A Rate of Interest or Class A Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(i) **Determination or calculation by the Representative of the Noteholders**

If the Agent Bank does not at any time for any reason determine the Class A Rate of Interest or the Class A Interest Amount for the Class A Notes in accordance with this Condition 6, the Representative of the Noteholders shall (but without incurring, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result):

(i) determine the Class A Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedures described in this Condition 6), it shall deem fair and reasonable in all the circumstances; and/or (as the case may be);

(ii) calculate the relevant Class A Interest Amount in the manner specified in this Condition 6, and any determination and/or calculation shall be deemed to have been made by the Agent Bank.

(j) **Class A Interest Amount Arrears**

Without prejudice to the right of the Representative of the Noteholders to serve to the Issuer an Issuer Acceleration Notice pursuant to Condition 10(a)(i) (*Non-payment*), prior to the service of an Issuer Acceleration Notice, in the event that on any Interest Payment Date there are any Class A Interest Amount Arrears, such Class A Interest Amount Arrears shall be deferred on the following Interest Payment Date or on the day an Issuer Acceleration Notice is served to the Issuer, whichever comes first. Any such Class A Interest Amount Arrears shall not accrue additional interest. A *pro rata* share of such Class A Interest Amount Arrears shall be aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this Condition 6(j), on each Class A Note on the next succeeding Interest Payment Date.

(k) **Notification of Class A Interest Amount Arrears**

If, on any Calculation Date, the Computation Agent determines that any Class A Interest Amount Arrears in respect of the Class A Notes will arise on the immediately succeeding Interest Payment Date, notice to this effect shall be given or procured to be given by the Issuer to the Representative of the Noteholders, the Paying Agent, Monte Titoli, each stock exchange on which the Class A Notes are then listed, for so long as such Notes are listed on the relevant stock exchange, and (if so required by the rules of the relevant stock exchange) to the Noteholders in accordance with Condition 17 (*Notices*), specifying the amount of the Class A Interest Amount Arrears to be deferred on such following Interest Payment Date in respect of the Class A Notes.

7. **Redemption, purchase and cancellation**

(a) **Final redemption**

Unless previously redeemed in full and cancelled as provided in this Condition 7, the Issuer shall redeem the Notes in full at their Principal Amount Outstanding, *plus* any accrued but unpaid interest, on the Interest Payment Date falling in July 2029 (the "**Final Maturity Date**"), subject as provided in Condition 8 (*Payments*).

(b) **Cancellation Date**

If the Notes cannot be redeemed in full on the Final Maturity Date, as a result of the Issuer having insufficient funds for application in or towards such redemption, any amount unpaid shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date, at which date, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

(c) **Optional redemption of the Notes**

Prior to the service of an Issuer Acceleration Notice, on any Interest Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem the Notes of all Classes (in whole but not in part) at their Principal Amount Outstanding (*plus* any accrued but unpaid interest) in accordance with the Post Enforcement Priority of Payments and subject to the Issuer having sufficient funds to redeem all the Notes (or the Class A Notes only, if all the Junior Noteholders consent to a partial redemption) and to make all payments ranking in priority, or *pari passu*, thereto, on any Interest Payment Date, subject to the Issuer:

(i) giving not more than 60 days' nor less than 30 days' notice to the Representative of the Noteholders, the Interest Rate Hedging Counterparty and the Noteholders, in accordance with Condition 17 (*Notices*), of its intention to redeem all Classes of Notes (in whole but not in part); and

(ii) delivering, prior to giving any such notice, to the Representative of the Noteholders a certificate duly signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Interest Payment Date to discharge all of its outstanding liabilities in respect of the Notes (or the Senior Notes only, if all the Junior Noteholders consent to a partial redemption) and any other payment in priority to or *pari passu* with the Notes in accordance with the Post-Enforcement Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher, or *pari passu*, thereto,

provided, however, that pursuant to the Transfer Agreement, the consideration for the purchase of the Claims which are classified as Defaulted Claims (if any) to be paid by the Originator (should the Originator purchase the Claims from the Issuer) may not exceed the market value of the Claims which are classified as Defaulted Claims (if any), as determined by one or more third-party experts independent from the Originator and its banking group in accordance with the Transfer Agreement.

The Issuer is entitled, pursuant to the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

For so long as any of the Class A Notes are listed on the Official List of the Luxembourg Stock Exchange, the Issuer will give notice of any optional redemption of the Notes in accordance with this Condition 7(c) (*Optional Redemption of the Notes*) to the Luxembourg Stock Exchange.

(d) **Optional redemption for taxation, legal or regulatory reasons**

Prior to the service of an Issuer Acceleration Notice, the Issuer may redeem all the Notes (or the Senior Notes only, if all the Junior Noteholders consent to a partial redemption) at their Principal Amount Outstanding (*plus* any accrued but unpaid interest thereon), in accordance with the Post-Enforcement Priority of Payments:

(i) upon the imposition, at any time after the Issue Date, of any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction);

(ii) in case of any changes in the Tax law of Italy (or in the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer (including as a result of any of the Lessees being obliged to make a Tax Deduction in respect of any payment in relation to any Claims); or

(iii) if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party,

subject to the Issuer:

(iv) giving not more than 60 days' nor less than 30 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Interest Rate Hedging Counterparty and the Noteholders, pursuant to Condition 17 (*Notices*), of its intention to redeem all (but not some only) of the Notes; and

(v) providing to the Representative of the Noteholders:

(A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international repute opining on the relevant change in law or interpretation or administration thereof;

(B) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

(C) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Interest Payment Date, have the funds to discharge all of its outstanding liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post-Enforcement Priority of Payments and all its outstanding liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding liabilities in respect of the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher, or *pari passu*, thereto.

The Issuer is entitled, subject to the provisions of the Intercreditor Agreement, to dispose of the Claims in order to finance the redemption of the Notes in the circumstances described above.

For so long as any of the Class A Notes are listed on the Official List of the Luxembourg Stock Exchange, the Issuer will give notice of any optional redemption of the Notes in accordance with this Condition 7(d) (*Optional redemption for taxation, legal or regulatory reasons*) to the Luxembourg Stock Exchange.

(e) **Mandatory redemption of the Notes**

(i) Prior to the service of an Issuer Acceleration Notice, if on each Calculation Date there are Issuer Available Funds, the Issuer will apply such Issuer Available Funds on the immediately following Interest Payment Date in or towards the mandatory redemption of the Notes of each Class (in whole or in part) in accordance with the Pre-Enforcement Priority of Payments.

(ii) The principal amount redeemable in respect of each Note on any Interest Payment Date (each, a "**Principal Payment**") shall be a *pro rata* share of the Issuer Available Funds determined in accordance with the provisions of this Condition 7 and the Pre-Enforcement Priority of Payments to be available to redeem Notes of the relevant Class on such date, calculated by reference to the ratio borne by the then Principal Amount Outstanding of such Note to the then Principal Amount Outstanding of the Notes of such Class (rounded down to the nearest cent), *provided always that* no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

(f) **Calculation of Issuer Available Funds, Principal Payments, Class A Interest Amounts, Principal Amount Outstanding and Variable Return**

On each Calculation Date, the Issuer will procure that the Computation Agent (or the Representative of the Noteholders in case of failure by the Computation Agent) determines, in accordance (where applicable) with Condition 3 (*Status, ranking and priority*), amongst others:

(i) the Issuer Available Funds;

(ii) the Principal Payments (if any) payable on the Notes of each Class on the next following Interest Payment Date;

(iii) the Class A Interest Amounts (if any) payable on the Class A Notes on the next following Interest Payment Date;

(iv) the Principal Amount Outstanding of the Notes of all Classes on the next following Interest Payment Date (after deducting any Principal Payments to be made on that Interest Payment Date);

(v) the Class A Interest Amount Arrears, if any, that will arise in respect of the Class A Notes on the immediately following Interest Payment Date;

(vi) the amount of the Cash Reserve after draw-down and replenishment on the immediately following Interest Payment Date;

(vii) the amount to be credited to the Cash Reserve Account in accordance with the Pre-Enforcement Priority of Payments;

(viii) the Target Cash Reserve Amount;

(ix) the Variable Return (if any); and

(x) the payments to be made to each of the parties to the Intercreditor Agreement under the relevant Transaction Documents (subject to receipt of all relevant information from the relevant parties),

and will determine how the Issuer's funds available for distribution pursuant to these Conditions shall be applied, on the immediately following Interest Payment Date, pursuant to the Pre-Enforcement Priority of Payments and the Collateral Accounts Priority of Payments, and will deliver to the Paying Agent and the Account Banks a report setting forth such determinations and amounts.

(g) **Calculations final and binding**

Each determination by or on behalf of the Issuer under Condition 7(f) (*Calculation of Issuer Available Funds, Principal Payments, Class A Interest Amounts and Principal Amount Outstanding*) will in each case (in the absence of wilful misconduct, bad faith or manifest error) be final and binding on all persons.

(h) **Notice of determination and redemption**

The Issuer will cause each determination of any Class A Interest Amounts, Principal Payments (if any) and Principal Amount Outstanding to each Class of Notes to be notified immediately after the calculation to the Representative of the Noteholders, the Agents, Monte Titoli and (for so long as any Class A Notes are listed on any stock exchange) each stock exchange on which the Class A Notes are then listed and will immediately cause details of each determination of any Class A Interest Amounts, Principal Payments (if any) and Principal Amount Outstanding to each Class of Notes to be published in accordance with Condition 17 (*Notices*) by no later than one Business Day prior to such Interest Payment Date if required by the rules of the Luxembourg Stock Exchange.

(i) **Notice irrevocable**

Any such notice as is referred to in Condition 7(h) (*Notice of determination and redemption*) shall be irrevocable and the Issuer shall, in the case of a notice under Condition 7(h) (*Notice of determination and redemption*), be bound to redeem the relevant Notes to which such notice refers (in whole or in part, as applicable) in accordance with this Condition 7.

(j) **Determinations by the Representative of the Noteholders**

If the Issuer does not at any time for any reason determine or cause to be determined a Principal Payment or the Principal Amount Outstanding in accordance with the preceding provisions of this Condition 7, such Principal Payment and/or, as applicable, Principal Amount Outstanding shall be determined by the Representative of the Noteholders in accordance with this Condition (but without the Representative of the Noteholders incurring any liability to any person as a result) and each such determination shall be deemed to have been made by the Issuer.

(k) **No purchase by the Issuer**

The Issuer will not purchase any of the Notes.

(l) **Cancellation**

All Notes redeemed in full will forthwith be cancelled upon redemption and accordingly may not be reissued or resold.

8. **Payments**

(a) **Payments through Monte Titoli, Euroclear and Clearstream, Luxembourg**

Payments of principal and interest (including any Variable Return) in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

Alternatively, the Paying Agent may arrange for payments of principal and interest in respect of the Notes to be made to the Noteholders through Euroclear and Clearstream, Luxembourg to be credited to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Payments made by or on behalf of the Issuer to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg, will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

(b) **Payments subject to tax laws**

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other applicable laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

(c) **Payments on Business Days**

If the due date for any payment of principal and/or interest in respect of any Note is not a day on which banks are open for general business (including dealings in foreign currencies) in the place in which the relevant Monte Titoli Account Holder is located (in each case, the "**Local Business Day**"), the holder of the relevant Note will not be entitled to payment of the relevant amount until the immediately succeeding Local Business Day and will not be entitled to any further interest or other payment in consequence of any such delay.

(d) **Notification to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 6 (*Interest*) or Condition 7 (*Redemption, purchase and cancellation*), whether by the Paying Agent, the Agent Bank, the Computation Agent or the Representative of the Noteholders, shall (in the absence of manifest error) be binding on the Issuer, the Agents, all Noteholders and all Other Issuer Creditors and (in the absence of wilful default (*dolo*) or gross negligence (*colpa grave*)) no liability of the Representative of the Noteholders, the Noteholders or the Other Issuer Creditors shall attach to the Paying Agent, the Agent Bank, the Computation Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under Condition 6 (*Interest*) or Condition 7 (*Redemption, purchase and cancellation*).

9. **Taxation**

(a) **Taxation in the Republic of Italy**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of Italy

or any authority therein or thereof having power to tax, including, for the avoidance of doubt, a Decree 239 Deduction, unless such withholding or deduction is required by law. In that event, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be deducted. Neither the Issuer, nor the Paying Agent nor any other person shall be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction. Any such deduction shall not constitute an Event of Default under Condition 10 (*Events of Default*).

(b) **FATCA Deduction**

Each party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

Each party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the party to whom it is making the payment and, in addition, shall notify each Other Issuer Creditor.

10. **Events of Default**

(a) **Events of Default**

Subject to the other provisions of this Condition, each of the following events shall be treated as an "**Event of Default**":

(i) Non-payment by the Issuer the Issuer fails:

(A) to repay any amount of principal in respect of the Senior Notes (as resulting from the relevant Payments Report) within 5 Business Days of the due date for repayment of such principal; or

(B) to pay any Class A Interest Amount in respect of the Class A Notes within 5 Business Days of the relevant Interest Payment Date; or

(ii) **Breach of other obligations**

the Issuer fails to perform or observe any of its other obligations under or in respect of the Senior Notes (other than any obligation for the repayment of principal and payment of any Class A Interest Amount in respect of the Class A Notes pursuant to (i) above), the Intercreditor Agreement or any other Transaction Document to which it is a party and such default is, in the reasonable opinion of the Representative of the Noteholders, (i) incapable of remedy or (ii) capable of remedy, but remains un-remedied for 30 days or such longer period as the Representative of the Noteholders may agree (in its sole discretion) after the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Senior Noteholders and requiring the same to be remedied; or

(iii) **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

(iv) **Failure to take action**

any action, condition or thing at any time required to be taken, fulfilled or done in order:

(A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes of the Most Senior Class and the Transaction Documents to which the Issuer is a party; or

(B) to ensure that those obligations are legal, valid, binding and enforceable,

is not taken, fulfilled or done at any time and the Representative of the Noteholders has given written notice of such default to the Issuer, certifying that such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the interests of the Noteholders of the Most Senior Class and requiring the same to be remedied; or

(v) **Insolvency Event**

an Insolvency Event occurs in relation to the Issuer; or

(vi) **Unlawfulness**

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; or

(vii) **Ineffective Security**

the Issuer Security becomes invalid, ineffective or unenforceable.

(b) **Service of an Issuer Acceleration Notice**

If an Event of Default occurs, then (subject to Condition 10(c) (*Consequences of service of an Issuer Acceleration Notice*)) the Representative of the Noteholders:

(i) in the case of the occurrence of any of the events mentioned in Condition 10(a)(i) (*Non-payment by the Issuer*), in Condition 10(a)(iv) (*Failure to take action*), in Condition 10(a)(v) (*Insolvency Event*), in Condition 10(a)(vi) (*Unlawfulness*) and in Condition 10(a)(vii) (*Ineffective Security*), shall; and

(ii) in the case of the occurrence of any of the events mentioned in Condition 10(a)(ii) (*Breach of other obligations*) and in Condition 10(a)(iii) (*Breach of Representations and Warranties by the Issuer*) may, at its sole discretion, and shall:

(A) if so directed in writing by the holders of at least three-fourths of the Principal Amount Outstanding of he Most Senior Class of Notes; or

(B) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

give written notice (an "**Issuer Acceleration Notice**") to the Issuer, the Interest Rate Hedging Counterparty and the Servicer declaring the Notes to be due and payable, *provided that* in each case, the Representative of the Noteholders shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all fees, costs, expenses and liabilities (*provided that* supporting documents are delivered where available) to which it may thereby become liable or which it may incur by so doing.

(c) **Consequences of service of an Issuer Acceleration Notice**

Upon the service of an Issuer Acceleration Notice as described in this Condition 10, (i) 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 Interest Payment Date, without further action, notice or formality; (ii) the Issuer Security shall become immediately enforceable; and (iii) the Representative of the Noteholders may dispose of the Claims in the name and on behalf of the Issuer by virtue of the power of attorney granted in accordance with the Mandate Agreement. The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on and from the date on which the Notes shall become due and payable following the service of an Issuer Acceleration Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes shall become due and payable, such monies to be applied in accordance with the Post-Enforcement Priority of Payments.

11. **Enforcement**

(a) **Proceedings**

Without prejudice to the Intercreditor Agreement, the Representative of the Noteholders may, at its discretion and without further notice, institute such proceedings as it thinks fit at any time after the service of an Issuer Acceleration Notice to enforce repayment of Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document, but, in either case, it shall not be bound to do so unless it shall have been:

(i) so requested in writing by the holders of at least 75 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes; or

(ii) so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes;

and, in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities (*provided that* supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

(b) **Restrictions on disposal of Issuer's assets**

If an Issuer Acceleration Notice has been served by the Representative of the Noteholders, other than by reason of non-payment of any amount due in respect of the Notes, the Representative of the Noteholders will not be entitled to dispose of the assets of the Issuer or any part thereof unless either:

(i) a sufficient amount would be realised to allow payment in full of all amounts owing to the holders of the Class A Notes after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments; or

(ii) the Representative of the Noteholders is of the opinion, which shall be binding on the Noteholders and the other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of a merchant or investment bank or other financial adviser selected by the Representative of the Noteholders (and if the Representative of the Noteholders is unable to obtain such advice having made reasonable efforts to do so, this Condition 11(b)(ii) shall not apply), that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Class A Notes after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments,

and the Representative of the Noteholders shall not be bound to make the determination contained in Condition 11(b)(ii) unless the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities (*provided that* supporting documents are delivered) to which it may thereby become liable or which it may incur by so doing.

12. **Representative of the Noteholders**

(a) **Legal representative**

The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules of the Organisation of Noteholders and the other Transaction Documents.

(b) **Appointment of Representative of the Noteholders**

Pursuant to the Rules of the Organisation of Noteholders, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of Noteholders and the Intercreditor Agreement. However, the initial Representative of the Noteholders, being Securitisation Services S.p.A., has been appointed at the time of issue of the Notes by the Class A Notes Subscribers and the Junior Notes Subscriber pursuant to the Intercreditor Agreement. Each Noteholder is deemed to accept such appointment.

(c) **Representative of the Noteholders**

The Representative of the Noteholders shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of article 2 paragraph 6 of the Securitisation Law and the relevant implementing regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy.

(d) **Powers of the Representative of the Noteholders**

The duties and powers of the Representative of the Noteholders are set forth in the Rules of the Organisation of Noteholders.

(e) **Meetings of Noteholders**

The Rules of the Organisation of Noteholders contain provisions for convening Meetings of Noteholders as well as the subject matter of the Meetings and the relevant quorums.

(f) **Individual action**

The Rules of the Organisation of Noteholders contain provisions limiting the powers of the Noteholders, *inter alia*, to bring individual actions or take other individual remedies to enforce their rights under the Notes. In particular, such actions will be subject to the Meeting of the Noteholders approving by way of Extraordinary Resolution such individual action or other remedy. No individual action or remedy can be taken or sought by a Noteholder to enforce his or her rights under the Notes before the Meeting of the Noteholders has approved such action or remedy in accordance with the provisions of the Rules of the Organisation of Noteholders.

(g) **Resolutions binding**

The resolutions passed at any Meeting of the Noteholders under the Rules of the Organisation of Noteholders will be binding on all Noteholders whether or not they are absent or dissenting and whether or not voting at the Meeting.

(h) **Written Resolution**

(i) A Written Resolution will take effect as if it were an Extraordinary Resolution passed at a Meeting of the Noteholders.

(ii) For the purposes of these Conditions, the Representative of the Noteholders will be deemed to have received instructions from the Noteholders of the relevant Class if such instructions are either set out in a Written Resolution of the Noteholders of the relevant Class or have been duly approved by way of a resolution passed in a duly convened and quorate Meeting of the Noteholders of the relevant Class.

13. **Modification and waiver**

(a) **Modification**

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditors and subject to the Issuer giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making any amendment or modification to these Conditions or to any of the Transaction Documents:

(A) if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, or is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification; and

(B) if are requested by the Issuer in order to enable the Issuer and/or the Interest Rate Hedging Counterparty to comply with any requirements which apply to it in relation to the Interest Rate Cap Agreement under EMIR, the AIFM Regulation, the Dodd-Frank Act or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto

and/or in the case of CRA3, adopted in replacement thereof), subject to receipt by the Representative of the Noteholders of a certificate of the Issuer certifying to the Representative of the Noteholders that the requested amendments to be made are solely for the purpose of enabling the Issuer and/or the Interest Rate Hedging Counterparty to satisfy requirements which apply to them in relation to the Interest Rate Cap Agreement under EMIR, the AIFM Regulation, the Dodd-Frank Act or CRA3 (including any implementing regulations, technical standards and guidance respectively related thereto and/or in the case of CRA3, adopted in replacement thereof).

(b) **Waiver**

In addition, the Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Creditor (other than those which are a party to the relevant Transaction Document), and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, authorise or waive any non-material proposed breach or breach of the Notes (excluding an Event of Default) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Most Senior Class of Notes will not be prejudiced by such authorisation or waiver.

(c) **Restriction on power of amendment or modification**

Notwithstanding Condition 13(a) (*Modification*) and Condition 13(b) (*Waiver*) above, the Issuer shall notify the Interest Rate Hedging Counterparty of any proposed amendment, modification, determination or waiver to (or relating to) the Transaction Documents. The prior written consent of the Interest Rate Hedging Counterparty must be obtained where the Interest Rate Hedging Counterparty determines upon receiving such notification, acting in a commercially reasonable manner, that the proposed amendment, modification, determination or waiver is adverse to the rights and/or obligations of the Interest Rate Hedging Counterparty pursuant to the Transaction Documents.

(d) **Restriction on power of waiver**

The Representative of the Noteholders shall not exercise any powers conferred upon it by Condition 13(b) (*Waiver*) in contravention of any express direction by an Extraordinary Resolution (as defined in the Rules of the Organisation of Noteholders) or of a request in writing made by the holders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification.

(e) **Notification**

Unless the Representative of the Noteholders agrees otherwise, any such authorisation, waiver, modification or determination shall be notified to the Noteholders, in accordance with Condition 17 (*Notices*), as soon as practicable after it has been made and in any case within five Business Days.

14. **Agents**

(a) **Paying Agent, Agent Bank, Computation Agent and Account Banks sole agent of Issuer**

In acting under the Agency and Accounts Agreement and in connection with the Notes, the Paying Agent, the Computation Agent, the Italian Account Bank, the English Account Bank, and the Agent Bank act as agents solely of the Issuer and

(to the extent provided therein) the Representative of the Noteholders and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

(b) **Initial Agents**

The initial Paying Agent, the Computation Agent, the Italian Account Bank, the English Account Bank and the Agent Bank and their Specified Offices are listed in Condition 17 (*Notices*) below. The Issuer reserves the right (with the prior written approval of the Representative of the Noteholders) at any time to vary or terminate the appointment of the Paying Agent, the Computation Agent, the Italian Account Bank, the English Account Bank and the Agent Bank and to appoint a successor paying agent, computation agent, Italian account bank, English account bank or agent bank and additional or successor paying agents at any time, in accordance with the terms of the Agency and Accounts Agreement and these Conditions.

(c) **Maintenance of Agents**

The Issuer undertakes that it will ensure that it maintains:

(i) at least one paying agent having its specified office in a European city, a computation agent, a transaction bank (acting through an office or branch located in the Republic of Italy) and an agent bank; and

(ii) a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination of, or appointment change in, the Paying Agent, the Agent Bank, the Computation Agent, the Italian Account Bank, the English Account Bank and of any changes in the Specified Offices shall promptly be given to the Noteholders and to the Interest Rate Hedging Counterparty by the Issuer in accordance with Condition 17 (*Notices*).

15. **Statute of limitation**

Claims against the Issuer for payments in respect of the Notes will be barred and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect thereof.

16. **Limited recourse and non-petition**

(a) **Limited recourse**

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

(i) each Noteholder will have a claim only in respect of the Issuer Available Funds and at all times only in accordance with the Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer's other assets or its contributed capital;

(ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such

Noteholder; and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments and the Collateral Accounts Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and

if the Servicer has given evidence to the Representative of the Noteholders and the Representative of the Noteholders is satisfied in that respect that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the ring-fencing under the Securitisation Law (whether arising from judicial enforcement proceedings, enforcement of the ring-fencing under the Securitisation Law or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 17 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the ring-fencing under the Securitisation Law (whether arising from judicial enforcement proceedings, enforcement of the ring-fencing under the Securitisation Law or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

(b) **Amounts to remain outstanding**

Subject always to Condition 11 (*Enforcement*) and Condition 16(d) (*Non-petition*), any amount due under the Notes and not payable or paid when due by the Issuer in accordance with Condition 16(a) (*Limited recourse*) will nevertheless continue to be regarded as being outstanding for the purposes of making any demand under, or of enforcing, the Issuer Security, and so that any interest, default interest, indemnity payments and other similar amounts payable in accordance with these Conditions will continue to accrue thereon.

(c) **Insufficient recoveries**

If, or to the extent that, after the Issuer Security has been enforced and the Issuer's Rights have been realised as fully as is practicable and the proceeds thereof have been applied in accordance with the Post-Enforcement Priority of Payments and the Collateral Accounts Priority of Payments, the Issuer Available Funds are insufficient to pay or discharge amounts due from the Issuer to the Noteholders in full for any reason, the Issuer will have no liability to pay or otherwise make good any such insufficiency.

(d) **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 under or in respect of the Notes (the "**Obligations**") or enforce the ring-fencing under the Securitisation Law and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations or to enforce the ring-fencing under the Securitisation Law. In particular:

(i) no Noteholder is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the Noteholders to enforce the ring-fencing under the Securitisation Law and no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders, where appropriate) is entitled to take any proceedings against the Issuer to enforce the ring-fencing under the Securitisation Law;

(ii) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

(iii) until the date falling two years and one day after the date on which the Notes and any other notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless an Issuer Acceleration Notice has been served or an Insolvency Event in respect of the Issuer has occurred and the Representative of the Noteholders, having become bound so to do, fails to take such actions as the Representative of the Noteholders is entitled to take under the Transaction Documents within a reasonable period of time and such failure is 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 Noteholders may then only proceed subject to the provisions of the Conditions; and

(iv) no Noteholder shall be entitled to take or join in the taking of any corporate action, enforcement or insolvency proceedings or other procedure or step which would result in the Priority of Payments or the Collateral Accounts Priority of Payments not being complied with.

17. **Notices**

(a) **Valid notices**

All notices to the Noteholders, as long as the Notes are held through Monte Titoli, shall be deemed to have been validly given if delivered to Monte Titoli for communication by them to the entitled accountholders and any such notice shall be deemed to have been given on the date on which it was delivered to Monte Titoli. In addition, so long as the Class A Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, all notices will also be given on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Issuer shall also ensure, through the Paying Agent, that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed.

So long as any Class A Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of that exchange so require, all notices given to Class A Noteholders will also be given to the Luxembourg Stock Exchange.

All notices to the Interest Rate Hedging Counterparty shall be deemed to have been validly given if sent to the address (by delivering it by registered mail with return receipt or by express courier or by facsimile transmission), to the addresses

and/or facsimile numbers specified in the Intercreditor Agreement and, in each case, marked for the attention of the Interest Rate Hedging Counterparty. Any such notice shall be deemed to have been given or made on the date specified in the Intercreditor Agreement.

(b) **Date of publication**

Any 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 date of the first publication.

(c) **Other methods**

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them, if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which any of the Class A Notes are then listed, and *provided that* notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

(d) **Initial Specified Offices**

(i) The Specified Offices of the Paying Agent, the Agent Bank and Italian the Account Bank are at its offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy.

(ii) The Specified Offices of the English Account Bank are at its offices at 10 Harewood Avenue, London NW1 6AA, United Kingdom.

(iii) The Specified Office of the Computation Agent and the Representative of the Noteholders is at its offices at Via Vittorio Alfieri, 1, 31015 Conegliano (TV).

18. **Governing law and jurisdiction**

(a) **Governing law**

The Notes, these Conditions, the Rules of the Organisation of Noteholders and the Italian Law Transaction Documents and any non-contractual obligations arising out of, or in connection with, them are governed by, and shall be construed in accordance with, Italian law. The English Law Transaction Documents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction**

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

The Courts of England and Wales are to have jurisdiction to settle any disputes that may arise out of or in connection with the English Law Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith and, accordingly, any legal action or proceedings arising out of or in connection with any English Law Transaction Document may be brought

in such courts. The Issuer has in each of the English Law Transaction Documents irrevocably submitted to the jurisdiction of such courts.

SCHEDULE – RULES OF THE ORGANISATION OF NOTEHOLDERS

GENERAL PROVISIONS

Article 1

General

The Organisation of Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment and cancellation of the Notes.

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

Article 2

Definitions

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

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

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

"**Basic Terms Modification**" means:

(a) a modification of the date of maturity of one or more relevant Classes of Notes;

(b) a modification which would have the effect of cancelling or postponing any date for payment of interest in respect of one or more Classes of Notes;

(c) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of one or more relevant Classes of Notes or the rate of interest applicable in respect of one or more relevant Classes of Notes;

(d) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable to one or more relevant Classes of Notes;

(e) a modification which would have the effect of altering the majority required to pass a specific resolution or the quorum required at any Meeting;

(f) a modification which would have the effect of altering the currency of payment of one or more relevant Classes of Notes or any alteration of the date or priority of payment or redemption of one or more relevant Classes of Notes;

(g) a modification which would have the effect of altering the authorisation or consent by the Noteholders, as pledgees, to applications of funds as provided for in the Transaction Documents;

and

(h) an amendment to this definition;

"**Blocked Notes**" means the Notes which have been blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian for the purposes of obtaining a Voting Certificate or a Block Voting Instruction and will not be released until the conclusion of the Meeting;

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

(a) certifying that the Blocked Notes have been blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian and will not be released until the conclusion of the Meeting;

(b) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Paying Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 Hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(c) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(d) appointing one or more Proxies to vote in respect of the Blocked Notes in accordance with such instructions;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 (*Chairman of the Meeting*);

"**Class of Notes**" means (i) the Class A Notes; or (ii) the Junior Notes, as the context requires;

"**Extraordinary Resolution**" means a resolution of a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with the provisions contained in these rules on any of the subjects covered by Article 21 (*Powers exercisable by Extraordinary Resolution*), passed by a majority of at least three-fourths of the votes cast;

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

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

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

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction;

"**Relevant Class Noteholders**" means (i) the Class A Noteholders; and/or (ii) the Junior Noteholders; or a combination of the Class A Noteholders and/or the Junior Noteholders, as the context requires;

"**Relevant Clearing System**" means Euroclear and/or Clearstream, Luxembourg;

"**Relevant Fraction**" means:

(a) for all business other than voting on an Extraordinary Resolution, half plus one-half of the Principal Amount Outstanding of that Class of Notes (in the case of a meeting of a particular Class of Notes), or one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, three-fourths of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or three-fourths of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-fourths of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

provided, *however*, *that*, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(a) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, the fraction of the Principal Amount Outstanding of the Notes of that Class of Notes represented or held by the Voters actually present at the Meeting (in case of a Meeting of a particular Class of Notes), or the fraction of the Principal Amount Outstanding of the Notes of all relevant Classes represented or held by the Voters actually present at the Meeting (in case of a joint Meeting of a combination of Classes of Notes); and

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), three-fourths of the Principal Amount Outstanding of the Notes of the relevant Class of Notes represented or held by the Voters actually present at the Meeting;

"**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 requested by the interested Noteholder and issued by the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian, as the case may be, and dated, stating:

(a) that the Blocked Notes have been blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of (i) the conclusion of the Meeting and (ii) the surrender of the certificate to the clearing system or the Monte Titoli Account Holder or the relevant custodian who issued the same;

(b) details of the Meeting concerned and the number of the Blocked Notes; and

(c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes;

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting of such holders of Notes in accordance with the Rules of the Organisation of Noteholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of Notes.

Capitalised terms not defined herein shall have the meanings attributed to them in the Conditions.

Article 3

Organisation purpose

Each holder of the Notes is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these rules, any reference to Noteholders shall be considered as a reference to the Class A Noteholders and/or the Junior Noteholders, as the case may be.

TITLE II

THE MEETING OF NOTEHOLDERS

Article 4

General

Any resolution passed at a Meeting of the Relevant Class Noteholders, duly convened and held in accordance with these rules, shall be binding upon all the Noteholders of such Class of Notes, whether or not present at such Meeting and whether or not voting.

Subject to the proviso of Article 21 (*Powers exercisable by Extraordinary Resolution*):

(a) any resolution passed at a Meeting of the Class A Noteholders, duly convened and held as aforesaid, shall also be binding upon all the Junior Noteholders;

(b) and, in each case, all the Noteholders of the relevant Class of Notes, whether or not absent or dissenting, shall be bound by such resolution irrespective of its effect upon such Noteholders and such Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof,

provided however that:

(c) no resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders (to the extent that the Class A are then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by a resolution of the Class A Noteholders (to the extent that the Class A Notes are then outstanding).

Notice of the result of every vote on a resolution duly passed by the Noteholders shall be published by and at the expense of the Issuer, in accordance with the Condition 17 (*Notices*) and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders) within 14 days of the conclusion of the Meeting but failure to do so shall not invalidate the resolution.

Subject to the provisions of these rules and the Conditions, joint Meetings of the Class A Noteholders and the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply while Notes of two or more Classes of Notes are outstanding:

(a) business which involves the passing of an Extraordinary Resolution involving a Basic Terms Modification shall be transacted at a separate Meeting of the holders of each relevant Class of Notes;

(b) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of Notes of such Class of Notes;

(c) 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 holders of one such Class of Notes and the holders of any other Class of Notes shall be transacted either at separate Meetings of the holders of each such Class of Notes or at a joint Meeting of the holders of each of such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion;

(d) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes and gives rise to an actual or potential conflict of interest between the holders of one such Class of Notes and the holders of any other Class of Notes shall be transacted at separate Meetings of the holders of each Class of Notes; and

(e) in the case of separate Meetings of the holders of each Class of Notes, these rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the relevant Class of Notes and to the holders of such Notes and, in the case of joint Meetings, as if references to the Notes and the Noteholders were to the Notes of each of the Classes of Notes and to the respective holders of the Notes.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any resolution.

Article 5

Issue of Voting Certificates and Block Voting Instructions

Noteholders may obtain a Voting Certificate from the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian, as the case may be, or require the Paying Agent to issue a Block Voting Instruction by arranging for their Notes to be blocked in an account with the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian at least 48 Hours before the time fixed for the Meeting of the Relevant Class Noteholders, providing to the Paying Agent, where appropriate, evidence that the Notes are so blocked. The Noteholders may obtain such evidence by, *inter alia*, requesting the Relevant Clearing System, the Monte Titoli Account Holder or the relevant custodian to release a certificate in accordance with, as the case may be: (i) the practices and procedures of the Relevant Clearing System; or (ii) articles 21 and 22 of the regulation issued by the Bank of Italy and CONSOB on 22 February 2008, as subsequently supplemented and amended. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Validity of Block Voting Instructions

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Representative of the Noteholders, or at some other place approved by the Representative of the Noteholders, at least 24 Hours before the time fixed for the Meeting of the Relevant Class Noteholders and, if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, a notarised copy of each Block Voting Instruction and satisfactory proof 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 any Block Voting Instruction or the authority of any Proxy.

Article 7

Convening of Meeting

The Issuer or the Representative of the Noteholders may convene a Meeting at any time, and the Representative of the Noteholders shall be obliged to do so upon the request in writing by, and a the cost of, the Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes.

Whenever any one of the Issuer or the Representative of the Noteholders is about to convene any such Meeting, it shall immediately give notice in writing to, respectively, the Representative of the Noteholders and the Issuer (as the case may be) of the date thereof and of the nature of the business to be transacted thereat.

Every such Meeting shall be held at such time and place as the Representative of the Noteholders may designate or approvem provided that it is in a EU Member State.

Unless the Representative of the Noteholders decides otherwise pursuant to Article 4 (*General*), each Meeting shall be attended by Noteholders of the relevant Class of Notes.

Meetings may be held in case Voters are located in different places and are connected via audio-conference or video-conference, *provided that*:

(a) the Chairman can 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;

(b) the person drawing up the minutes can clearly hear the meeting events being the subject-matter of the minutes;

(c) each Voter attending via audio-conference or video-conference can follow and intervene in the discussions and vote the items on the agenda in real time;

(d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and

(e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

Article 8

Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer and to the Representative of the Noteholders). Any notice to Noteholders shall be given in accordance with Condition 17 (*Notices*).

The notice shall specify the nature of the resolutions to be proposed and shall explain how Noteholders may appoint Proxies, obtaining Voting Certificates and use Block Voting Instructions and the details of the relevant time limits applicable.

Article 9

Chairman of the Meeting

Any individual (who may, but need not to, be a Voter) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but if: (i) no such nomination is made; or (ii) the individual nominated is not present within 15 minutes after the time fixed for the Meeting; then, the Voters shall choose one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10

Quorum

The quorum at any Meeting shall be at least one Voter representing or holding not less than the Relevant Fraction relative to (i) that Class of Notes (in the case of a Meeting of one Class of Notes) or (ii) all relevant Classes of Notes (in the case of a joint Meeting). No business (except choosing a Chairman, if requested) shall be transacted at a Meeting unless quorum is present at the commencement of business.

Article 11

Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved;

(b) in the case of any other Meeting, it shall be adjourned (i) until such date (which shall be not less than 14 days and not more than 42 days later) and to such place as the Chairman determines or (ii) on the date and at the place indicated in the notice convening the Meeting (if such notice sets out the date and place of any adjourned Meeting); *provided, however, that* in any case:

(i) the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders so decides; and

(ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

Article 12

Adjourned Meeting

Without prejudice to Article 11 (*Adjournment for want of quorum*), the Chairman may, with the prior consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13

Notice following adjournment

Article 8 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

(a) at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be given;

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes; and

(c) it shall not be necessary to give notice of the convening of an adjourned Meeting (i) if the notice given in respect of the first Meeting already sets the time and place for an adjourned Meeting and specifies the quorum requirements which will apply when the Meeting resumes; or (ii) if the Meeting has been adjourned for any other reason.

Article 14

Participation

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Paying Agent;

(c) the financial advisers to the Issuer;

(d) the Representative of the Noteholders;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Paying Agent; and

(f) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

Article 15

Passing of resolution

A resolution is validly passed when (i) in respect of an Extraordinary Resolution only, three-fourths of votes cast by the Voters attending the relevant Meeting have been cast in favour of it or (ii) in respect of any resolution other than an Extraordinary Resolution, the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

Article 16

Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result of the show of hands is declared, the Chairman's declaration that, on a show of hands, a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority, shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 17

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 holding or representing at least 2 per cent of (i) the Principal Amount Outstanding of that relevant Class of Notes (in the case of a Meeting of a particular Class of Notes), or (ii) the Principal Amount Outstanding of the aggregate relevant Classes of Notes (in the case of a joint Meeting). The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting for any other business.

Article 18

Votes

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the votes (if any) to which he may be entitled as a Voter.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 19

Vote by Proxies

Any vote cast by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, *provided that* the Representative of the Noteholders or the Issuer has not been notified by the Paying Agent in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment.

Article 20

Exclusive powers of the Meeting

The Meeting shall have exclusive powers on the following matters:

(a) to approve any Basic Terms Modification;

(b) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to direct the Representative of the Noteholders to serve an Issuer Acceleration Notice under Condition 10(b) (*Service of an Issuer Acceleration Notice*);

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute an Event of Default;

(f) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;

(g) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents; and

(h) to appoint and remove the Representative of the Noteholders.

Article 21

Powers exercisable by Extraordinary Resolution

Without limitation to the exclusive powers of the Meeting listed in Article 20 (*Exclusive powers of the Meeting*), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

(a) approval of any Basic Terms Modification;

(b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these rules, the Notes, the Conditions or otherwise;

(c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) appointment and removal of the Representative of the Noteholders;

(e) approval of the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(f) without prejudice to the Conditions, approval of any alteration of the provisions contained in these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document

which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(g) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these rules, the Notes, the Conditions or any other Transaction Document;

(h) giving any direction or granting any authority or sanction which, under the provisions of these rules, the Conditions or the Notes, is required to be given or granted by Extraordinary Resolution;

(i) authorisation and sanctioning of actions of the Representative of the Noteholders under these rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders; and

(j) authorisation and direction to the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;

provided, however, that:

(a) no Extraordinary Resolution involving a Basic Terms Modification passed by the Relevant Class Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Noteholders of each of the other Classes of Notes (to the extent that Notes of each such Classes of Notes are then outstanding);

(b) no Extraordinary Resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Class A Noteholders (to the extent that the Class A Notes are then outstanding).

Article 22

Challenge of resolution

Any Noteholder can challenge a resolution which is not passed in conformity with the provisions of these rules.

Article 23

Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

Article 24

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution passed at a Meeting of the Noteholders.

Article 25

Individual actions and remedies

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class(es) of Notes, in accordance with these rules at the expense of such Noteholder;

(c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (*provided that* the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed);

(d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution; and

(e) no individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has been held to resolve on such action or remedy and in accordance with the provisions of this Article 25.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 26

Appointment, removal and remuneration

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of this Article 26 and by obtaining the prior written approval of the Interest Rate Hedging Counterparty, save in respect of the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

Save for Securitisation Services S.p.A. as first Representative of the Noteholders, the Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or

(b) a financial institution registered under article 106 of the Banking Act; or

(c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in article 2399 of the Italian civil code cannot be appointed as the Representative of the Noteholders.

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraphs (a), (b) or (c) above and the Interest Rate Hedging Counterparty, and, *provided that* a Meeting of the holders of each Class of Notes and the Interest Rate Hedging Counterparty has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may

appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priority of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

Article 27

Duties and powers

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders subject to and in accordance with the Conditions, these rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the "**Relevant Provisions**").

Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders as a class *vis-à-vis* the Issuer. The Representative of the Noteholders has the right to attend Meetings. The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders.

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of such delegate's misconduct or default, unless the Representative of the Noteholders has been negligent in the selection of the delegate or sub-delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including proceedings involving the Issuer in creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

The Representative of the Noteholders shall have regard to the interests of all the Issuer Secured Creditors as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders under these rules, the Intercreditor Agreement or under the Mandate Agreement (except where expressly provided otherwise), but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard to the interests only: (i) of the Most Senior Class outstanding, and (ii) subject to item (i), of whichever Issuer Secured Creditor ranks higher in the Priority of Payments hereof for the payment of the amounts therein specified if, in its opinion, there is or may be a conflict between all or any of the interests of one or more Classes of Noteholders or between one or more Classes of Noteholders and any other Issuer Secured Creditors. The foregoing provision shall not affect the payment order set forth in the applicable Priority of Payments and the Collateral Accounts Priority of Payments.

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 and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

The Representative of the Noteholders may certify whether or not an Insolvency Event in respect of the Issuer is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer or the Originator 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 Securitisation.

Each Noteholder, by acquiring title to a Note is deemed to agree and acknowledge that:

(a) the Representative of the Noteholders has entered into the English Deed of Charge and Assignment 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 Secured Creditors thereunder;

(b) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders, 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, all of that Noteholder's 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 an Issuer Secured Creditor for and on its behalf under the English Deed of Charge and Assignment;

(c) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Issuer Security 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 holders of each relevant Class of Notes with respect to the other Transaction Documents and recovering any amounts owing under the Notes or under the Transaction Documents;

(d) the Representative of the Noteholders shall have exclusive rights under the English Deed of Charge and Assignment 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 English Deed of Charge and Assignment;

(e) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under these Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Banking Act or otherwise, unless (in each case under paragraphs (b), (c) and (d) above) an Issuer Acceleration Notice shall have been served or an Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (*provided that* any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), *provided that* the Noteholder may then only proceed subject to the provisions of the Conditions and *provided that* this proviso shall

not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;

(f) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to article 2900 of the Italian civil code; and

(g) the provisions of this Article 27 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.

Article 28

Resignation of the Representative of the Noteholders

The Representative of the Noteholders may resign at any time, upon giving not less than three-calendar-months' notice in writing to the Issuer, without assigning any reason therefor and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders, *provided that*, if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a new Representative of the Noteholders.

Article 29

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) shall not be under any obligation to take any steps to ascertain whether an Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder hereunder or under any of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Event of Default or such other event, condition or act has occurred;

(b) shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other party to the Transaction Documents of the provisions of, and its obligations under, these rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) shall not be under any obligation to give notice to any person of the execution of these rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(d) shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to the Transaction Documents; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained, or required to be delivered or obtained, at any time in connection herewith or with any Transaction Document; (iii) the suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply

with any licence, consent or other authority in connection with the purchase or administration of the Claims; or (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent or any other person in respect of the Claims;

(e) 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;

(f) shall have no responsibility for the maintenance of any rating of the Notes by the Rating Agencies or any other credit or rating agency or any other person;

(g) shall not be responsible for, or for investigating, any matter which is the subject of, any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders, contained herein or in any Transaction Document;

(h) shall not be bound or concerned to examine, or enquire into, or be liable, for any defect or failure in the right or title of the Issuer to the Claims or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) shall not be liable for any failure, omission or defect in registering or filing, or procuring registration or filing of, or otherwise protecting or perfecting, these rules, the Notes or any Transaction Document;

(j) shall not be under any obligation to insure the Assets and the Claims or any part thereof;

(k) shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Claims, the Notes and any other payment to be made in accordance with the Priority of Payments;

(l) shall not have regard to the consequences of any modification or waiver of these rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory; and

(m) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

The Representative of the Noteholders, notwithstanding anything to the contrary contained in these rules:

(a) may, without the consent of the Noteholders or any Other Issuer Creditor and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making any amendment or modification to these rules, the Conditions (other than a Basic Terms Modification) or to any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it is expedient to make, or is of a formal, minor or technical nature to correct a manifest error or an error which is, in the opinion of the Representative of the Noteholders, proven, or is necessary or desirable for the purposes of clarification. Any such amendment or modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such amendment or modification to be notified to the Noteholders as soon as practicable thereafter;

(b) may, without the consent of the Noteholders or any Other Issuer Creditor, concur with the Issuer and any other relevant parties in making any amendment or modification (other than in respect of a Basic Terms Modification) to these rules, the Conditions or to any of the Transaction Documents, which, in the opinion of the Representative of the Noteholders, it may be proper to make, *provided that* the Representative of the Noteholders is of the opinion that such amendment or modification will not be materially prejudicial to the interests of the holders of the Most Senior Class;

(c) may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes (including an Event of Default) or of the Intercreditor Agreement or any other Transaction Document if, in the opinion of the Representative of the Noteholders, the interests of the Most Senior Class will not be materially prejudiced by such authorisation or waiver; *provided that* the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification;

(d) may act on the advice, certificate, opinion or information (whether or not addressed to the Representative of the Noteholders) obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert of international repute, whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission or cable and, in the absence of fraud (*frode*) gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting on any advice, certificate, opinion or information contained in, or purported to be conveyed by, any such letter, telex, telegram, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same;

(e) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate;

(f) save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*);

(g) shall be at liberty to leave in custody these rules, the Transaction Documents and any other documents relating thereto or to the Notes with any bank, financial institution or company of international repute whose business includes undertaking the safe custody of documents, or with any lawyer or firm of lawyers of international repute, and the Representative of the Noteholders shall not be responsible for, or required to insure against, any loss incurred in connection with any such custody, and may pay all sums required to be paid on account of, or in respect of, any such custody;

(h) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, is entitled to convene a Meeting of the Noteholders of any or all Classes of Notes in order to obtain instructions as to how the Representative of the Noteholders should exercise such discretion, *provided that* nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. The Representative of the Noteholders shall not be obliged to take any action in respect of these rules, the Notes, the Conditions or any Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (*provided that* supporting documents are delivered) which it may incur by taking such action;

(i) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that

subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders;

(j) may call for, and shall be at liberty to accept and place full reliance on as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository, to the effect that at any particular time or throughout any particular period any particular person is, was, or will be shown in its records as entitled to a particular principal amount of Notes;

(k) may certify whether or not an Event of Default is, in its opinion, materially prejudicial to the interests of the Noteholders or the holders of the Most Senior Class and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant person;

(l) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these rules, the Notes, the Conditions or any other Transaction Document is capable of remedy and, if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any relevant person;

(m) may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer;

(n) shall be entitled to call for, and to rely upon, a certificate or any document or explanation reasonably believed by it to be genuine of any party to the Intercreditor Agreement or any Other Issuer Creditor in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document or in respect of the ratings of the Notes and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so; and

(o) shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules, that such exercise will not be materially prejudicial to the interest of the Noteholders if, along with other factors, the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected by such exercise or have otherwise given their consent and for such purpose may, contact each of the Rating Agencies so to assess whether the then current ratings of the Notes would not be downgraded, withdrawn or qualified and have regard to any other confirmation which it considers, in its sole and absolute discretion, as necessary and/or appropriate.

Any consent or approval given by the Representative of the Noteholders under these rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

No provision of these rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion

hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

Article 30

Issuer Security

The Representative of the Noteholders shall be entitled to exercise all the rights granted by the Issuer in favour of the Representative of the Noteholders on behalf of the Noteholders and the other Issuer Secured Creditors under the English Deed of Charge and Assignment.

The Representative of the Noteholders, acting on behalf of the Issuer Secured Creditors, may:

(a) prior to enforcement of the Issuer Security, appoint and entrust the Issuer to collect, in the interest of the Issuer Secured Creditors and on their behalf, any amounts deriving from the Issuer Security and may instruct, jointly with the Issuer, the obligors whose obligations form part of the Issuer Security to make any payments to be made thereunder to an Account of the Issuer;

(b) agree that the Accounts shall be operated in compliance with the provisions of the Agency and Accounts Agreement and the Intercreditor Agreement;

(c) agree that all funds and/or securities credited to the Accounts from time to time shall be applied prior to the enforcement of the Issuer Security, in accordance with the Conditions, the Intercreditor Agreement and the Agency and Accounts Agreement; and

(d) agree that cash deriving from time to time from the Issuer Security and the amounts standing to the credit of the Accounts (other than the Collateral Accounts) shall be applied prior to enforcement of the Issuer Security, in and towards satisfaction not only of amounts due to the Issuer Secured Creditors, but also of such amounts due and payable to the other Issuer Creditors that rank *pari passu* with, or higher than, the Issuer Secured Creditors, according to the applicable Priority of Payments and, to the extent that all amounts due and payable to the Issuer Secured Creditors have been paid in full, also towards satisfaction of amounts due to the other Issuer Creditors that rank below the Issuer Secured Creditors. The Issuer Secured Creditors irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the Issuer Security and amounts standing to the credit of the Accounts (other than the Collateral Accounts) which is not in accordance with the foregoing. 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 Issuer Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement.

Article 31

Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any of the Other Issuer Creditors, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands (including, without limitation, legal fees and any applicable value added tax or similar tax) properly and reasonably incurred by or made against the Representative of the Noteholders or by any persons appointed by it to whom any power, authority or discretion may be delegated by it (provided, in each case, that supporting documents are promptly delivered), in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document, 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 or such appointed person in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders or such appointed person pursuant to these rules, the Notes, the Conditions or any Transaction Document, against the Issuer or any other person for enforcing any obligations under these rules, the Notes, the Conditions or the Transaction Documents, except insofar as the same are incurred as a result of gross

negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders or the above-mentioned appointed person.

TITLE IV

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF AN ISSUER ACCELERATION NOTICE

Article 32

Powers

It is hereby acknowledged that, upon service of an Issuer Acceleration Notice and/or failure by the Issuer to exercise its rights, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of Noteholders, also in the interest and for the benefits of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Claims. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of Noteholders, will be authorised, also pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario* in *rem propriam* of the Issuer, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents.

In particular and without limiting the generality of the foregoing, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

(a) if the Italian Account Bank ceases to be an Eligible Institution, to request the Italian Account Bank to transfer all monies standing to the credit of the Collection Account, the Cash Reserve Account, the Expenses Account, Overpayments and Suspended Payments Account and the Payments Account (if any) to, respectively, a replacement Collection Account, a replacement Cash Reserve Account, a replacement Expenses Account, a replacement Overpayments and Suspended Payments Account and a replacement Payments Account (if any) opened for such purpose by the Representative of the Noteholders in the name of the Issuer with a replacement Italian Account Bank which is an Eligible Institution;

(b) if the Italian Account Bank ceases to be an Eligible Institution, to request the Italian Account Bank to transfer all debt securities or other debt instruments from time to time purchased by or on behalf of the Issuer pursuant to the Agency and Accounts Agreement standing to the credit of the Eligible Investments Securities Account from the Eligible Investments Securities Account to a replacement Eligible Investments Securities Account opened for such purpose by the Representative of the Noteholders in the name of the Issuer with a replacement Italian Account Bank which is an Eligible Institution;

(c) if the English Account Bank ceases to be an Eligible Institution, after having obtained the consent of the Interest Rate Hedging Counterparty, to request the English Account Bank to transfer the balance standing to the credit of, or the securities deposited in, respectively, the Cash Collateral Account and the Securities Collateral Account to, respectively, a replacement Cash Collateral Account and Securities Collateral Account opened for such purpose by the Representative of the Noteholders in the name of the Issuer with a replacement English Account Bank which is an Eligible Institution;

(d) to require performance by any Issuer Creditor of its obligations under the relevant Transaction Document to which such Issuer Creditor is a party (if applicable), to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, the Claims and the Issuer's Rights;

(e) to instruct the Servicer in respect of the recovery of the Issuer's Rights;

(f) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all Collections (by way of a power of attorney granted hereunder in respect of the relevant Accounts) and of the Claims and to sell or otherwise dispose of the Claims or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its discretion but in any case in accordance with Condition 11(b) (*Restrictions on disposal of Issuer's assets*), deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments; *provided however that* if the amount of the monies at any time available to the Issuer or to the Representative of the Noteholders for the payments above shall be less than one per cent of the Principal Amount Outstanding of all Classes of Notes, the Representative of the Noteholders may at its discretion invest such monies or cause such monies to be invested in some or one of the investments authorised pursuant to the Intercreditor Agreement. The Representative of the Noteholders at its discretion may vary such investments or cause such investments to be varied and may accumulate such investments and the resulting income or cause such investments and the resulting income to be accumulated until the immediately following Accumulation Date. Any monies which under the Intercreditor Agreement or the Conditions may be invested, or caused to be invested, by the Representative of the Noteholders in the name or under the control of the Representative of the Noteholders in any investments or other assets in any part of the world whether or not they produce income or by placing the same on deposit in the name or under the control of the Representative of the Noteholders at such bank or other financial institution and in such currency as the Representative of the Noteholders may think fit. The Representative of the Noteholders may at any time vary any such investments, or cause any such investment to be varied, for or into other investments or convert any monies so deposited, or cause any such monies to be converted, into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise, except insofar as such loss is incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*); and

(g) to distribute the monies from time to time standing to the credit of the Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraphs (a) and

(h) (b) above to the Noteholders and the Other Issuer Creditors in accordance with the applicable Priority of Payments and the Collateral Accounts Priority of Payments (as the case may be). For the purposes of this Article 32, all the Noteholders and the Other Issuer Creditors irrevocably appoint, as from the date hereof and with effect on the date on which the Notes will become due and payable following the service of an Issuer Acceleration Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the applicable Priority of Payments and the Collateral Accounts Priority of Payments (as the case may be).

TITLE V

GOVERNING LAW AND JURISDICTION

Article 33

Governing law and jurisdiction

These rules and any non-contractual obligations arising out of, or in connection with, them are governed by, and will be construed in accordance with, the laws of Italy.

All disputes arising out of or in connection with these rules, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

USE OF PROCEEDS

The proceeds deriving from the increase of the notional amount of the Senior Notes and the Junior Notes, being equal to €182,382,655.70, will be applied by the Issuer on the Increase Date to make the following payments:

(i) *first*, to pay to the Originator the Purchase Price of the Claims included in the Second Portfolio; and

(ii) *second*, to credit into the Cash Reserve Account an amount to bring the balance of such account up to the Target Cash Reserve Amount.

After the payments set out in (i), and (ii) above, any remaining amount will be credited to the Payments Account.

THE ISSUER

Introduction

The issuer, Indigo Lease S.r.l. (the "**Issuer**") was incorporated in the Republic of Italy as a special purpose vehicle pursuant to Article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**"), as a limited liability company (*società a responsabilità limitata*) with a sole quotaholder on 7 September 2016 (registered with the companies register of Treviso – Belluno on 12 September 2016) and enrolled in the register of the *società veicolo* held by Bank of Italy pursuant to the Bank of Italy's Regulation dated 30 September 2014.

The registered office of the Issuer is at Via Vittorio Alfieri, 1 31015 Conegliano (Treviso). The fiscal code and enrolment number with the companies register of Treviso - Belluno is 04830440261. The Issuer's telephone number is +39 0438 360 926. The certified email address is indigo.lease@pec.spv-services.eu.

The Issuer has no employees, operates under Italian law and under its by-laws it shall expire on 31 December 2100. The issued capital of the Issuer is represented by a quota (*partecipazione*) of Euro 10,000 fully paid up and fully owned by Stichting Antigua (the "**Quotaholder**").

Since the date of its incorporation, the Issuer has not engaged in any business other than the Securitisation, the purchase of the Claims, the execution of the Transaction Documents and the issue of the Notes , no dividends have been declared or paid and indebtedness, other than the Issuer's costs and expenses of incorporation and the Securitisation has been incurred by the Issuer.

To the best of its knowledge, the Issuer is not directly or indirectly owned or controlled, apart by its Quotaholder. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and its 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.

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.

Directors and auditors

The sole director (*amministratore unico*) of the Issuer (the "**Director**") is Mr. Alberto Nobili. The Director was appointed on 7 September 2016 until resignation or revocation. The Director is domiciled for this purpose at the registered office of the Issuer at Via V. Alfieri, 1, 31015 Treviso (TV), Italy. No statutory auditors (*sindaci*) have been appointed.

No activity is performed outside the Issuer by its sole director which is significant with respect to the Issuer.

Capitalisation

The capitalisation of the Issuer as at the date of this Prospectus, adjusted for the increase of the Notes on the Increase Date, are as follows:

Quota Capital	
Issued, authorised and fully paid-up quota capital	€ 10.000
Loan capital of the Notes	€ 547,336,014.18
Class A Asset-Backed Floating Rate Notes due 2029	€ 377,636,014.18
Class B Asset-Backed Variable Return Notes due 2029	€ 169,700,000
Total loan and quota capital	€ 547,346,014.18

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.

Financial statements

The Issuer's accounting reference date is 31 December in each year and its last accounting year ended on 31 December 2016.

Copy of the financial statements of the Issuer for each financial year since the Issuer's incorporation will, when published, be available in physical form for inspection free of charge during usual office hours on any Business Day (excluding public holidays) at the registered office of the Issuer and the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent (as set forth in Condition 17 (*Notices*)) for the life of this Prospectus.

Auditors' Report

The Issuer's auditor is EY S.p.A., whose offices are at Via Isonzo 11, 37126 Verona.

Accounting treatment of the Claims

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 ITALIAN ACCOUNT BANK, THE AGENT BANK, THE PAYING AGENT AND THE ENGLISH ACCOUNT BANK

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

BNP Paribas Securities Services has a local presence in 34 countries across five continents, effecting global coverage of more than 100 markets.

At 31 March 2017 BNP Paribas Securities Services has USD 8,939 billion of assets under custody, USD 2,098 billion assets under administration; 10,166 administered funds and 10,080 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of "A" (stable) from S&P's, "A1" (stable) from Moody's and "A+" (stable) from Fitch.

Fitch	**Moody's**	**S&P**
Short term F1	Short term Prime-1	Short-term A-1
Long term senior debt A+	Long term senior debt A1	Long term senior debt A
Outlook Stable	Outlook Stable	Outlook Stable

The information contained herein relates to and has been obtained from BNP Paribas Securities Services. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by BNP Paribas Securities Services, 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 BNP Paribas Securities Services since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

THE COMPUTATION AGENT, THE CORPORATE SERVICES PROVIDER, THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE BACK-UP SERVICER

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

Securitisation Services S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, whose registered office is at Conegliano (TV), Via V. Alfieri No. 1, share capital of Euro 2,000,000 fully paid-up, tax code and registration number in the Register of Companies of Treviso – Belluno 03546510268, enrolled in the Financial Institution Register under Article 106 of the Consolidated Banking Act, belonging to the banking group known as "*Gruppo Banca Finanziaria Internazionale*" registered with the register of the banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act, 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 Computation Agent, Representative of the Noteholders, Back-up Servicer 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 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 INTEREST RATE HEDGING COUNTERPARTY

Citibank, N.A., London Branch acts as Interest Rate Hedging Counterparty under the Securitisation.

Citibank, N.A., was originally organised on 16 June 1812, and now is a national banking associationorganised under the National Bank Act of 1864 of the United States with charter no: 1461. Citibank, N.A. is a direct, wholly owned subsidiary of Citicorp, which is a direct, wholly owned subsidiary of Citigroup Inc. ("**Citigroup**"), a Delaware corporation and a financial holding company under the Bank Holding Company Act. Citibank, N.A. has its main office at 701 E 60TH St. North, Sioux Falls, South Dakota, (57104-0432), and its principal place of business at 388 Greenwich Street, New York, New York, 10013 United States of America, and its main telephone number is 800-285-3000. As of 31 March 2016 the total assets of Citibank, N.A. and its consolidated subsidiaries represented approximately 72 per cent. of the total assets of Citigroup and its consolidated subsidiaries.

Citibank N.A., London Branch was registered in the UK as a foreign company in July 1920 and subsequently registered in July 1993 as having established a branch in England and Wales. The principal offices of the London Branch are located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England. Citibank, N.A., London Branch is authorised by the Prudential Regulation Authority (the "**PRA**") and subject to regulation by the Financial Conduct Authority (the "**FCA**") and limited regulation by the PRA as a fully authorised commercial banking institution offering a wide range of corporate banking products conducted from its UK office.

Citibank, N.A.'s principal offerings include consumer finance, mortgage lending, retail banking products and services, credit cards, subsidiaries and affiliates; investment banking, commercial banking, cash management, trade finance and e-commerce products and services; and private banking products and services throughout the world.

Citibank, N.A. is subject to regulation and examination primarily by the Office of the Comptroller of the Currency (the "**OCC**") and also by the Federal Deposit Insurance Corporation (the "**FDIC**") and the Board of Governors of the Federal Reserve System (the "**FRB**"). The foreign branch representative offices and subsidiaries of Citibank, N.A. are subject to regulation and examination by their respective foreign financial regulators as well as by the OCC and the FRB.

Citibank, N.A. does not have any securities admitted to trading in any jurisdiction.

The obligations of Citibank, N.A., London Branch under the Interest Rate Hedging Agreement will not be guaranteed by Citigroup or by any other affiliate.

The information contained herein relates to Citibank, N.A., London Branch 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, N.A., London Branch, 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, N.A., London Branch since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

SELECTED ASPECTS OF ITALIAN LAW

The following is an overview 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 Italy.

It applies to securitisation transactions involving a "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 and all amounts paid by the debtors in respect of the receivables are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such claims 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 opera 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 normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**").

Law 9/2014 and Law 116/2014 introduce, *inter alios*, the following amendments to the Securitisation Law:

(a) 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;

(b) payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law;

(c) 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;

(d) where the Notes issued by the special purpose vehicle are subscribed by qualified investors, the underwriter can also be a sole investor;

(e) 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 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;

(f) 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; and

(g) 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.

Ring-fencing of the assets

Pursuant to the Securitisation Law, the claims relating to each securitisation transaction will, by operation of law, be segregated 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). In addition, the Securitisation Law (as amended by Law 9/2014) confirms that the securitised assets, which benefit from the segregation, expressly include, not only the claims towards the assigned debtors, but also any other monetary claims owed to the issuer in relation to the securitisation, and any cash-flows generated by the collection of the assigned receivables, including any eligible investments and financial assets purchased by the issuer for the purpose of the transaction.

It should, also noted that Law 9/2014 and Law 116/2014 set out new provisions concerning the segregation and clarifying the operation of the bank accounts that may be opened by the issuer with the servicer or other depositories for the collection of the sums paid by the assigned debtors and any other sums paid or otherwise due to the issuer in the context of the securitisation. In particular it is *provided that*:

(a) the amounts paid by the assigned debtors and any other amount due to the issuer under the securitisation credited into the bank accounts opened by the issuer with: (a) the servicers; or (b) the third party depositary bank of securitisation transactions, may be utilized only to fulfil the obligations of the issuer 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 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 issuer without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

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

However, 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.

The assignment

The assignment of the receivables under the Securitisation Law will be governed by article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the Originator, the debtors in respect of the assigned debts and third party creditors by way of publication of the relevant notice in the Official Gazette and, in the case of the debtors, registration in the companies register, so avoiding the need for notification to be served on each debtor.

As of the date of the publication of the notice in the Official Gazette, the assignment becomes enforceable against:

(a) any creditors of the Originator who have not prior to the date of publication of the notice commenced enforcement proceedings in respect of the relevant debts;

(b) the liquidator or other bankruptcy official of the Originator; and

(c) other permitted assignees of the Originator who have not perfected their assignment prior to the date of publication.

As of the later of (i) the date of the publication of the notice in the Official Gazette or (ii) the date of registration of the notice in the companies register, the assignment becomes enforceable against:

(i) the debtors; and

(ii) the liquidator or other bankruptcy official of such debtors (so that any payments made by a debtor whose debt has been assigned to the purchasing company may not be subject to any claw-back action pursuant to article 67 of the Bankruptcy Law).

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned debts will automatically be transferred to and perfected with the same priority in favour of the Issuer, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette, no legal action may be brought in respect of the debt assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the noteholders in relation to the notes issued for the purpose of financing the acquisition of the relevant debts and to meet the costs of the transaction.

Notice of the assignment of the Claims comprised in the Portfolio pursuant to the Transfer Agreements was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 145 of 10 December 2016, and in the companies register of Treviso – Belluno on 5 December 2016.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

Claw-back of the sale of the Claims included in the Portfolio

The sale of the Claims included in the Portfolio by the Originator to the Issuer may be clawed back by a receiver of the relevant Originator under article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and the assignment was executed within three months of the admission of the Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraph 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law applies, within six months of the admission to compulsory liquidation. Under the Warranty and Indemnity Agreement, the Originator has represented and warranted that it was solvent as of the relevant Transfer Date, the Issue Date and on the Increase Date.

Claw-back action against the payments made to companies incorporated under the Securitisation Law

According to article 4 of Securitisation Law, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspected period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 of the Bankruptcy Law.

Ineffectiveness of prepayments by Lessees

Pursuant to article 65 of the Bankruptcy Law, in the event that a Lessee (to the extent the same is subject to the Bankruptcy Law) is declared bankrupt, any payment made by the Debtor during the two-year period prior to the declaration of bankruptcy in respect of any amount which falls due and payable on or after the date of declaration of bankruptcy (including accordingly, any prepayments made under the relevant Loan Agreement) are ineffective vis-à-vis the Issuer. In this regard, it has to be noted that a case from the Italian Supreme Court (*Corte di Cassazione*, judgement No. 19978 of July 18th 2008) stated that article 65 of the Bankruptcy Law does not apply in case the right of prepayment and the related right to obtain the

cancellation of the mortgage securing the prepaid loan are directly and imperatively attributed to the Debtor by specific provisions of law.

The Securitisation Law, as amended by Law 9/2014, provides that (i) the claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by the Lessees to the Issuer in respect of the securitised Claims and (ii) the payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

The Issuer

According to the Securitisation Law, the Issuer shall be a *società di capitali*.

Italian Law on leasing

The contract of financial leasing (*locazione finanziaria*) ("**Financial Leasing**") is a type of contract not expressly addressed by the Italian civil code that may be validly entered into pursuant to the general provisions of article 1322 of the Italian civil code. According to this article, the parties to a contract can enter into any contract not belonging to a type subject to a specific legal discipline *provided that* such contract aims to fulfil interests that deserve to be protected by the legal system. The Italian courts have established that Financial Leasing agreements falls within the scope of this provision.

Under Financial Leasing agreements, the lessor leases to the lessee certain assets (for the purpose of this section, the "**Leased Property**") which have been purchased by the lessor from, or have been constructed for the lessor by, a third party supplier, with the consideration to be paid by the lessee to the lessor determined by reference to the duration of the lease, the cost of the assets and remuneration of the financing provided by the lessor, and upon the expiry of the Financial Leasing agreement the lessee has the option to (i) return the Leased Property to the lessor, (ii) purchase upon payment of the agreed residual price (*riscatto*), or (iii) enter into a new lease contract. Accordingly, three parties are generally involved in the transaction (*i.e.* lessor, lessee and supplier) which is completed through the stipulation 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 (*Corte di Cassazione*) 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.

Financial Leasing is subject to the provisions of the Italian civil code on contracts in general and to those provisions regulating specific contracts that can be applied in analogy when, in view of the particular contractual discipline agreed by the parties, the circumstances are similar to those foreseen by such provisions.

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 January 1993, number 65), contracts of Financial Leasing are distinguished into two different types: firstly, *leasing finanziario di godimento*, under which the payment of the agreed rentals represents, in line with the intention of the parties involved, only 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 execution 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 does not constitute merely an option of the lessee but forms part of the original intention of the parties to the contract.

The Italian Supreme Court deems that 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 good 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 interpretation of the Italian Supreme Court, 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.

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 ten days but not later than ninety 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 three years.

The average length of a *pignoramento immobiliare*, from the court order or injunction of payment to the final sharing-out, is between six and 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.

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.

Insolvency Proceedings

A commercial entrepreneur ("*imprenditore che esercita un'attività commerciale*") qualifying under article 1 of the Bankruptcy Law may be subject to insolvency proceedings ("*procedure concorsuali*"). Insolvency proceedings under 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 fulfil 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.

Lease contracts in the context of bankruptcy proceedings

Article 72-*quarter* of the Bankruptcy Law governs the impact on financial lease agreements of the opening of a bankruptcy proceedings with respect to the lessor or lessee thereunder. Please refer to the section "*Risk Factors*" paragraph headed "*Effect on Lease Contracts of insolvency of Lessees or Originator*" above for further details in this respect.

THE AGENCY AND ACCOUNTS AGREEMENT

The description of the Agency and Accounts Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such Agency and Accounts Agreement. Prospective Noteholders may inspect a copy of the Agency and Accounts Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent. In the summary below, capitalised terms shall have the same meanings as in the Conditions, unless otherwise defined below or the context requires otherwise.

Pursuant to the Agency and Accounts Agreement, the Issuer has appointed:

(a) the Italian Account Bank for the purposes of, *inter alia*, establishing and maintaining the Italian Accounts;

(b) the English Account Bank for the purpose of, *inter alia*, establishing and maintaining the Collateral Accounts and managing certain payment services;

(c) the Paying Agent, for the purpose of, *inter alia*, providing directions as to the payment, or making payment, of interest and the repayment of principal in respect of the Notes;

(d) the Agent Bank, for the purpose of, *inter alia*, determining the rate of interest payable in respect of the Notes; and

(e) the Computation Agent, for the purpose of, *inter alia*, determining certain of the Issuer's liabilities and the funds available to pay the same (subject to the receipt of certain information and in reliance thereon as set forth in the Agency and Accounts Agreement) and managing certain payment and investment services.

Duties of the Italian Account Bank

Pursuant to the Agency and Accounts Agreement, the Issuer has opened and will maintain with the Italian Account Bank the Italian Accounts.

The Italian Accounts will be operated by the Italian Account Bank and the amounts and securities standing to the credit thereof will be debited and credited by the Italian Account Bank, on behalf of the Issuer, in accordance with the instructions of the Issuer, the Representative of the Noteholders and the Computation Agent, as the case may be, in accordance with the Agency and Accounts Agreement, the Conditions and the other Transaction Documents.

For a description of the operation of the Italian Accounts and the cash flows through the Italian Accounts, see "*Credit Structure – Cash flow through the Italian Accounts*" and "*The Issuer's bank accounts*", above.

In performing its obligations, the Italian Account Bank may rely on any consent, notice, direction or other communication which has been given by any persons acting in the name and on behalf of the Issuer, the Representative of the Noteholders or the Paying Agent pursuant to the Agency and Accounts Agreement and the Intercreditor Agreement.

Pursuant to the Agency and Accounts Agreement, should the Issuer resolve to invest in Eligible Investments, the Italian Account Bank shall, if so instructed by the Servicer pursuant to a settlement instruction, withdraw, on behalf of the Issuer, amounts necessary to execute the settlement instruction for the purchase of the relevant Eligible Investments from the following accounts:

(i) the Cash Reserve Account, on the Business Day immediately following each Interest Payment Date; and

(ii) the Collection Account on the first Business Day following the date on which the balance of the Collection Account equals or exceeds €1,000,000.00 and thereafter, within the same Interest Period, on the last Business Day of each week, each such date, an "**Investment Date**", and shall, in the name and on behalf of the Issuer, credit or deposit, as applicable, the Eligible Investments thus purchased for the account of the Issuer to the Eligible Investments Securities Account.

Duties of the English Account Bank

Pursuant to the Agency and Accounts Agreement, the Issuer has opened and will maintain with the English Account Bank the Collateral Accounts.

The Collateral Accounts will be operated by the English Account Bank and the funds and/or securities (and any interest in respect thereof or distributions or liquidation or other proceeds in respect of Collateral in the form of securities) standing to the credit thereof will be debited and credited by the English Account Bank, on behalf of the Issuer, in accordance with the Agency and Accounts Agreement, the Conditions, the Interest Rate Cap Agreement, the English Deed of Charge and Assignment and the other Transaction Documents.

For a description of the operation of the Collateral Accounts and the cash flows through the Collateral Accounts, see "*Credit Structure – Cash flow through the Collateral Accounts*" and "*The Issuer's bank accounts*", above.

Duties of the Agent Bank

On each Interest Determination Date, the Agent Bank will, in accordance with Condition 6 (*Interest*), determine EURIBOR and the Class A Rate of Interest applicable to the Senior Notes during the following Interest Period, as well as the Class A Interest Amount and the Interest Payment Date in respect of such following Interest Period, all subject to and in accordance with the Conditions, and will notify such amounts to, *inter alia*, the Issuer, the Paying Agent, the Computation Agent, the Representative of the Noteholders, the Servicer, the Initial Arrangers, the Restructuring Arranger the Corporate Services Provider and the Luxembourg Stock Exchange.

Duties of the Computation Agent

The duties of the Computation Agent include the making of certain calculations in respect of the Securitisation. The Computation Agent will make such calculations based on:

(a) the Statements of the Accounts prepared by the Account Banks on the Reporting Dates;

(b) the Servicer Report prepared by the Servicer on the Reporting Date;

(c) the determinations received from the Agent Bank concerning the Class A Rate of Interest, Class A Interest Amount, Variable Return and Interest Payment Date; and

(d) the instructions and determinations of the Issuer, Monte Titoli and the Corporate Services Provider,

and the Computation Agent shall not be liable for any omission or error in so doing save as caused by its own gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

The Computation Agent will calculate, *inter alia*, on each Calculation Date:

(i) the Issuer Available Funds;

(ii) the Principal Payments (if any) payable on the Notes on each Class on the next following Interest Payment Date;

(iii) the Class A Interest Amounts (if any) payable on the Class A Notes on the next following Interest Payment Date;

(iv) the payments to be made to each of the parties to the Intercreditor Agreement under the relevant Transaction Documents;

(v) the Variable Return (if any); and

(vi) the Principal Amount Outstanding of the Notes of all Classes on the next following Interest Payment Date,

and will determine how the Issuer's funds available for distribution pursuant to these Conditions shall be applied, on the immediately following Interest Payment Date, pursuant to the Pre-Enforcement Priority of Payments and will deliver to the Paying Agent and the Account Banks a report setting forth such determinations and amounts.

The Computation Agent will deliver the Payments Report to, *inter alia*, the Issuer, the Paying Agent, the Account Banks, the Corporate Services Provider, the Initial Arrangers, the Restructuring Arranger the Servicer, each of the Rating Agencies and the Representative of the Noteholders.

In addition to the above, the Computation Agent has agreed to prepare and deliver (by no later than the third Business Day immediately following each Interest Payment Date) to, *inter alia*, the Issuer, the Representative of the Noteholders, the Initial Arrangers, the Restructuring Arranger, the Servicer, each of the Raging Agencies, any stock exchange on which the Notes are listed, a report substantially in the form set out in the Agency and Accounts Agreement (the "**Investor Report**") containing details of, *inter alia*, the Claims, amounts received by the Issuer from any source during the preceding Collection Period, amounts paid by the Issuer during such Collection Period and amounts paid by the Issuer on the immediately preceding Interest Payment Date. The first Investor Report was made available within the three Business Days immediately following the Payment Date falling in January 2017.

Duties of the Paying Agent

The Paying Agent shall act as paying agent of the Issuer in respect of the Notes and pay and cause to be paid on behalf of the Issuer, on and after each date on which any payment becomes due and payable in respect of the Notes, the amounts of principal and/or interest payable in respect of the Notes under the Conditions and the Agency and Accounts Agreement.

The Paying Agent will also keep a record of all Notes and of their redemption, purchase, cancellation and payment and will make such records available for inspection during normal business hours by the Issuer, the Representative of the Noteholders and the Computation Agent.

Termination provisions

The Issuer may, with the prior written approval of the Representative of the Noteholders, terminate the appointment of any Agent at any time and/or appoint additional or other Agents by giving to the Agent whose appointment is concerned at least 45 (forty-five) days' prior written notice to that effect; *provided that* so long as any of the Notes is outstanding, the notice will expire not less than 45 (forty-five) days before an Interest Payment Date and the notice will be given at least 30 (thirty) days before the removal or appointment of such Agent.

If the Italian Account Bank ceases to be an Eligible Institution:

(a) the Italian Account Bank will notify the Issuer, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, commercially reasonable efforts to select a leading bank:

  (i) approved by the Representative of the Noteholders and the Issuer; and

  (ii) which is an Italian Eligible Institution willing to act as successor Italian Account Bank under the Agency and Accounts Agreement; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs:

  (i) appoint the successor Italian Account Bank which meets the requirements set out above (and will promptly after so doing notify the Representative of the Noteholders, the Restructuring Arranger, the Initial Arrangers and the Rating Agencies thereof) which, on or before the replacement of the Italian Account Bank, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement and of any other agreement providing for, mutatis mutandis, the same obligations contained in the Agency and Accounts Agreement for the Italian Account Bank;

(ii) open a replacement Collection Account, a replacement Cash Reserve Account, a replacement Eligible Investments Securities Account, a replacement Overpayments and Suspended Payments Account, a replacement Payments Account and a replacement Expenses Account with the successor Italian Account Bank specified in (a) above;

(iii) transfer the balance standing to the credit of, or the securities deposited with, respectively, the Collection Account, the Cash Reserve Account, the Eligible Investments Securities Account, the Overpayments and Suspended Payments Account, the Payments Account and the Expenses Account to the credit of each of the relevant replacement accounts set out above;

(iv) close the Collection Account, the Cash Reserve Account, the Eligible Investments Securities Account, the Overpayments and Suspended Payments Account, the Payments Account and the Expenses Account once the steps under (i), (ii) and (iii) are completed; and

(v) terminate the appointment of the Italian Account Bank (and will promptly after so doing notify the Representative of the Noteholders, the Restructuring Arranger, the Initial Arrangers and the Rating Agencies thereof) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that the administrative costs incurred with respect to the selection of a successor Italian Account Bank (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor Italian Account Bank) under (a) above and the transfer of funds referred under (b) above shall be borne by the Italian Account Bank.

If the English Account Bank ceases to be an Eligible Institution:

(a) the English Account Bank will notify the Issuer, the Interest Rate Hedging Counterparty, the Representative of the Noteholders and the Rating Agencies thereof and use, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs, commercially reasonable efforts to select a leading bank:

(i) approved in writing by the Representative of the Noteholders, the Interest Rate Hedging Counterparty and the Issuer; and

(ii) which is an Eligible Institution willing to act as successor English Account Bank thereunder; and

(b) the Issuer will, by no later than 30 (thirty) calendar days' from the date on which the relevant downgrading occurs:

(i) appoint the successor English Account Bank which meets the requirements set out above (and will promptly after so doing notify the Representative of the Noteholders, the Restructuring Arranger, the Initial Arrangers, the Interest Rate Hedging Counterparty and the Rating Agencies thereof) which, on or before the replacement of the English Account Bank, shall agree to become bound by the provisions of the Agency and Accounts Agreement, the Intercreditor Agreement, the English Deed of Charge and Assignment and of any other agreement providing for, *mutatis mutandis*, the same obligations contained in the Agency and Accounts Agreement for the English Account Bank;

(ii) open replacement Collateral Accounts with the successor English Account Bank specified in (a) above;

(iii) transfer the balance (if any) standing to the credit of, or the securities deposited with, the Collateral Accounts to the credit of the relevant replacement accounts set out above;

(iv) close the Collateral Accounts once the steps under (i), (ii) and (iii) are completed; and

(v) terminate the appointment of the English Account Bank (and will promptly after so doing notify the Representative of the Noteholders, the Restructuring Arranger, the Initial

Arrangers and the Rating Agencies thereof) once the steps under (i), (ii), (iii) and (iv) are completed,

provided that the administrative costs incurred with respect to the selection of a successor English Account Bank (which, for the avoidance of doubt, shall not include any fees payable to, or costs and expenses of, the successor English Account Bank) under (a) above and the transfer of funds referred under (b) above shall be borne by the English Account Bank.

Pursuant to the Agency and Accounts Agreement, if the Paying Agent (or any successor Paying Agent) ceases to be an Eligible Institution, it will promptly notify the Issuer, the Interest Rate Hedging Counterparty and the Representative of the Noteholders and the Issuer will promptly notify the Rating Agencies thereof. The Issuer will then, by no later than 30 (thirty) calendar days from the date when the Paying Agent (or any successor Paying Agent) ceases to be an Eligible Institution, terminate the appointment of such Paying Agent (or any successor of such Paying Agent) and appoint a substitute Paying Agent which is an Eligible Institution.

General provisions

Each of the Agents will act as agents solely of the Issuer or, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders, and will not assume any obligation towards, or relationship of agency or trust for or with, any of the Noteholders. Each of the Issuer and the Representative of the Noteholders has agreed that it will not consent to any amendment to the Conditions that materially affects the obligations of any of the Agents without such Agent's prior written consent (such consent not to be unreasonably withheld).

None of the Agents (also acting through their agents, delegates or representatives) will be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any other Party hereto as a result of the performance of its obligations under the Agency and Accounts Agreement save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence (*colpa grave*) or wilful default (*dolo*) of such Agent.

The Issuer has undertaken to indemnify each of the Agents and its respective directors, officers, employees and controlling persons against all losses, liabilities, costs, claims, actions, damages, expenses or demands which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of or the exercise of the powers and duties by any Agent, except as may result from its wilful misconduct (*dolo*) or gross negligence (*colpa grave*), or that of its directors, officers, employees or controlling persons or any of them, or breach by it of the terms of the Agency and Accounts Agreement.

In return for the services so provided, the Agents received commissions in respect of the services of such Agents agreed on the Signing Date between the Issuer and the Agents, payable by the Issuer in accordance with the Priority of Payments, save for certain fees which were paid up-front on the Issue Date.

If at any time an Agent becomes incapable of acting, or adopts a resolution seeking to obtain an order providing for its winding-up or for the appointment of a liquidator or receiver, or a resolution is adopted by such Agent to seek admission to any bankruptcy proceedings or the voluntary winding-up of such Agent, or a petition seeking admission, the Issuer may, with the prior written approval of the Representative of the Noteholders and without notice terminate the appointment of such Agent.

If any of the Agents will resign, the Issuer will promptly and in any event within 30 (thirty) days appoint a successor, being an Eligible Institution, approved by the Representative of the Noteholders and the Interest Rate Hedging Counterparty, in case of the English Account Bank. If the Issuer fails to appoint a successor within such period, the Paying Agent may select a leading bank approved by the Representative of the Noteholder to act as the relevant Agent and the Issuer will appoint that bank as the successor Agent.

The Agency and Accounts Agreement is governed by Italian law.

THE TRANSFER AGREEMENTS

The description of the Transfer Agreements set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transfer Agreements. Prospective Noteholders may inspect a copy of the Transfer Agreements upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent. In the summary below, capitalised terms shall have the same meanings as in the Conditions, unless otherwise defined below or the context requires otherwise.

The Original Transfer Agreement

Introduction

On the Initial Execution Date the Originator and the Issuer entered into the Original Transfer Agreement pursuant to which the Originator assigned and transferred without recourse (*pro soluto*) to the Issuer pursuant to articles 1 and 4 of the Securitisation Law all of its right, title and interest, arising out of the Claims meeting certain objective criteria set out thereunder (the "**Criteria of the First Portfolio**").

Pursuant to the Original Transfer Agreement, the Originator sold and transferred title to the Claims included in the First Portfolio to the Issuer on the Initial Execution Date but with economic effect from the relevant Valuation Date (excluded).

Claims

The Claims transferred to the Issuer from the Originator include the right to receive the monies deriving from the Lease Contracts which meet the Criteria of the First Portfolio or from the relevant Assets, including without limitation:

(i) the right to receive any amount due and payable in respect to the Instalments as from the relevant Valuation Date (excluded);

(ii) default interest (*"interesse di mora"*) and/or any other interest due in respect to the amounts referred to paragraph (i) above;

(iii) any amount relating to any prepayment made in respect of any Lease Contract in favour of the Originator;

(iv) any amount (A) received as indemnity under any First Portfolio Insurance Policy related to the Assets, of which the Originator is beneficiary, and (B) received pursuant to any Related Security or guarantee related to the Lease Contracts, of which the Originator is beneficiary, up to the amounts due to the Issuer; and

(v) privilege or pre-emptive right (*diritti di prelazione*), transferable in accordance with the law, as well as any other right, claim or chose in action (including any legal proceeding for the recovery of suffered damages) and any substantial and procedural action and defence inherent in or ancillary to the aforesaid rights and claims in accordance with the relevant Lease Contract and all related deeds or agreements thereto or under any applicable law, including, without limitation, the remedy of termination for the default of the relevant Lessee (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the debt (*decadenza dal beneficio del termine*),

as well as the additional claims and rights under clause 14 of the Original Transfer Agreement, but excluding in any case the taxes (including VAT and stamp duty), amounts due by Lessees with respect to First Portfolio Insurance Policies, fees and the Residual Optional Instalment Claims.

Purchase price

The purchase price for the First Portfolio is equal to the aggregate of the Individual Purchase Prices of the Claims comprised in the First Portfolio.

The purchase price for the First Portfolio was paid upon fulfilment of the relevant conditions set out in the Original Transfer Agreement using part of the net proceeds of the issue of the Existing Notes.

"**Individual Purchase Price**" means, an amount equal to the initial outstanding amount of each claim as at the relevant Valuation Date, as listed in schedule 1 to the Original Transfer Agreement.

Criteria of the First Portfolio

Pursuant to the Original Transfer Agreement, the Originator sold to the Issuer, and the Issuer purchased from the Originator, only Claims, arising from lease contracts entered into by the Originator and its customers/lessees, which met the following Criteria of the First Portfolio as at the relevant Valuation Date:

(I) *Inclusion Criteria of the First Portfolio for the relevant Lease Contracts.*

(a) The relevant Lease Contracts are governed by Italian law;

(b) the relevant Lease Contracts have been entered into by GE Capital Servizi Finanziari S.p.A. (now IFIS Leasing S.p.A.) in the capacity of lessor;

(c) the relevant Lease Contracts have GE Capital Servizi Finanziari S.p.A. (now IFIS Leasing S.p.A.) as their sole lessor;

(d) the assets financed pursuant to the relevant Lease Contracts are movable assets registered (*beni mobile registrati*) in Italy in the PRA (*Pubblico Registro Automobilistico*);

(e) the relevant Lease Contracts have been entered into with lessees who, at the time of the underwriting, were:

(i) companies with their registered office in Italy, provided with VAT number (*partita IVA*);

(ii) physical persons (*persone fisiche*) resident in Italy, provided with VAT number (*partita IVA*) who are acting for purposes related either to their entrepreneur or professional activity (consumers are so excluded);

(f) the relevant Lease Contracts' instalments are denominated or have been paid in Euro;

(g) the relevant Lease Contracts provide that each instalment, has to be paid monthly, in arrears and only by SDD SEPA (*Sepa Direct Debit*), charging the current account of the relevant lessee;

(h) the relevant Lease Contracts provide for the application of one of the following rates of interest:

- a fixed rate of interest; or

- a floating rate of interest indexed to 3 months Euribor;

(i) the relevant lessees under the relevant Lease Contracts are classified as performing ("*in bonis*") by GE Capital Servizi Finanziari S.p.A. (now IFIS Leasing S.p.A.). Every lessee, when not in possession of such information, can in order to understand whether his Lease Contract complies with this criteria, ask the customer service;

(j) the relevant Lease Contracts provide the possibility for the lessee to buy the leased asset;

(k) the relevant Lease Contracts provide for at least one instalment (excluding the final call option to buy the asset) to be paid following the relevant Valuation Date;

(l) the relevant Lease Contracts do not have more than one instalments that have been expired and not paid.

(II) *Exclusion Criteria of the First Portfolio of the First Portfolio for the relevant Lease Contracts.*

Notwithstanding the above, Lease Contracts which complied with the criteria listed under (I) (*Inclusion Criteria for the relevant Lease Contracts*) above as at the relevant Valuation Date but have one or more of the following characteristics on such date (unless otherwise specified) have not been transferred:

(a) the relevant lease have been entered into pursuant to any law or regulation that, since the execution of the relevant lease agreement, provided for financial benefits or contributions by the State or by public entities of any kind (as might be specified by the related Lease Contract), with the exclusion of the Law No. 240/1981 (*Legge "Artigiancassa"*);

(b) GE Capital Servizi Finanziari S.p.A. (now IFIS Leasing S.p.A.) obtained financing from the European Investment Bank for the purchase of the asset subject of the Lease Contract;

(c) the lessees under the Lease Contracts are legal entities part of the Gruppo Bancario Banca IFIS;

(d) the lessees are public administrations or similar entities or ecclesiastical entities;

(e) the lessees are GE Capital Interbanca S.p.A. employees, or employees of GE Capital Servizi Finanziari S.p.A. (now IFIS Leasing S.p.A.) or other companies part of the Gruppo Banca IFIS;

(f) Lease Contracts in relation to which a "restructuring plan" guaranteed by commercial papers (*cambiali*) has been entered into and is currently under execution;

(g) contracts in relation to which a renegotiation agreement through which an extension of the amortization schedule has been formalized together with the reduction of the instalments' amounts;

(h) the relevant lessee is benefiting, pursuant to the relevant Lease Contract, from the partial or total suspension of one or more instalments by virtue of legislative and/or governmental provisions or further to specific commercial initiatives by GE Capital Servizi Finanziari S.p.A. (now IFIS Leasing S.p.A.);

(i) the related claims are classified as "*Gestione Operativa Specifica*", provided that this classification was communicated to the relevant lessee on a date falling before the publication of the criteria in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale*) by register letter with acknowledgment of receipt.

In addition, the claims arising from Lease Contracts complying with the criteria listed under (I) (*Inclusion Criteria of the First Portfolio for the relevant Lease Contracts*) above but not having the first instalment paid as at 15 November 2016, were also excluded.

Perfection of the assignment

The assignment of the Claims included in the First Portfolio by the Originator to the Issuer was made in accordance with article 4, paragraph 1 of the Securitisation Law and with article 58, paragraph 2 of the Consolidated Banking Act. Accordingly, under the Original Transfer Agreement, the Issuer gave notice of the transfer of such Claims, pursuant to and in accordance with the abovementioned legislative provisions, by (i) publication on the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) of a transfer notice; and (ii) registration of such transfer notice with the competent companies' register (*Registro delle Imprese*).

Economic Effect

Pursuant to the Original Transfer Agreement, the Originator passed title to the Claims included in the First Portfolio to the Issuer on the Initial Execution Date. However, the Originator and the Issuer have agreed that the economic effects of the assignment of such Claims shall be effective as of (but excluding) the relevant Valuation Date. Accordingly, shall be deemed as a property of the Issuer (i) any Collections received by or on behalf of the Originator from the relevant Valuation Date (excluded) and (ii) any amount due in respect of a Claim following the prepayment made in respect of any Lease Contract in favour of the Originator from the relevant Valuation Date (excluded). The Originator transferred and paid such amounts to the Issuer on the Issue Date in accordance with the provisions of the Original Transfer Agreement.

Undertakings

Under the Original Transfer Agreement, the Originator has undertaken, *inter alia*, to:

(i) comply fully and in a timely manner with all provisions, covenants and other terms which the Originator has to comply with under the Lease Contracts, in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the Claims included in the First Portfolio;

(ii) maintain in good order, complete, accurate, and up-to-date the accounts, books, records and documents (if not transferred to the Issuer) related to the Claims included in the First Portfolio, the Lease Contracts, the Related Securities and all instalments and other amounts paid up to the execution date of the Original Transfer Agreement under or in connection with the Lease Contracts;

(iii) inform the Issuer of any representation or warranty rendered by the Originator in the Original Transfer Agreement discovered to be incorrect or inaccurate in any material respect, any third party claims in respect of the Claims included in the First Portfolio, the Lease Contracts and other Related Securities of which the Originator has been made aware, and any attachment, seizure or enforcement proceedings of which the Originator has been made aware;

(iv) exercise in its name and on behalf of the Issuer any right and carry out any action to which it is entitled by virtue of any applicable laws or the contractual provisions of the First Portfolio Insurance Policies;

(v) in the period between the initial execution date of the Original Transfer Agreement and the date that the transfer is completed, not to assign or transfer the Claims and the Related Securities to any third parties, or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Claims; and

(vi) not to modify any term or condition of the Lease Contracts or terminate or act in a manner that could lend to the termination of any Lease Contract; and

(vii) take any action likely to cause, or permit, any of the Claims to become invalid or diminish the rights in relation thereto.

"**First Portfolio Collective Insurance Policies**" means the collective insurance policies (*polizza collettiva*) no. 8427304, 8427325 and 7610077 taken out by the Originator with Covéa pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*).

"**First Portfolio Customer Insurance Policy**" means any insurance policy taken out by a Lessee in connection with, or as a condition of, a Lease Contract, including, without limitation, any insurance policy insuring the Assets.

"**First Portfolio Insurance Policies**" means, collectively, the First Portfolio Customer Insurance Policies and the First Portfolio Collective Insurance Policies.

Termination of Lease Contracts

Pursuant to clause 14 of the Original Transfer Agreement, in the event of termination of the Lease Contracts for any reason whatsoever, the Originator has undertaken to assign to the Issuer, as assignment by way of satisfaction, the monetary claims:

(a) relating to the sale price of the Assets pertaining to the terminated Lease Contract; or

(b) in case any such Asset is leased to a new lessee, relating to instalments, interest, indemnities and other charges arising out of or in connection with the relevant new lease contract (the "**New Lease Contract**"),

in any case under (a) and (b) up to an amount equal to the aggregate amount of:

(i) all amounts due but unpaid (including any default interest) by the relevant Lessee on the date of termination of the relevant Lease Contract;

(ii) all other amounts (but excluding in any case taxes (including VAT and stamp duty), fees and the Residual Optional Instalment Claims) that the relevant Lessee should pay in

accordance with the relevant Lease Contract as a result of the termination of such Lease Contract; and

(iii) any amount payable by the Issuer pursuant to article 1526 of the Italian civil code, to the extent applicable, unless the Issuer has been otherwise indemnified under the Warranty and Indemnity Agreement.

If a Lease Contract is terminated as a result of the bankruptcy of the relevant Lessee, the relevant claims assigned to the Issuer pursuant to clause 14 of the Original Transfer Agreement will be limited to the amounts indicated under items (i) and (ii) above.

Pursuant to the Original Transfer Agreement, upon sale of each relevant Asset after termination of each relevant Lease Contract, the sale price of the relevant Asset collected by the Originator (net of any expense incurred by the Originator as a result of the sale of the Asset) shall be transferred to the Issuer into the Collection Account within two Business Days following to the day on which such price has been received by the Originator from the purchaser or any third party which has actually paid such price.

In addition, if the Originator elects, as an alternative to the sale of the Assets, to lease them again by entering into a New Lease Contract, the Originator shall pay to the Issuer an amount equal to the sum of items (i), (ii) and (iii) above within the second Business Day following the execution of the relevant New Lease Contract, provided however that the maximum amount payable in any such circumstances cannot exceed the aggregate of (A) the principal amount of the instalments and (B) the residual optional instalment, in each case due in respect of the New Lease Contracts. Such payment is a subsequent condition to the assignment of the claims arising from the New Lease Contract.

Governing law

The Original Transfer Agreement is governed by and will be construed in accordance with Italian law.

The Master Transfer Agreement

Introduction

On 14 July 2017 the Originator and the Issuer entered into the Master Transfer Agreement pursuant to which: (i) the Originator assigned and transferred without recourse (*pro soluto*) to the Issuer pursuant to articles 1 and 4 of the Securitisation Law all of its right, title and interest, arising out of the Claims included in the Second Portfolio meeting certain eligibility requirements (the "**Eligibility Requirements**") and objective criteria set out thereunder (the "**Criteria of the Second Portfolio**"); and (ii) during the Revolving Period and subject to the terms and conditions of the Master Transfer Agreement, the Originator may sell to the Issuer, and the Issuer may purchase from the Originator, the Claims included in any Additional Portfolio provided that such Claims comply with the Eligibility Requirements, the Criteria of the Second Portfolio and with the relevant further specific criteria to be from time outlined in each relevant transfer notice.

Pursuant to the Master Transfer Agreement, the Originator will sell and transfer title to the Claims to the Issuer on the relevant Transfer Date but with economic effect from the relevant Valuation Date (excluded).

Claims

The Claims comprised in the Second Portfolio and any Additional Portfolio transferred or to be transferred to the Issuer from the Originator include the right to receive the monies deriving from the Lease Contracts which meet the Criteria or from the relevant Assets, including without limitation:

(i) the right to receive any amount due and payable in respect to the Instalments as from the relevant Valuation Date (excluded);

(ii) default interest (*"interesse di mora"*) and/or any other interest due in respect to the amounts referred to paragraph (i) above;

(iii) any amount relating to any prepayment made in respect of any Lease Contract in favour of the Originator;

(iv) any amount (A) received as indemnity under any Insurance Policy related to the Assets, of which the Originator is beneficiary, and (B) received pursuant to any Related Security or guarantee related to the Lease Contracts, of which the Originator is beneficiary, up to the amounts due to the Issuer; and

(v) privilege or pre-emptive right (*diritti di prelazione*), transferable in accordance with the law, as well as any other right, claim or chose in action (including any legal proceeding for the recovery of suffered damages) and any substantial and procedural action and defence inherent in or ancillary to the aforesaid rights and claims in accordance with the relevant Lease Contract and all related deeds or agreements thereto or under any applicable law, including, without limitation, the remedy of termination for the default of the relevant Lessee (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the debt (*decadenza dal beneficio del termine*),

as well as the additional claims and rights under clause 16 (*Termination of Lease Contracts*) of the Master Transfer Agreement, but excluding in any case the taxes (including VAT and stamp duty), amounts due by Lessees with respect to Insurance Policies, fees and the Residual Optional Instalment Claims.

Purchase price

The purchase price for the Second Portfolio is equal to the aggregate of the Individual Purchase Prices of the Claims comprised in the Second Portfolio and the purchase price for each Additional Portfolio will be equal to the aggregate of the Individual Purchase Prices of the Claims comprised in the relevant Additional Portfolio.

The purchase price for the Second Portfolio shall be payable upon fulfilment of the relevant conditions set out in the Master Transfer Agreement using part of the proceeds of the increase of the notional amount of the Senior Notes and the Junior Notes by the Increased Senior Notes increased Notional Amount and the Increased Junior Notes Notional Amount, respectively.

Each Purchase Price of the Additional Portfolios will be paid on the relevant Interest Payment Date, according to the Priority of Payments and the condition of the Master Transfer Agreement.

Representations and warranties

Pursuant to clause 10 (Representations and Warranties) of the Master Transfer Agreement, the Originator has confirmed and repeated, with respect to the Second Portfolio, and will confirm and repeat with respect to any Additional Portfolio and to the extent applicable, the representations and warranties released by the Originator under the Warranty and Indemnity Agreement in connection with the Claims included in the First Portfolio, save for those representations provided under the Warranty and Indemnity Agreement which are exclusively applicable to the First Portfolio. Furthermore, the Originator under the Master Transfer Agreement provided certain representations and warranties in relation to the Second Portfolio and the Additional Portfolio with respect to (i) the right of prepayment of certain Lessees, (ii) the absence of directors, employees managers of the Originator among the Lessees as at the relevant Transfer Date, and (iii) the qualification of certain Lessees as consumers in accordance with the Italian consumer protection legislation.

Effects of the Master Transfer Agreement

Pursuant to clause 21.5 of the Master Transfer Agreement, the Originator and the Issuer agreed that in the event of any inconsistency or discrepancy between the Master Transfer Agreement and the Original Transfer Agreement, the relevant provisions of the Master Transfer Agreement shall prevail.

Eligibility Requirements

Pursuant to the Master Transfer Agreement, on 14 July 2017 the Originator sold to the Issuer, and the Issuer purchased from the Originator, and during the Revolving Period the Originator will offer to sell and the Issuer shall purchase, only Claims, arising from lease contracts entered into by the Originator and its customers/lessees, which meet the following Eligibility Requirements as at the relevant Valuation Date:

(i) **Eligibility Requirements**

PART I – (Individual Eligibility Requirements):

Each of the Claims to be offered for sale to the Issuer, as at the relevant Valuation Date, complied with the following requirements

1. **Lease Contract**: the Claim arises from a Lease Contract which (i) is in full force and effect and constitutes the legal, valid and binding obligation of the relevant Lessee; (ii) is enforceable in accordance with its terms; and (iii) has been entered into between the Originator as sole Lessor and the relevant Lessees in the course of the Originator's business;

2. **Compliance with law**: the Claim arises from a Lease Contract executed in compliance with provisions regarding protection of consumers' rights and the Usury Law;

3. **Freely assignable**: the Claim is freely assignable to the Issuer without the need for the consent of the relevant Lessee;

4. **Lessees**: to the best of the Originator's knowledge and belief, the Lessee of the Claim was not Insolvent at the time of execution of the relevant Lease Contract;

5. **No Defaulted Claim or Delinquent Claim**: the Claim is not a Defaulted Claim nor a Delinquent Claim;

6. **Compliance with credit policy**: the Lease Contract from which the Claim arises was entered into in accordance with the Originator's credit policy in force at such time;

7. **Confidentiality**: there are no confidentiality provisions in relation to the Claim which impact on the sale, enforceability and collection of such Claim and/or the Related Security;

8. **No further action**: the Originator has satisfied and fully performed all obligations with respect to the Lease Contract under which the Claim arises to the extent any breaches of such Lease Contracts are material in the context of this Agreement;

9. **No waiver**: the Originator has not waived or discharged any Lessee and/or third party obligor from its obligations, nor subordinated its own rights to claims of other creditors thereof, except in a manner consistent with the Servicing Procedures or in relation to payments made in corresponding amounts in satisfaction of the relevant Claims or except where and to the extent it is required in accordance with prudent practice in order to safeguard the position of the Originator as owner of the relevant Claims;

10. **Invoices**: the issue of the invoices to the relevant Lessee has not been suspended due to a default by the relevant Lessee and there has been no direct contact between the Originator (or attorney thereof) and the relevant Lessee for the recovery of the amounts due by it (with the exception of telephone contacts);

11. **Amortisation**: the relevant Lease Contract provides for monthly payments of the relevant Instalments;

12. **No variation**: the relevant Lease Contract does not provide for a right by the relevant Lessee to obtain a change in the type of the relevant interest rate or extension of the relevant maturity;

13. **No theft or damage**: no theft or damage notice (*denuncia*) has been received by the Originator with reference to the relevant Asset;

14. **Residual maturity**: the relevant Lease Contract provides for a residual time to maturity not higher than 72 months;

15. **Means of payment**: the relevant Lease Contract provides for the payment by SDD SEPA (SEPA Direct Debit), charging the current account of the relevant lessee;

16. **Insurance**: the relevant Lease Contract requires that the Lessee maintains fire and theft insurance on the relevant Asset;

17. **No concession law and no subsidies**: the relevant Lease Contract is not assisted by any concession law (*legge agevolativa*) nor governmental subsidies, other than the subsidies granted by Artigiancassa in accordance with applicable law and regulations; and

18. **Defects on the Assets**: the relevant Lease Contract provides for the obligation for the relevant Lessee to make in any event the relevant payments on each due date, even if the relevant Asset is not in working condition, is not functional due to evident or latent defects or is not available to the Lessee for reasons not ascribable to the Originator;

19. **No set off**: the relevant Lessee is not the holder of any bank accounts, deposits, bonds or other securities which may be subject to a potential set-off against amounts due to the Originator by such Lessee.

PART II - (*Portfolio Eligibility Requirements*):

In addition to the above, the Claims, to be offered for sale to the Issuer, taking into account the potential transfer of the relevant Additional Portfolio to be perfected as of the immediately succeeding relevant Transfer Date, as at the relevant Valuation Date, complied with the following requirements:

1. the Outstanding Principal of the Claim(s) due by the first Lessee does not exceed 0.6% of the Outstanding Principal of all Claims comprised in the Portfolio;

2. the Outstanding Principal of the Claims due by the first five Lessees does not exceed 1.35% of the Outstanding Principal of all Claims comprised in the Portfolio;

3. the Outstanding Principal of the Claims due by the first ten Lessees does not exceed 2.00% of the Outstanding Principal of all Claims comprised in the Portfolio;

4. the aggregate of the Outstanding Principal of the Claims arising from Lease Contracts entered into with Lessees which are resident in Campania, Molise, Puglia, Basilicata, Calabria, Sicilia or Sardegna does not exceed 15% of the Outstanding Principal of all Claims comprised in the Portfolio;

5. the weighted average yield relating to the Claims arising from the Lease Contracts which provide for a fixed rate of interest, using as a weighting factor for the yield the Outstanding Principal, is not lower than 5.00%;

6. the weighted average spread relating to the Claims arising from the Lease Contracts which provide for a floating rate of interest, using as a weighting factor for the spread the Outstanding Principal, is not lower than 5.50%;

7. the aggregate of the Outstanding Principal of the Claims arising from Lease Contracts which provide for a fixed rate of interest does not exceed 35% of the Outstanding Principal of all Claims comprised in the Portfolio;

8. the aggregate of the Outstanding Principal arising from Lease Contracts which provide for the leasing of imported Assets does not exceed 10% of the Outstanding Principal of all Receivables comprised in the Portfolio;

9. the aggregate of the Outstanding Principal arising from Lease Contracts which provide for the leasing of used Assets does not exceed 25% of the Outstanding Principal of all Receivables comprised in the Portfolio;

10. the aggregate of the Outstanding Principal of the Claims arising from Lease Contracts entered into with physical persons (*persone fisiche*) who are not provided with VAT number (*partita IVA*) and acting for purposes related either to their entrepreneur or professional activity (consumers are so excluded) does not exceed 15% of the Outstanding Principal of all Claims comprised in the Portfolio.

Criteria

Pursuant to the Master Transfer Agreement, on 14 July 2017 the Originator sold to the Issuer, and the Issuer purchased from the Originator, and during the Revolving Period the Originator will offer to sell and the Issuer shall purchase, only Claims, arising from lease contracts entered into by the Originator and its customers/lessees, which meet the Criteria as at the relevant Valuation Date:

PART I – (*Common Criteria*)

Each Claim offered for sale and transfer by the Originator to the Issuer shall, on the relevant Valuation Date, satisfy the Common Criteria set out below:

1. the relevant Lease Contracts are governed by Italian law;

2. the relevant Lease Contracts have been entered into by IFIS Leasing S.p.A. in the capacity of lessor;

3. the relevant Lease Contracts have IFIS Leasing S.p.A. as their sole lessor (i.e. not in pool with other companies);

4. the assets financed pursuant to the relevant Lease Contracts are movable assets registered (beni mobili registrati) in Italy in the PRA (*Pubblico Registro Automobilistico*);

5. the relevant Lease Contracts have been entered into with lessees who, at the time of the underwriting, were:

    a. companies with their registered office in Italy, provided with VAT number (*partita IVA*);

    b. physical persons (*persone fisiche*) resident in Italy;

6. the relevant Lease Contracts' instalments are denominated or have been paid in Euro;

7. the relevant Lease Contracts provide that each instalment, has to be paid monthly, in arrears and only by SDD SEPA (Sepa Direct Debit), charging the current account of the relevant lessee;

8. the relevant Lease Contracts provide for the application of one of the following rates of interest:

    a. a fixed rate of interest;

    b. a floating rate of interest indexed to 3 months Euribor;

9. the relevant lessees under the relevant Lease Contracts are classified as performing ("*in bonis*") by IFIS Leasing S.p.A. Every lessee, when not in possession of such information, can in order to understand whether his Lease Contract complies with this criteria, ask the customer service;

10. the relevant Lease Contracts provide the possibility for the lessee to buy the leased asset;

11. the relevant Lease Contracts provide for at least one instalment (excluding the final call option to buy the asset) to be paid following the relevant Valuation Date and for at least one instalment paid as at the relevant Valuation Date; or

12. the relevant Lease Contracts do not have more than one instalments that have been expired and not paid.

Notwithstanding the above, Lease Contracts which complied with the above criteria as the relevant Valuation Date but have one or more of the following characteristics on such date (unless otherwise specified) have not been transferred:

(i) the relevant Lease Contracts have been entered into pursuant to any law or regulation that, since the execution of the relevant lease agreement, provided for financial benefits or contributions by the State or by public entities of any kind (as might be specified by the related Lease Contract), with the exclusion of the Law No. 240/1981 (*Legge "Artigiancassa*");
(ii) IFIS Leasing S.p.A. obtained financing from the European Investment Bank for the purchase of the asset subject of the Lease Contract;
(iii) the lessees under the Lease Contracts are legal entities part of the Gruppo Bancario Banca IFIS;
(iv) the lessees are public administrations or similar entities or ecclesiastical entities;
(v) the lessees are IFIS Leasing S.p.A. employees, or employees of IFIS Leasing S.p.A. or other companies part of the Gruppo Banca IFIS;
(vi) Lease Contracts in relation to which a "restructuring plan" guaranteed by commercial papers (*cambiali*) has been entered into and is currently under execution;
(vii) contracts in relation to which a renegotiation agreement through which an extension of the amortization schedule has been formalized together with the reduction of the instalments' amounts; and
(viii) the relevant lessee is benefiting, pursuant to the relevant Lease Contract, from the partial or total suspension of one or more instalments by virtue of legislative and/or governmental provisions or further to specific commercial initiatives by IFIS Leasing S.p.A.

PART II – (*Specific Criteria*)

(A): Second Portfolio Specific Criteria:

Each Claim comprised in the Second Portfolio offered for sale and transfer by the Originator to the Issuer shall, on the relevant Valuation Date, satisfies in addition to the Common Criteria set out above, the following Specific Criteria (the "**Second Portfolio Specific Criteria**"):

1. the related Claims are not classified by IFIS Leasing S.p.A. as "Gestione Operativa Specifica" whose Lease Contacts are identified with the following contract numbers 3001237710, 3001430400, 3001528100, 3001820400, 3001820660, 3001826080, 3001828810, 3001831010, 3001839140, 3001847730, 3001850820, 3001857090, 3001858630, 3001866590, 3001868470, 3001889780, 3001894120, 3001907170, 3001910390.

(B): Additional Portfolio Specific Criteria:

Each Claim comprised in any Additional Portfolio offered for sale and transfer by the Originator to the Issuer shall, on the relevant Valuation Date, satisfies in addition to the Common Criteria set out above, the below Specific Criteria (the "**Additional Portfolio Specific Criteria**").

Subject to compliance with the Common Criteria, the Originator may identify the Claims comprised in each Additional portfolio by using one or a combination of the Additional Portfolio Specific Criteria which are set out below, any such criteria to be completed and specified by the Originator in the relevant Transfer Notice (with reference to the sections in square brackets):

1. [in case of Lease Contracts bearing a floating interest rate the spread over the applicable 3 month Euribor is [greater than or equal to [spread]/comprised between [spread] and [spread]] on an annual basis];

2. [in case of Lease Contracts bearing a fixed interest rate the relevant interest rate is [not lower than [rate]/comprised between [rate] and [rate]] on an annual basis];

3. Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls later than [date];

4. Lease Contracts in respect of which the principal component of the residual debt (excluding the principal component of relevant Residual Instalment) [did not exceed/was comprised between] the following amounts, Euro [[value]/[value] and [value]];or]

5. Lease Contracts which have been executed between [date] and [date];or]

6. the related claims are classified by IFIS Leasing S.p.A. as "Gestione Operativa Specifica" whose Lease Contracts are identified with the following contract numbers [●], [●], [●], [●], [●].

7. Lease Contracts in respect of which the last Instalment due (excluding the relevant Residual Instalment) falls earlier than [[date].

8. [*To be added, if there will be additional specific criteria*].

Perfection of the assignment

The assignment of the Claims included in the Second Portfolio and any Additional Portfolio by the Originator to the Issuer was made, with respect to the Secodn Portfolio and will be made with respect to any Aditional Portfolio, in accordance with article 4, paragraph 1 of the Securitisation Law and with article 58, paragraph 2 of the Consolidated Banking Act. Accordingly, under the Master Transfer Agreement, the Issuer gave with respect to the Second Portfolio and will give with respect to any Additional Portfolio, notice of the transfer of such Claims, pursuant to and in accordance with the abovementioned legislative provisions, by (i) publication on the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) of a transfer notice; and (ii) registration of such transfer notice with the competent companies' register (*Registro delle Imprese*).

Economic Effect

Pursuant to the Master Transfer Agreement, the Originator passed title to the Claims included in the Second Portfolio to the Issuer on the relevant Transfer Date. However, the Originator and the Issuer have agreed that the economic effects of the assignment of such Claims shall be effective as of (but excluding) the relevant Valuation Date. Accordingly, shall be deemed as a property of the Issuer (i) any Collections received by or on behalf of the Originator from the relevant Valuation Date (excluded) and (ii) any amount due in respect of a Claim following the prepayment made in respect of any Lease Contract in favour of the Originator from the relevant Valuation Date (excluded). The Originator transferred and paid such amounts to the Issuer on the Increase Date in accordance with the provisions of the Master Transfer Agreement.

Undertakings

Under the Master Transfer Agreement, the Originator has undertaken, *inter alia*, to:

(i) comply fully and in a timely manner with all provisions, covenants and other terms which the Originator has to comply with under the Lease Contracts, in order to preserve the rights, claims, powers and benefits of the Issuer as purchaser of the Claims included in the Second Portfolio and any Additional Portfolio;

(ii) maintain in good order, complete, accurate, and up-to-date the accounts, books, records and documents (if not transferred to the Issuer) related to the Claims, the Lease Contracts, the Related

Securities and all instalments and other amounts paid up to the execution date of the Master Transfer Agreement under or in connection with the Lease Contracts;

(iii) inform the Issuer of any representation or warranty rendered by the Originator in the Master Transfer Agreement discovered to be incorrect or inaccurate in any material respect, any third party claims in respect of the Claims included in the Second Portfolio, the Additional Portfolio the Lease Contracts and other Related Securities of which the Originator has been made aware, and any attachment, seizure or enforcement proceedings of which the Originator has been made aware;

(iv) exercise in its name and on behalf of the Issuer any right and carry out any action to which it is entitled by virtue of any applicable laws or the contractual provisions of the Insurance Policies;

(v) in the period between the initial execution date of the Master Transfer Agreement and the date that the transfer is completed, not to assign or transfer the Claims and the Related Securities to any third parties, or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Claims; and

(vi) not to modify any term or condition of the Lease Contracts or terminate or act in a manner that could lend to the termination of any Lease Contract; and

(vii) take any action likely to cause, or permit, any of the Claims to become invalid or diminish the rights in relation thereto.

"**Collective Insurance Policies**" means the collective insurance policies (*polizza collettiva*) no. 8427304, 8427325 and 7610077 taken out by the Originator with Covéa pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*) (ii) the collective auto vehicles insurance policy (*polizza collettiva autovetture*) no. DLI970000001 taken out by the Originator with Direct Line pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*), and (iii) the collective commercial vehicles insurance policy (*polizza collettiva veicoli commerciali* no. 80006000127/V and the collective commercial vehicles and trailers insurance policy no. 8006000128/W, DLI970000001 taken out by the Originator with Filo Diretto pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*).

"**Customer Insurance Policy**" means any insurance policy taken out by a Lessee in connection with, or as a condition of, a Lease Contract, including, without limitation, any insurance policy insuring the Assets.

"**Insurance Policies**" means, collectively, the Customer Insurance Policies and the Collective Insurance Policies.

Termination of Lease Contracts

Pursuant to clause 16 (*Termination of the Lease Contracts*) of the Master Transfer Agreement, in the event of termination of the Lease Contracts for any reason whatsoever, the Originator has undertaken to assign to the Issuer, as assignment by way of satisfaction, the monetary claims:

(a) relating to the sale price of the Assets pertaining to the terminated Lease Contract; or

(b) in case any such Asset is leased to a new lessee, relating to instalments, interest, indemnities and other charges arising out of or in connection with the relevant New Lease Contract,

in any case under (a) and (b) up to an amount equal to the aggregate amount of:

(i) all amounts due but unpaid (including any default interest) by the relevant Lessee on the date of termination of the relevant Lease Contract;

(ii) all other amounts (but excluding in any case taxes (including VAT and stamp duty), fees and the Residual Optional Instalment Claims) that the relevant Lessee should pay in accordance with the relevant Lease Contract as a result of the termination of such Lease Contract; and

(iii) any amount payable by the Issuer pursuant to article 1526 of the Italian civil code, to the extent applicable, unless the Issuer has been otherwise indemnified under the Warranty and Indemnity Agreement.

If a Lease Contract is terminated as a result of the bankruptcy of the relevant Lessee, the relevant claims assigned to the Issuer pursuant to clause 16 (*Termination of the Lease Contracts*) of the Master Transfer Agreement will be limited to the amounts indicated under items (i) and (ii) above.

Pursuant to the Master Transfer Agreement, upon sale of each relevant Asset after termination of each relevant Lease Contract, the sale price of the relevant Asset collected by the Originator (net of any expense incurred by the Originator as a result of the sale of the Asset) shall be transferred to the Issuer into the Collection Account within two Business Days following to the day on which such price has been received by the Originator from the purchaser or any third party which has actually paid such price.

In addition, if the Originator elects, as an alternative to the sale of the Assets, to lease them again by entering into a New Lease Contract, the Originator shall pay to the Issuer an amount equal to the sum of items (i), (ii) and (iii) above within the second Business Day following the execution of the relevant New Lease Contract, provided however that the maximum amount payable in any such circumstances cannot exceed the aggregate of (A) the principal amount of the instalments and (B) the residual optional instalment, in each case due in respect of the New Lease Contracts. Such payment is a subsequent condition to the assignment of the claims arising from the New Lease Contract.

Portfolio Call Option

Pursuant to the Master Transfer Agreement, the Issuer irrevocably granted to the Originator, pursuant to Article 1331 of the Italian civil code, an option (the "**Portfolio Call Option**") to repurchase (in whole but not in part) the then outstanding Portfolio on any Interest Payment Date falling on or after the Clean Up Option Date, provided that, *inter alia*:

(a) for Claims other than Defaulted Claims, the repurchase price of the relevant Claims shall be equal to the sum of the Outstanding Amount of the relevant Claims as at the date of repurchase;

(b) for the Defaulted Claims, the repurchase price of the relevant Claims shall be equal to the market value of the same at the time of the repurchase as determined by a third party (i) having a high degree of experience in such a matter, (ii) independent from the Originator, its banking group and the other parties to the Securitisation and (iii) jointly appointed by the Issuer and the Representative of the Noteholders;

(c) the Issuer and the Originator will enter into a purchase agreement under article 58 of the Consolidated Banking Act or under article 1260 et subs. of the Italian civil code and the Originator shall pay the Repurchase Price to the Issuer at the time of execution of such transfer agreement, by crediting the Repurchase Price into the Collection Account in immediately available funds, it being understood that the Repurchase Price shall be paid before the immediately following Interest Payment Date; and

(d) following payment of the Repurchase Price, the Originator will publish the notice of the transfer in the Italian Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*) and will register the notice of the assignment with the competent companies' registrar as described in the transfer agreement or notify the transfer to the relevant debtor pursuant to article 1260 et subs. of the Italian civil code, as applicable.

The Portfolio Call Option may be exercised by the Originator by giving not more than 60 days' nor less than 35 days' notice in writing of its intention to exercise the Portfolio Call Option to the Issuer, the Servicer (to the extent that the Servicer is an entity other than IFIS Leasing), the Representative of the Noteholders and the Rating Agencies and *provided that* the Originator has delivered to the Issuer the relevant solvency certificates in accordance with the terms of the Original Transfer Agreement dated not earlier than 10 (ten) Business Days prior to the date of payment of the relevant repurchase price.

"**Clean Up Option Date**" means any date on which the Portfolio Outstanding Amount is equal to or lower than 10 per cent. of the Portfolio Outstanding Amount at the Second Portfolio Valuation Date.

"**Portfolio Outstanding Amount**" means, in relation to the Portfolio, the sum of the Outstanding Amount of all Claims comprised in the Portfolio.

Call Option of Individual Claims

Pursuant to the Master Transfer Agreement, the Issuer irrevocably granted to the Originator, pursuant to Article 1331 of the Italian civil code, Individual Claims Call Option to repurchase individual Claims comprised in any Portfolio in accordance with article 1260 subs. Of the Italian civil code (or, where applicable, article 58 of the Consolidated Banking Act).

Pursuant to the Master Transfer Agreement, the Individual Claims Call Option can be exercised by the Originator to the extent that:

(a) the aggregate Outstanding Principal of the Claims so repurchased during each calendar year does not exceed 2 (two) per cent. of the aggregate Outstanding Principal of all Claims included in the Portfolio as at the relevant Valuation Date; and

(b) the aggregate Outstanding Principal of all the Claims so repurchased pursuant to this Clause does not exceed 5 (five) per cent. of the aggregate Outstanding Principal of all Claims included in the Portfolio as at the relevant Valuation Date.

The repurchase price of the relevant Claims shall be equal to the sum of:

(a) the Outstanding Principal of the relevant Claim(s) as the date of repurchase; plus

(b) the amount of interest which will accrue on the relevant Claim(s) from the date of repurchase to the immediately subsequent Interest Payment Date.

The Individual Claims Call Option may be exercised by the Originator by written notice to be sent to the Issuer (with a copy to the Representative of the Noteholders) at least 5 (five) Business Days before the repurchase date and *provided that* the Originator has delivered to the Issuer the relevant solvency certificates in accordance with the terms of the Master Transfer Agreement date not earlier than 10 days before the date of the exercise of the repurchase.

Governing law

The Master Transfer Agreement is governed by and will be construed in accordance with Italian law.

THE SERVICING AGREEMENT AND COLLECTION POLICIES

The description of the Servicing Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such Servicing Agreement. Prospective Noteholders may inspect a copy of the Servicing Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent. In the summary below, capitalised terms shall have the same meanings as in the Conditions and in the Transaction Overview, unless otherwise defined below or the context requires otherwise.

Introduction

Pursuant to the Servicing Agreement, the Issuer has appointed IFIS Leasing S.p.A. (previously incorporated under the name of GE Capital Servizi Finanziari S.p.A.) ("**IFIS Leasing**") as Servicer of the Claims. The Servicer is responsible for servicing, collecting and administering the Claims and the related Lease Contracts. IFIS Leasing as Servicer will apply to the Claims the same procedures it uses for its own assets in its credit and collection policies.

The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* in relation to the Securitisation pursuant to the Securitisation Law. Within the limits of article 2.6 of the Securitisation Law, the Servicer is responsible for ensuring that the transactions to be carried out pursuant to article 2.3(c) of the Securitisation Law in connection with the Securitisation comply with applicable laws.

The Servicing Agreement was amended and restated on 14 July 2017 in accordance with the terms of the First Master Amendment and Restatement Agreement in order to, *inter alia*, extend the servicing obligations of the Servicer also to the Claims included in the Second Portfolio and any Additional Portfolio.

Administration of payments

Starting from the Issue Date, the Servicer shall collect and recover the Claims on behalf of the Issuer and, unless otherwise provided in the Servicing Agreement, shall deposit or procure to transfer any such Collections into the Collection Account within the second Business Day of receipt by the Servicer in accordance with the procedures described in the Servicing Agreement.

The Servicing Agreement provides that if monies already transferred to the Collection Account are identified as having not been paid, in whole or in part, by the relevant Lessee, following the verification activity carried out by the Servicer, the Servicer may deduct those unpaid amounts from the Collections not yet transferred to the Issuer.

Collections in respect of the Lease Contracts will be calculated by reference to Collection Periods.

Undertakings

Under the Servicing Agreement, the Servicer has undertaken, *inter alia* to:

(i) manage, administer and credit of the Collections in accordance with the provisions of the Servicing Agreement;

(ii) compile a monthly detailed report (the "**Servicer Report**") containing information as to, amongst other things, the Portfolio, the Collections and the Lease Contracts in respect of the preceding Collection Period and to deliver the same on or before each Reporting Date to the Italian Account Bank, the Interest Rate Hedging Counterparty, the Back-up Servicer, the Issuer, the Computation Agent, the Representative of the Noteholders, the Paying Agent, the Corporate Services Provider, the Restructuring Arranger, the Initial Arrangers, the Class A Notes Subscribers, the Junior Notes Subscriber and the Rating Agencies;

(iii) verify that the operations under the Securitisation are in compliance with Italian law and consistent with the Prospectus in accordance with the provisions of article 2, paragraph 6-*bis*, of the Securitisation Law;

(iv) enforce Claims, commence and prosecute proceedings and any other connected judicial action and exercise the Insurer's rights *vis-à-vis* the Lessees and any other person or entity liable for payments in respect of a Claim;

(v) carry out all actions set out in the credit and collection policies aimed at the recovery of Delinquent Claims and Defaulted Claims as well as any other amount due in relation to or under the Claims, repossess the relevant Assets and sell or otherwise dispose of the same at the highest possible price at the time of sale or disposal;

(vi) deliver to, *inter alia*, the Computation Agent and the Corporate Services Provider all information on the performance of the Portfolio as reasonably requested by any of them;

(vii) maintain the existing Insurance Policies and provide for the prompt renewal of the same and perform, on behalf of the Issuer, all the actions and exercise all the rights to which the Issuer is entitled pursuant to any applicable law or contractual provisions in relation to the Insurance Policies and any other act, agreement or document relating to or connected with them;

(viii) take all necessary actions to ensure the enforceability of the transfer of the rights deriving from the insurance coverage taken out in accordance with the terms of the Collective Insurance Policies, by requesting by the Issue Date the issuance of a loss payee clause (*appendice di vincolo*) for the benefit of the Issuer.

"**Collective Insurance Policies**" means the collective insurance policies (*polizza collettiva*) no. 8427304, 8427325 and 7610077 taken out by the Originator with Covéa pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*) (ii) the collective auto vehicles insurance policy (*polizza collettiva autovetture*) no. DLI970000001 taken out by the Originator with Direct Line pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*), and (iii) the collective commercial vehicles insurance policy (*polizza collettiva veicoli commerciali* no. 80006000127/V and the collective commercial vehicles and trailers insurance policy no. 8006000128/W, DLI970000001 taken out by the Originator with Filo Diretto pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*).

"**Customer Insurance Policy**" means any insurance policy taken out by a Lessee in connection with, or as a condition of, a Lease Contract, including, without limitation, any insurance policy insuring the Assets.

"**Insurance Policies**" means, collectively, the Customer Insurance Policies and the Collective Insurance Policies.

Servicing fee

In consideration of the performance of its obligations hereunder, the Issuer undertakes to pay to the Servicer on each Interest Payment Date in accordance with the relevant Priority of Payments the following amounts (plus VAT, if applicable):

(i) with respect to the collection of the performing Claims (other than the Defaulted Claims), an amount equal to 0.4 per cent., on an annual basis, of the Outstanding Principal of such Claims as at the last day of the immediately preceding Collection Period (the "**Collection Fee**"), and

(ii) with respect to the management, collection and recovery of the Defaulted Claims, an aggregate amount equal to € 1,667 for each Collection Period (the "**Recovery Fee**").

Under the Servicing Agreement, any costs and expenses relating to the Delinquent Claims and the Defaulted Claims and the relevant Proceedings shall be paid in advance by the Servicer and the latter has expressly and unconditionally waived any right to receive any fee or reimbursement not provided for under the same Servicing Agreement.

Servicer termination events

Under the Servicing Agreement the Issuer may terminate the Servicer's appointment and appoint a successor servicer if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include, *inter alia*, the following events:

(a) occurrence of an Insolvency Event with respect to the Servicer or the Co-Obligor;

(b) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited by it within two Business Days after the due date thereof;

(c) failure by the Servicer to comply with any other terms and conditions of the Servicing Agreement (other than the obligation to prepare and deliver the Servicer Report) or any other Transaction Document to which it is a party, which failure to comply is not remedied, where a cure is possible, within a period of 5 (five) Business Days from the date on which the Servicer receives a written notice of such non-compliance from the Issuer;

(d) failure on the part of the Servicer to deliver the Servicer Report by the relevant Reporting Date, unless such failure is remedied by the Servicer within two Business Days;

(e) any of the representation and warranties given by the Servicer under the Servicing Agreement or any other Transaction Document to which it is a party is incorrect or incomplete in any material respect when given or repeated, unless the Servicer provides a remedy within 10 (ten) Business Days from the date on which such representation or warranty is contested;

(f) it becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement or the other Transaction Documents to which it is a party;

(g) any of the Servicer or the Co-Obligor ceases to be authorised to carry out, respectively, financial activity and banking activity in Italy;

(h) the Servicer changes significantly the offices and/or the services involved in the activity of management of the Claims and/or of the Proceedings, if such changes are capable of having a material adverse effect on the capacity of the Servicer to perform its obligations undertaken pursuant to the Servicing Agreement; and

(i) failure by the Servicer to meet: (A) the requirements set forth by any applicable law or regulation for the entities that assume the tasks provided for under the Servicing Agreement in the context of a securitisation transaction; or (B) the current or future legal requirements required to entities acting as servicers in the context of a securitisation transaction by the Bank of Italy or other competent authorities.

The Issuer may at any time (upon the occurrence of a Servicer Termination Event or upon withdrawal of the Servicer pursuant to the Servicing Agreement) appoint as substitute servicer:

(A) the Back-up Servicer; or

(B) should the Back-up Servicer not be able to act as substitute servicer at the relevant time, any person: who meets the requirements of the Securitisation Law and the Bank of Italy to act as Servicer; (ii) whose appointment does not affect the current rating assigned to the Senior Notes; (iii) who meets the requirements provided by the criteria of the Rating Agencies; (iv) who has at least three years of experience in the administration of financial leases in Italy; (v) who has available and is able to use a software for the administration of financial lease contracts compatible with that of the Servicer; (vi) who represents to act as "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to article 2, paragraph 3, letter (c), of the Securitisation Law; (vii) who is able to ensure the efficient and professional performance of any activities provided under any laws or regulation from time to time applicable to the Issuer and, if such legislations requires, the production of such information as is necessary to meet the information requirements of the Bank of Italy; and (viii) who has sufficient assets to ensure the continuous and effective performance of its duties.

The Servicer's duties after termination of its appointment are governed under clause 12 of the Servicing Agreement.

Back-up Servicer

Pursuant to the Back-up Servicing Agreement the Issuer, on the Issue Date, appointed Securitisation Services S.p.A. to act as a Back-up Servicer in the context of the Securitisation. The Back-up Servicer will carry out the activities envisaged in the Back-up Servicing Agreement pursuant to the provisions of such agreement.

For a description of the Back-up Servicing Agreement, see "*The Other Transaction Documents – The Back-up Servicing Agreement*".

Governing law

The Servicing Agreement is governed by and will be construed in accordance with Italian law.

THE WARRANTY AND INDEMNITY AGREEMENT

The description of the Warranty and Indemnity Agreement set out below is a summary of certain features of such Transaction Document and is qualified in its entirety by reference to the detailed provisions of such Warranty and Indemnity Agreement. Prospective Noteholders may inspect a copy of each of the Warranty and Indemnity Agreement upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent. In the summary below, capitalised terms shall have the same meanings as in the Conditions, unless otherwise defined below or the context requires otherwise.

Introduction

On the Initial Execution Date the Issuer and the Originator have entered into a warranty and indemnity agreement (the "**Warranty and Indemnity Agreement**") pursuant to which the Originator has provided, *inter alia*, standard representations and warranties in respect of the Claims comprised in the Portfolio as of the Relevant Valuation date (which representations and warranties shall be repeated as of the relevant Valuation Date, on the Issue Date, on the Increase Date and on any relevant Transfer Date).

Representations and warranties as to matters affecting Originator

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including that it is validly existing as a juridical person, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein and has all the necessary authorisations therefor.

Representations and warranties in relation to the Claims and the Lease Contracts

The Warranty and Indemnity Agreement contains representations and warranties in respect of the Claims and the Lease Contracts. In particular, the Originator represented that the Claims (i) are existing and constitute legal, valid and binding obligations of the Lessees; (ii) are in compliance with the Criteria as at the relevant Valuation Date, and (iii) the Originator holds full sole and unencumbered right, title and interest in and to the Claims, the related Lease Contracts, Assets and Related Securities and it has not assigned (whether absolutely or by way of security), mortgaged, charged, transferred or otherwise disposed of its title and interest in and to and the benefit of such Claims, Lease Contracts, Assets and Related Securities.

The Originator also represented, *inter alia*, that:

(i) there are no provisions in the Lease Contracts or any other connected document or agreement preventing the transfer of the Claims (in whole or in part) and the Lease Contracts do not contain provisions granting to the Lessees any right whatsoever that, as a result of the transfer, would materially affect the assigned Claims and their collectability; and

(ii) the Lease Contracts are legal, valid, binding, enforceable and compliant with all applicable Italian law and regulations, no amendment and/or waiver has been made by the Originator to the Lease Contracts (and ancillary documents) as of the date when such contracts have been entered into and the Originator had, as of the date when such contracts have been entered into, the capacity, power and authority to enter into the relevant Lease Contract and all other ancillary documents.

Indemnity and repurchase obligation/right

The Originator has agreed to indemnify the Issuer, in certain circumstances and to the extent set out therein, in connection with the representations and warranties.

Pursuant to the clause 6 of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its directors, officers, advisers, agents and/or employees and their permitted assigns from and against any and all damages, losses, claims, costs and expenses (including, but not limited to, legal fees and disbursements and any value added tax thereon if due), awarded against or incurred by the Issuer, its directors, officers, agents, employees and their permitted assigns which arise out of or result from, *inter alia*:

(a) a default by the Originator in the performance of any of its obligations under the Warranty and Indemnity Agreement or any other Transaction Document to which it is, or will become, a party;

(b) any representation or warranty given by the Originator under or pursuant to the Warranty and Indemnity Agreement being false, incomplete or incorrect;

(c) any alleged liability and/or claim raised by any third party against the Issuer, as owner of the Claims, which arise out of any negligent act or omission by the Originator in relation to the Claims, the servicing and collection thereof, or from any failure by the Originator to perform its obligations under the Warranty and Indemnity Agreement or any other Transaction Document;

(d) the fact that the validity or effectiveness of any security interest or guarantee relating to the Lease Contracts has been challenged by way of claw-back *(azione revocatoria*) or otherwise, including, without limitation, pursuant to article 67 of the Bankruptcy Law;

(e) as a consequence of the proper and legal exercise by any Debtor and/or insolvency receiver of a Debtor of any grounded right to termination, annullability or withdrawal, or other claims and/or counterclaims, including set off, against the Originator and/or the Issuer in relation to any Lease Contract, Claim, Related Security and any other connected act or document, including, without limitation, any claim and/or counterclaim deriving from non-compliance with the Usury Law and usury regulations and article 1283 of the Italian civil code;

(f) any indemnity amount payable under any of the Insurance Policies not being collected or recovered by the Issuer as a result of a failure by the Originator, as an underwriter or a beneficiary under any loss payee clause, to exercise any rights or perform its obligations under such Insurance Policies;

(g) the application of article 1526 of the Italian civil code (to the extent such law provision applies to the Issuer and provided however that the Issuer shall consult and provide the Originator with any information required by the Originator in order to coordinate any defence in relation to those proceedings relating to the application of article 1526 of the Italian civil code);

(h) the application of article 72-*quater* of the Bankruptcy Law, to the extent such law provision applies to the Issuer.

"**Bankruptcy Law**" means Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

"**Debtor**" means any Lessee, guarantor and/or any other person or entity liable for payments in respect of a Claim.

"**Collective Insurance Policies**" means the collective insurance policies (*polizza collettiva*) no. 8427304, 8427325 and 7610077 taken out by the Originator with Covéa pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*) (ii) the collective auto vehicles insurance policy (*polizza collettiva autovetture*) no. DLI970000001 taken out by the Originator with Direct Line pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*), and (iii) the collective commercial vehicles insurance policy (*polizza collettiva veicoli commerciali* no. 80006000127/V and the collective commercial vehicles and trailers insurance policy no. 8006000128/W, DLI970000001 taken out by the Originator with Filo Diretto pursuant to Article 1891 of the Italian civil code for the benefit of those Lessees which, from time to time, may have acceded to it by signing an accession form (*modulo di adesione*).

"**Customer Insurance Policy**" means any insurance policy taken out by a Lessee in connection with, or as a condition of, a Lease Contract, including, without limitation, any insurance policy insuring the Assets.

"**Insurance Policies**" means, collectively, the Customer Insurance Policies and the Collective Insurance Policies.

Moreover, the Warranty and Indemnity Agreement provides that, in the event of, *inter alia*, a misrepresentation or a breach of any of the representations and warranties made by the Originator and to the extent such misrepresentation or breach is not cured, whether by payment of damages or indemnification or otherwise, by the Originator within a certain period from receipt of a written notice from the Issuer to that effect, the Issuer has the option, pursuant to article 1331 of the Italian civil code, to assign and transfer to the Originator all of the Claims then outstanding under the Lease Contract(s) affected by any such

misrepresentation or breach of warranty, upon the terms and subject to the conditions of the Warranty and Indemnity Agreement.

As an alternative to the Originator's indemnity obligations under clause 6 of the Warranty and Indemnity Agreement above, pursuant to the Warranty and Indemnity Agreement the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, the right to repurchase those Claims in relation to which one or more of the events indicated under letters (b), (c), (d) (e), upon the terms and subject to the conditions of the Warranty and Indemnity Agreement.

Master Transfer Agreement

Pursuant to the Master Transfer Agreement, the Originator undertook to confirm and repeat, with respect to the Second Portfolio and any Additional Portfolio, the representations and warranties released by the Originator under the Warranty and Indemnity Agreement in connection with the Claims included in the First Portfolio save for those representations provided under the Warranty and Indemnity Agreement which are exclusively applicable to the First Portfolio. Furthermore, the Originator under the Master Transfer Agreement provided certain representations and warranties in relation to the Second Portfolio and the Additional Portfolio with respect to (i) the right of prepayment of certain Lessees, (ii) the absence of directors, employees managers of the Originator among the Lessees as at the relevant Transfer Date, and (iii) the qualification of certain Lessees as consumers in accordance with the Italian consumer protection legislation.

For a description of the Master Transfer Agreement, see "*The Other Transaction Documents – The Transfer Agreements*"

Governing law

The Warranty and Indemnity Agreement is governed by and will be construed in accordance with Italian law.

THE OTHER TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of such Transaction Documents and is qualified in its entirety by reference to the detailed provisions of such Transaction Documents. Prospective Noteholders may inspect a copy of such Transaction Documents upon request at the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent. In the summary below, capitalised terms shall have the same meanings as in the Conditions, unless otherwise defined below or the context requires otherwise.

The Corporate Services Agreement

Under an agreement denominated "*Corporate Services Agreement*" dated the Signing Date between the Issuer, the Corporate Services Provider and the Representative of the Noteholders (the "**Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide certain corporate administration and management services to the Issuer. The services will include, *inter alia*, the safekeeping of the documents pertaining to the meetings of the Issuer's quotaholder, directors and auditors and of the Noteholders, maintaining the quotaholders' register, preparing tax and accounting records, preparing the Issuer's annual financial statements, arranging for the execution by the Issuer of any documentation or notices, and when requested or required pursuant to the terms of the Transaction Documents, liaising with the Representative of the Noteholders.

Under the terms of the Corporate Services Agreement in the event of a termination of the appointment of the Corporate Services Provider for any reason whatsoever, the Issuer shall appoint a substitute Corporate Services Provider.

The Corporate Services Agreement is governed by Italian law.

The English Deed of Charge and Assignment

Pursuant to an English law deed of charge and assignment executed on the Issue Date (the "**English Deed of Charge and Assignment**"), the Issuer granted in favour of the Representative of the Noteholders for itself and on behalf of the Noteholders and the Other Issuer Creditors as a security for the payment of all the amounts due, owing or payable by the Issuer whether present or future, actual or contingent to the Noteholders under the Notes and the Other Issuer Creditors pursuant to the relevant Transaction Documents, *inter alia*:

(a) an English law Security Assignment by way of security of all the Issuer's rights, titles and interests, at the singing date and in the future, in, to and under:

  (i) the Assigned Agreements (as defined in the English Deed of Charge and Assignment);

  (ii) all security and guarantees from time to time held by the Issuer in respect of the Assigned Agreements; and

  (iii) all of the proceeds of the Assigned Agreements including all monies and other benefits payable to the Issuer under the Assigned Agreements;

(b) charges by way of first fixed charge, and grants a first priority security interest over (where the applicable assets are securities), or assigns by way of security (where the applicable rights are contractual rights), all present and future rights, title and interest of the Issuer in respect of the Collateral Accounts and any Collateral standing to the credit of the Collateral Accounts (whether such Collateral is in the form of cash or securities) (including, without limitation, all monies received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution thereto and the proceeds of sale, repayment and redemption thereof and over any relevant sub-account of the Collateral Accounts); and

(c) by way of a first floating charge all of the Issuer's assets which are subject to the assigning and charging provisions described under (a) above and not effectively assigned thereunder.

"**Assigned Agreements**" means (a) the Interest Rate Cap Agreement; (b) the Class A Notes Subscription Agreement; and (c) all future contracts, agreements, deeds and documents entered into by the Issuer in connection to the Securitisation and governed by English law.

Pursuant to the English Deed of Charge and Assignment, the security will become immediately enforceable following the service of an Issuer Acceleration Notice. Additionally, the security contemplated under paragraph (b) above shall become immediately enforceable if, following the designation of an Early Termination Event (as defined in the Interest Rate Cap Agreement), the Issuer fails to make when due, any payment to the Interest Rate Hedging Counterparty under the Interest Rate Cap Agreement.

The Intercreditor Agreement

Pursuant to an intercreditor agreement dated the Signing Date between the Issuer, the Initial Arrangers, the Senior Notes Subscribers, the Paying Agent, the Agent Bank, the Computation Agent, the Account Banks, the Interest Rate Hedging Counterparty, IFIS Leasing (in any capacity), the Corporate Services Provider, the Back-up Servicer, the Representative of the Noteholders and the Co-Obligor (the "**Intercreditor Agreement**"), provision has been made as to the application of the proceeds of collections in respect of the Claims and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Claims. The Intercreditor Agreement also sets out the order of priority for payments to be made by the Issuer in connection with the securitisation transaction.

Pursuant to the Intercreditor Agreement, the Noteholders and the Other Issuer Creditors have agreed, *inter alia*, that, until two years and one day since the day on which all notes issued or to be issued by the Issuer (including the Notes) have been paid in full, no Noteholders or Other Issuer Creditor shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, insolvency or similar proceedings.

Pursuant to the Intercreditor Agreement, following the service of an Issuer Acceleration Notice, the Representative of the Noteholders will be entitled (as an agent of the Issuer and to the extent permitted by applicable laws), until the Notes have been repaid in full or cancelled in accordance with the Conditions, to take possession of all Collections and of the Claims and to sell or otherwise dispose of the Claims or any of them in such manner and upon such terms and such time or times and at the then current market value as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments.

Under the terms of the Intercreditor Agreement and in accordance with article 1292 of the Italian civil code, the Co- Obligor is jointly and severally liable (*responsabile solidalmente*) with IFIS Leasing towards the Issuer and for the benefit of the Noteholders (other than IFIS Leasing) from time to time, pursuant to article 1411 of the Italian civil code, in relation to all the obligations of IFIS Leasing under the Transaction Documents (as amended from time to time) to which IFIS Leasing is a party. Furthermore, the Co-Obligor has further undertaken with the Issuer to indemnify the Issuer immediately on demand against any cost, loss or liability suffered by the Issuer as a result of (i) the Co-Obligor's inability to perform any of the obligations (other than payment obligations) which are not performed by IFIS Leasing and (ii) the need for the Issuer to instruct a third party to perform the same activities. In any event, the maximum amount payable at any time by the Co-Obligor to the Issuer under the Intercreditor Agreement may never exceed an amount equal to the lower of (i) Euro 488,600,000 and (ii) the Principal Amount Outstanding of the Notes.

The Intercreditor Agreement was amended and restated on or about the Increase Date pursuant to the Second Master Amendment and Restatement Agreement in order to take into account the assignment of the Second Portfolio and the Additional Portfolios, the Class A Notes Increase and the Junior Notes Increase in the order of application of the Issuer Available Funds within the Securitisation.

The Intercreditor Agreement is governed by Italian law.

The Back-up Servicing Agreement

Securitisation Servicer S.p.A. was appointed as Back-up Servicer (the "**Back-up Servicer**") pursuant to the Back-up Servicing Agreement dated the Signing Date between the Issuer, IFIS Leasing and the Back-up Servicer. Pursuant to the Back-up Servicing Agreement, the Back-up Servicer has agreed, *inter alia*, to

perform the dutirs and obligations set forth in the Servicing Agreement, in the event of IFIS Leasing ceasing to act as Servicer under the Servicing Agreement.

If the termination of the appointment of the Servicer is due to an insolvency event with respect to the Servicer, the Back-up Servicer (or upon its failure the Issuer) by 10 (ten) days following receipt of a servicer termination notice in accordance with the Servicing Agreement shall:

(a) notify the debtors under the Lease Contracts of its appointment as substitute servicer under the Servicing Agreement; and

(b) instruct the debtors to make any payment relating to the Claims directly into the Collection Account.

As soon as possible after receipt by the Back-up Servicer of the servicer termination notice or a servicer withdrawal notice in accordance with the Servicing Agreement, the Back-up Servicer will:

(a) enter into a new servicing agreement substantially in the form of the Servicing Agreement; and

(b) accede to the Intercreditor Agreement.

In any event, the Back- up Servicer shall (i) act as new servicer and perform the administration, management, recovery and collection of the Claims and verify compliance of the Securitisation with the Securitisation Law and the prospectus ("*prospetto informativo*") pursuant to article 2, paragraph 6-*bis* of the Securitisation Law within 30 (thirty) days as of the date of receipt of any such notice and (ii) perform certain specific activities set out in Back- up Servicing Agreement in accordance with the timeline therein specified. As of the date of signing such new servicing agreement, the Back-up Servicer will succeed in any of the Servicer's rights and obligations provided for under the Servicing Agreement.

The Back-up Servicer will be entitled to be paid servicing fees, remuneration and costs and expenses as set out in a separate fee letter.

The back-up servicuing obligations of the Back-up Servicer under the Back-up Servicing Agreement were extended, to the extent applicable, on 14 July 2017 in accordance with the terms of the First Master Amendment and Restatement Agreement in order to the Claims included in the Second Portfolio and any Additional Portfolio.

The Back-up Servicing Agreement is governed by Italian law.

The Mandate Agreement

Pursuant to the terms of a mandate agreement dated the Initial Signing Date between the Issuer and the Representative of the Noteholders (the "**Mandate Agreement**"), the Representative of the Noteholders is empowered to take such action in the name of the Issuer, *inter alia*, following the service of an Issuer Acceleration Notice, as the Representative of the Noteholders may deem necessary to protect the interests of the Noteholders and the Other Issuer Creditors.

The mandate conferred to the Representative of the Noteholders has been (i) confirmed, with respect to the Transaction Documents (other than the Increase Documents) as amended and restated pursuant to the First Master Amendment and Restatement Agreement and the Second Master Amendment and Restatement Agreement, and (ii) extended with respect to the Second Master Transfer Agreement and the Second Subscription Agreement pursuant to the terms of the Agreement for the Confirmation and the Extension of the Mandate Agreement entered into on or about the Increase Date by the Issuer and the Representative of the Noteholders.

The Mandate Agreement is governed by Italian law.

The Quotaholder's Commitment

The quotaholder's commitment dated the Signing Date between the Issuer, the Representative of the Noteholders and Stichting Antigua (the "**Quotaholder's Commitment**") contains, *inter alia*, provisions in relation to the management of the Issuer.

The Quotaholder's Commitment also provides that Stichting Antigua, in its capacity as sole quotaholder of the Issuer, undertakes to procure that the Issuer does not resolve to distribute any dividends, reserves or any other sums in favour of any quotaholders of the Issuer until full satisfaction of the claim of all Noteholders and the other Issuer Secured Creditors.

The Quotaholder's Commitment is governed by Italian law.

The Interest Rate Cap Agreement

As further described in "*Credit Structure – The Interest Rate Cap Agreement*" above, the Issuer has entered into the Cap Transaction pursuant to the Interest Rate Cap Agreement with the Interest Rate Hedging Counterparty in order to partially hedge its potential interest rate risk exposure under the Class A Notes in an amount equal to the Scheduled Cap Notional Amount (as defined above). The purpose of the Interest Rate Cap Agreement is to enable the Issuer to meet its interest obligations under the Class A Notes by hedging the Issuer against the risk of a difference between the EURIBOR based floating rate applicable for the relevant Interest Period on the Class A Notes on each relevant Interest Payment Date and the fixed interest rate payments received in respect of the Fixed Rate Claims.

As of the Issue Date, the Interest Rate Hedging Counterparty will be required to have a rating assigned for its long-term unsecured and unsubordinated debt or counterparty obligations of at least "A" with respect to DBRS and a senior unsecured debt rating of at least "A3" with respect to Moody's. If any of the ratings fall below these levels, the Interest Rate Hedging Counterparty will be obliged to take such remedial action as prescribed in the Interest Rate Cap Agreement and as set out below in "*Rating Downgrade Provisions*".

Rating Downgrade Provisions

If any long-term unsecured and unsubordinated debt or counterparty obligations of the Interest Rate Hedging Counterparty (in the case of DBRS) or any senior unsecured debt rating of the Interest Rate Hedging Counterparty (in the case of Moody's) falls below the relevant ratings prescribed in the Interest Rate Cap Agreement, the Interest Rate Hedging Counterparty will be obliged to take one or more of the following actions: (a) provide collateral in support of its obligations under the Interest Rate Cap Agreement in accordance with the DBRS and Moody's criteria set out therein; (b) procure a guarantee of its obligations under the Interest Rate Cap Agreement from an appropriately rated entity; (c) procure a replacement counterparty (being another appropriately rated entity who takes a transfer or enters into a replacement cap transaction); or (d) take such other actions (which may include taking no action) as it may agree with DBRS and Moody's as will result in the rating of the Class A Notes following the taking of such action (or inaction) being maintained at, or restored to, the level at which it was at immediately prior to the downgrade.

Any costs in relation to such remedial action will be borne by the Interest Rate Hedging Counterparty. The timing, extent and availability of such action required to be taken may vary based on the individual requirements of DBRS and Moody's and the level to which the rating of the Interest Rate Hedging Counterparty has been downgraded.

Gross up

Under the Interest Rate Cap Agreement the Issuer will not be obliged to gross up any payments thereunder, however, the Interest Rate Hedging Counterparty may in certain circumstances be obliged to gross up a payment thereunder, in the event of any withholding or deduction for or on account of tax required to be paid on such payments. Any such event may however result in a "Tax Event" which is a "Termination Event" (each such term as defined in the Interest Rate Cap Agreement) for the purposes of the Interest Rate Cap Agreement. In the event of the occurrence of a Tax Event, the Interest Rate Cap Agreement will include provision for the relevant "Affected Party" (as defined therein) to use reasonable endeavours to (a) (in the case of the Interest Rate Hedging Counterparty) arrange for a transfer of all of its interests and obligations under the Interest Rate Cap Agreement to an Affiliate (as defined in the Interest Rate Cap Agreement) that is incorporated in another jurisdiction so as to avoid the requirement to withhold or deduct for or on account of tax; or (b) (in the case of the Issuer) transfer its residence for tax purposes to another jurisdiction where permitted in accordance with the Interest Rate Cap Agreement.

Limited Recourse and Non-Petition

The obligations of the Issuer under the Interest Rate Cap Agreement will be limited to the proceeds of enforcement of the Security Interest constituted by the English Deed of Charge and Assignment over the Collateral as applied in accordance with the Collateral Accounts Priority of Payments (as set out in Condition 3(f) (*Collateral Accounts Priority of Payments*)) and any Collateral standing to the credit of the Collateral Accounts shall be applied and delivered by the Issuer (or the Representative of the Noteholders acting on its behalf) solely in accordance with Condition 3(f) (*Collateral Accounts Priority of Payments*), the Intercreditor Agreement, the Agency and Accounts Agreement and the English Deed of Charge and Assignment. The Issuer will have the benefit of non-petition language similar to the language set out in Condition 16 (*Limited recourse and non-petition*).

Termination Provisions

The Interest Rate Cap Agreement may terminate by its terms, whether or not the Notes have been paid in full prior to such termination, upon the occurrence of a number of events, which include:

(a) certain events of bankruptcy, insolvency, receivership or reorganisation of the Issuer or the Interest Rate Hedging Counterparty;

(b) failure on the part of the Issuer or the Interest Rate Hedging Counterparty to make any payment under the Interest Rate Cap Agreement after taking into account the applicable grace period;

(c) a change in law making it illegal for either the Issuer or the Interest Rate Hedging Counterparty to be a party to, or perform its obligations under, the Interest Rate Cap Agreement;

(d) in certain circumstances, upon a change in the regulatory status of the Issuer, as further described in the relevant Hedge Agreement;

(e) any amendment to any provisions of the Transaction Documents without the prior written consent of the relevant Hedge Counterparty which has an adverse effect on its rights or obligations thereunder (as determined by the Interest Rate Hedging Counterparty acting in a commercially reasonable manner), subject to the terms of the relevant Hedge Agreement;

(f) failure by the Interest Rate Hedging Counterparty to comply with the requirements of the Rating Agencies in the event that it (or, as applicable, its guarantor) is subject to a rating withdrawal or downgrade by the Rating Agencies to below the minimum rating requirements set out in the Interest Rate Cap Agreement; and

(a) upon the early redemption in full or acceleration of the Notes.

A termination of the Interest Rate Cap Agreement does not constitute an Event of Default under the Notes (unless the Issuer has failed to perform or observe any of its obligations thereunder in a manner that entitles the Interest Rate Hedging Counterparty to terminate the Interest Rate Cap Agreement) though the repayment in full of the Notes is a termination event under the Interest Rate Cap Agreement.

Upon any such termination, an amount may be due as between the Issuer and the Interest Rate Hedging Counterparty and such amount will be calculated in accordance with the "Loss" method (as defined in the Interest Rate Cap Agreement). The Issuer has the option to enter into a replacement Cap Transaction if such transaction is subject to early termination.

EMIR Reporting

Pursuant the Interest Rate Cap Agreement, the Issuer and the Interest Rate Hedging Counterparty will also enter into an agreement for the delegation by the Issuer of certain derivative transaction reporting obligations to the Interest Rate Hedging Counterparty who shall provide delegated reporting services to it.

Governing Law

The Interest Rate Cap Agreement (together with the Cap Transaction thereunder), including any non-contractual obligations arising out of or in relation thereto, will be governed by, and construed in accordance with, the laws of England.

The other Transaction Documents

For a description of the Transfer Agreements, see "*The Transfer Agreements*", above. For a description of the Servicing Agreement, see "*The Servicing Agreement*", above. For a description of the Warranty and Indemnity Agreement, see "*The Warranty and Indemnity Agreement*", above. For a description of the Agency and Accounts Agreement, see "*The Agency and Accounts Agreement*", above.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES AND ASSUMPTIONS

The estimated weighted average life of the Senior 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 weighted average life of the Senior Notes and was prepared based on the characteristics of the Claims included in the Portfolio as at the Valuation Date of the Second Portfolio and on the following additional assumptions (the "**Modelling Assumptions**"):

(i) no Event of Default occurs;

(ii) no optional redemption under Condition 7(c) (*Redemption, Purchase and cancellation*) is exercised; and

(iii) repayment of principal under the Senior Notes occurs from the first Interest Payment Date after the end of the Revolving Period, falling in August 2019;

(iv) the features of the portfolio as of the end of the Revolving Period corresponds to the features of the portfolio as at the Valuation Date of the Second Portfolio;

(v) all Claims are duly and timely paid and there will be no Defaulted Claims nor Delinquent Claims;

(vi) no repurchase of Claims, nor postponement or suspension of payments of Instalments owed under the Lease Contracts will be made according to the Transaction Documents; and

(vii) the Cash Reserve will amortise as provided for in the Conditions;

Costant Prepayment Rate	Senior Notes Weighted Average Life (Years)	Expected Maturity
0%	3.09	25/10/2021
5%	3.00	25/08/2021
8%	2.96	25/07/2021
10%	2.93	25/06/2021
15%	2.85	25/05/2021

The actual characteristics and performance of the Claims are likely to differ from the Modelling Assumptions used in constructing the table set forth above, which is hypothetical in nature and is provided only to give a general sense of how the principal cash flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Claims will cause the weighted average life and the expected maturity of the Senior Notes to differ (which difference could be material) from the corresponding information in the table.

The expected maturity and the estimated weighted average lives of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates in this section will prove in any way to be realistic and they must therefore be viewed with considerable caution.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy and Italian practice as at the date of this Prospectus and are subject to any changes in law and Italian practice occurring after such date, which changes could be made on a retroactive basis. The following overview, which is applicable only to Noteholders that are beneficial owners of the relevant income from the Notes, does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. This overview will not be updated by the Issuer after the Increase Date to reflect changes in laws after the Increase Date and, if such a change occurs, the information in this overview could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Italian legislative decree No. 239 of 1 April 1996, as subsequently amended and supplemented ("**Decree 239**"), sets out the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**") issued, *inter alia*, by Italian companies incorporated pursuant to article 3 of Law No. 130 of 30 April 1999.

Italian resident Noteholders

Pursuant to Decree 239, where an Italian resident Noteholder, who is the beneficial owner of such Notes, is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has entrusted the management of his financial assets, including the Notes, to an authorised intermediary and has opted for the application of the so- called "*regime del risparmio gestito*" ("**Asset Management Regime**") according to Article 7 of Italian Legislative Decree No. 461 of 21 November, 1997, as amended ("**Decree No. 461**") – see under "*Capital gains tax*" below – where applicable); (ii) a partnership (other than *società in nome collettivo, società in accomandita semplice* or a similar partnership), a *de facto* partnership not carrying out commercial activities or a professional association; (iii) a public or private institution (other than a company), trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or (iv) an investor exempt from Italian corporate income taxation, Interest payments relating to the Notes, accrued during the relevant holding period, is subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Notes). The *imposta sostitutiva* cannot be recovered as a deduction from the income tax due.

If the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from the Italian income tax due.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a non-Italian resident entity 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*, but it must be included in the relevant Noteholder's corporate taxable income and is therefore subject to ordinary Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for purposes of regional tax on productive activities – "**IRAP**").

Italian resident individuals holding Notes not in connection with an entrepreneurial activity who have opted for the Asset Management Regime are subject to a 26 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each fiscal year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the imposta sostitutiva, on Interest 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, paragraph 100-114 of Law No. 232 of 11 December 2016 ("**Law No. 232**").

Where the Noteholder is an Italian S.I.I.Q. (*società di investimento immobiliare quotata*), the ordinary tax regime of Italian companies will apply to any Interest from the Notes; thus, if the Notes are deposited with an authorised Italian intermediary Interest from the Notes will not be subject to *imposta sostitutiva* and it will be included in the taxable income of the Noteholder subject to ordinary Italian corporate taxation.

Interest from the Notes, deposited with an authorised intermediary, made to Italian resident real estate investment funds established pursuant to article 37 of legislative decree No. 58 of 24 February 1998 ("**Decree 58**") or pursuant to article 14-*bis* of law No. 86 of 25 January 1994 set up starting from 26 September 2001, as well as real estate funds incorporated before 26 September 2001, the managing company of which has so requested by 25 November 2001 (the "**Italian Real Estate Fund**") is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Italian Real Estate Fund. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by Italian Real Estate Funds or upon redemption of the units. In certain cases a tax transparency regime may apply in respect of certain categories of investors in the Real Estate Funds owning more than 5 per cent of the fund's units.

Pursuant to article 9 of legislative decree No. 44 of 4 March 2014, the same regime applicable to Real Estate Funds also applies to *società di investimento a capitale fisso* governed by Decree 58 exclusively or primarily investing in real estate in the measures provided under the applicable implementing regulations ("**Real Estate SICAF**").

Where an Italian resident Noteholder is an open-ended or a closed-end investment fund ("**Investement Fund**"), a *società di investimento a capitale variabile* **(**"**SICAV**") or *a società di investimento a capitale fisso* not exclusively or primarily investing in real estate ("**SICAF**") and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by the Investment Fund, the SICAV or the SICAF to certain categories of investors upon distributions, redemption or disposal of the units or the shares.

Where an Italian resident Noteholder is a pension fund subject to the regime provided for by article 17 of Italian legislative decree No. 252 of 5 December 2005, as subsequently amended ("**Pension Fund**") and the Notes are deposited with an authorised intermediary, Interest from the Notes accrued during a tax period will not be subject to *imposta sostitutiva*, but it must be included in the result of the portfolio accrued at the end of the relevant tax period, to be subject to a 20 per cent. substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes).

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), security dealers and other qualified entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (i) be resident in Italy or a permanent establishment in Italy of a non-Italian resident Intermediary or a non-Italian resident operator (such as Euroclear and Clearstream) participating in a system of centralized management of securities which is directly connected with the Department of Revenue of the Ministry of Economy and Finance having appointed, in certain circumstances, an Italian tax representative for the purposes of Decree 239; and (ii) 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 in the ownership of the relevant Notes or a transfer of the Notes to another deposit or account held with the same or another Intermediary.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the Intermediary paying Interest to a Noteholder or, absent that, by the Issuer.

Non-Italian resident Noteholders

According to Decree 239, payments of Interest in respect of the Notes will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that:

(a) such beneficial owners are resident for tax purposes in a State or territory which allows for an adequate exchange of information with the Italian tax authorities and listed in the Ministerial Decree dated 4 September, 1996 as amended from time to time (the "**White List**"). According to Article 11, par. 4, let. c) of Decree 239, the White List will be updated every six months period; and

(b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international bodies or entities set up in accordance with international agreements ratified in Italy; (ii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; or (iii) institutional investors which are established in States or territories included in the White List, even if they are not subject to income tax therein.

In order to ensure payment of Interest in respect of the Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident Noteholders indicated above must:

a) be the beneficial owners of the payments of Interest on the Notes;

b) timely deposit, directly or indirectly, the Notes with an Intermediary; and

c) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder stating, *inter alia*, that he or she is resident, for tax purposes, in a State or territory listed in the White List. Such statement, which must comply with the requirements set forth by Ministerial Decree of 12 December, 2001 (as amended and supplemented), is valid until withdrawn or revoked and does not need to be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. Such statement is not required for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements ratified in Italy and Central Banks or entities that manage, *inter alia*, the official reserves of a foreign State. Additional declarations may be requested to non-Italian resident Noteholders that are institutional investors (see Circular Letter No. 23/E of March 1, 2002 and No. 20/E of March 27, 2003).

The *imposta sostitutiva* will be applicable at the rate of 26 per cent (or at the reduced rate provided for by the applicable double tax treaty, if any) to Interest paid to Noteholders which are resident, for tax purposes, or established in States or territories which do not allow for a satisfactory exchange of information with Italy or to Noteholders which fail to comply in due time with the procedures set forth in Decree 239 and in the relevant implementation rules.

Non-Italian resident Noteholders who are subject to *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Noteholder.

Capital gains tax

Italian resident Noteholders

Any capital gain realized 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 value of production for IRAP purposes) and subject to tax in Italy according to the relevant ordinary tax rules, if realised by (a) Italian resident companies; (b) Italian resident commercial partnerships; (c) permanent establishments in Italy of foreign companies to which the Notes are effectively connected; or (d) Italian

resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity carried out.

Any capital gain realised by an Italian S.I.I.Q. is taxable pursuant to the ordinary regime of Italian resident companies and thus will be treated as part of the taxable income of the Noteholder to be subject to Italian corporate taxation.

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by:

(a) an Italian resident individual not engaged in entrepreneurial activities to which the Notes are connected;

(b) an Italian resident partnership not carrying out commercial activities;

(c) an Italian private or public institution not carrying out mainly or exclusively commercial activities

on any sale or transfer for consideration of the Notes or redemption thereof.

Under the the so called "*regime della dichiarazione*" (the "**Tax Declaration Regime**"), which is the standard regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the 26 per cent. capital gains tax will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year, net of any relevant incurred capital losses, must be detailed in the relevant annual tax return to be filed with the Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant fiscal year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year. Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 published in the Official Gazette No. 143 of 23 June 2014, ("**Decree 66**"), capital losses realized from 1 January 2012 to 30 June 2014 may be offset against capital gains of the same nature realized after 30 June 2014 for an overall amount of 76.92 per cent. of the same capital losses.

As an alternative to the Tax Declaration Regime, Noteholders who are:

(a) Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected;

(b) Italian resident partnerships not carrying out commercial activities;

(c) Italian private or public institutions not carrying out mainly or exclusively commercial activities,

may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale, transfer or redemption of the Notes under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) a specific election for the Administrative Savings Regime being made in writing in due time by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale, transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the Administrative Savings Regime, where a sale, transfer or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from capital gains of the same kind subsequently realised on assets held by the Noteholder within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Pursuant to Decree 66, capital losses realised from 1 January 2012 to 30 June 2014 may be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of 76.92 per cent. of the same capital losses. Under the Administrative Savings Regime, the Noteholder is not required to declare the capital gains in its annual tax return.

Special rules apply if the Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorized intermediary. The capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will be included in the computation of the annual accrued appreciation of the managed portfolio, even if not realised, at year end, subject to the Asset Management Tax to be paid by the managing authorised intermediary. Under the Asset Management Regime, any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation of the managed portfolio accrued in any of the four succeeding tax years. Pursuant to Decree 66, depreciations of the investment portfolio reported during the period from 1 January 2012 to 30 June 2014 may be offset against increase in value of the investment portfolio accrued after that date for an amount equal to 76.92% of the same depreciation.Under the Asset Management Regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of the Notes realized upon sale, transfer or redemption by Italian resident individuals holding the Covered Bonds not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Covered Bonds are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraph 100 – 114, of Law No. 232.

Any capital gains realised by a Noteholder which is an Italian Real Estate Fund or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Italian Real Estate Fund or Real Estate SICAF. A withholding tax may apply in certain circumstances on income realized by the unitholders on distributions or redemption of the units or the shares (where the item of income realised by the investors may include the capital gains on the Notes). In certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund and Real Estate SICAF owning more than 5 per cent of the units or the shares.

Any capital gains realised by a Noteholder which is an Investment Fund, a SICAV or a SICAF will neither be subject to substitute tax nor to any other income tax in the hands of the Investment Fund, the SICAV or a SICAF. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by the Investment Fund, SICAV or a SICAF to certain categories of investors or upon redemption or disposal of the units or the shares.

Any capital gains realised by a Noteholder which is Pension Fund (subject to the regime provided for by article 17 of Italian Legislative Decree No. 252 of 5 December 2005, as subsequently amended) will be included in the result of the portfolio accrued at the end of the tax period, to be subject to a 20 per cent substitute tax.

Non-Italian resident Noteholders

The 26 per cent *imposta sostitutiva* on capital gains may in certain circumstances be payable on capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad and, in certain cases, subject to timely filing of required documentation (in the form of a self- declaration (*autocertificazione*) of non-residence in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not listed on a regulated market in Italy or abroad, pursuant to the provisions of article 5 of Decree 461, non-Italian resident beneficial owners of the Notes without a permanent establishment in Italy to which the Notes are effectively connected are exempt from the substitute tax in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes, if (a) they are resident, for tax purposes, in state or territory listed in the White List as defined above, and (b) all the requirements and

procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they file in due time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies to non-Italian residents investors who are (i) international bodies and organisations established in accordance with international agreements ratified in Italy; (ii) foreign "institutional investors" established in countries or territories included in the White List, even if not subject to income tax therein; and (iii) Central Banks or other entities, which manage, *inter alia*, the official reserves of a foreign State.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to the *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Notes. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gain tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

The Administrative Savings Regime is the standard regime applicable to non-Italian resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but such non-resident noteholders have the option not to apply this regime. Such option may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Italian inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfers of assets and rights, including the Notes (i) by reason of death or gift by Italian resident persons (or other transfers for no consideration and the creation of liens on such assets for a specific purpose, including the segregation on assets into a trust), even if the transferred assets are held outside Italy, and (ii) by reason of death or gift by non-Italian resident persons (or other transfers for no consideration and creation of liens on such assets for a specific purpose, including the segregation of assets into trust), but only if the transferred assets are held in Italy.

In such event, the Italian inheritance and gift tax applies as follows:

a. At a rate of 4 per cent, in case of transfers in favour of the spouse or relatives in direct line on the portion of the global net value of the transferred assets exceeding, for each beneficiary, € 1,000,000;

b. At a rate of 6 per cent, in case of transfers in favour of relatives up to the fourth degree or relative in-law up to the third degree on the entire value of the transferred assets. Transfer in favour of broters/sisters are subkect to the 6v per cent. Inheritance and gift tax on the value of the transferred assets exceeding, for each beneficiary, € 100,000; and

c. At the rate of 8 per cent, in any other case.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding €1,500,000 at the rates shown above, depending on the type of relationship existing between the deceased or donor and the beneficiary.

As from 1 January 2017, the segregation of the rights and assets, including the Notes, in a trust, a fiduciary contract pursuant t article 1, paragraph 3 of Law No. 112 of 22 June 2016 or the earmarking of the Notes under article 2645-ter of the Italian civil code, will be exempt form the Italian inheritance and gift tax if such segregation of the Notes into a trust, a fiduciary contract pursuant to article 1, paragraph 3 of Law No.

112 of 22 June 2016 or such earmarking of the Notes under article 2645-ter of the Italian civil code are exclusively made in favour of persons with the severe disabilities and *provided that* al the conditions set out in article 6 of Law No. 112 of 22 June 2016 are properly met. The exemption also applies to the re-transfer of the Notes to the persons who have segregated the Notes in a trust, a fiduciary contract pursuant to article 1 paragraph 3 of Law No. 112 of 22 June 2016 or the earmarking of the Notes under article 2645-ter of the Italian civil code, if the death of the Beneficiaries occurs before the death of the Settlors.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average trading price of the last quarter preceding the date of the of the succession or of the gift (including any accrued interest).

Moreover, an anti-avoidance rule is provided for in case of gift of assets, including the Notes, whose sale for consideration would give rise to capital gains to be subject to the *imposta sostitutiva* provided for by legislative Decree 461. In particular, if the donee sells the Notes for consideration within five years from receipt of the gift, the beneficiary is required to pay the relevant *imposta sostitutiva* as if the gift had never taken place.

Transfer tax

Contracts relating to the transfer of securities are subject to registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in a "*caso d'uso*" event, "*enunciazione*" event or in the event of voluntary registration, as defined by Decree 131/1986.

Stamp duty

Pursuant to Article 13 par. 2 *ter* of the tariff Part I attached to Presidential Decree No. 642 of 26th October, 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument (including the Notes), which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not individuals.

This stamp duty is applied on the market value, or if the market value cannot be determined, on the face value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase value of securities and financial products (including banking bonds, *obbligazioni* and capital adequacy financial instruments) held. The statement is deemed to be sent at least once a year, even for instruments for which is not mandatory nor the deposit of the financial instruments nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24th May, 2012, the stamp duty applies to any investor who is a client (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.

Wealth tax on securities deposited abroad

Pursuant to Article 19, paragraphs 18-23, of Decree No. 201 of 6 December, 2011, Italian resident individuals holding certain financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at a rate of 0.2 per cent.

This tax is calculated on the fair market value of the Notes at the end of the relevant year or, if no fair market value figure is available, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase price of any financial asset (including the Notes) held abroad by Italian resident individuals. If the financial products are no longer held on 31 December of the relevant year, reference is made to the value in the period of ownership. A tax credit is granted for any similar foreign property tax levied abroad on such financial assets.

Tax monitoring obligations

Pursuant to law decree No. 167 of 28 June 1990, as subsequently amended andsupplemented, (a) Italian resident individuals, (b) non-commercial partnerships and non-commercial entities which are resident in

Italy for tax purposes, are required to report in their yearly income tax return, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

The above reporting is not required to comply with respect to: (i) Notes deposited for management with qualified Italian intermediaries; (ii) contracts entered into through their intervention, *provided that* the relevant tax on the income derived from the Notes is applied 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.

The proposed European financial transactions tax ("EU FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") to be implemented by Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia only (the "**Participating Member States**") However, Estonia has ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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

The FTT would impose a charge at generally not less than 0.1% of the sale price on such transactions.

However, the FTT proposal remains subject to negotiation between the Participating Member States and the scope of any such tax is uncertain.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Existing Notes were subject of a private placement. No offer or placement took place in relation to the Existing Notes. In particular, the Existing Class A Notes were purchased and subscribed by the Class A Notes Subscribers and the Existing Class B Notes were purchased and subscribed by IFIS Leasing.

Each Class A Notes Subscriber agreed, pursuant to a subscription agreement dated the Signing Date between the Issuer, IFIS Leasing, the Class A Notes Subscribers and the Representative of the Noteholders (the "**Class A Notes Subscription Agreement**") to subscribe and pay the Issuer for the Existing Class A Notes at the issue price of 98.9812 per cent. of the aggregate principal amount of the Existing Class A Notes.

IFIS Leasing (in such capacity, the "**Junior Notes Subscriber**") agreed, pursuant to a subscription agreement dated the Signing Date between the Issuer, the Representative of the Noteholders and the Junior Notes Subscriber (the "**Junior Notes Subscription Agreement**"), to subscribe and pay the Issuer for the Existing Class B Notes at the issue price of 100 per cent. of the aggregate principal amount of the Existing Class B Notes.

On 10 February 2017 Banca IFIS purchased all of the Existing Class A Notes and, as a consequence, Banca IFIS became the sole holder of the Existing Class A Notes then outstanding.

The Notes (as increased) will be subject of a private placement. No offer or placement will take place in relation to the Notes (as increased). In particular, the Senior Notes Icreased Notional Amount will be subscribed by Banca IFIS and the Junior Notes Increased Notional Amount will be subscribed by IFIS Leasing.

Banca IFIS (in such capacity, the "**Senior Notes Increase Subscriber**") and IFIS Leasing (in such capacity, the "**Junior Notes Increase Subscriber**" and, together with the Senior Notes Increase Subscriber, the "**Notes Increase Subscribers**") have agreed, pursuant to a subscription agreement dated on or about the Increase Date between Banca IFIS, IFIS Leasing, the Issuer and the Representative of the Noteholders (the "**Second Subscription Agreement**"), to subscribe, respectively, for: (i) the Senior Notes Increased Notional Amount at a subscription price of 100 per cent. of the principal amount of the Senior Notes Increased Notional Amount; and (ii) the Junior Notes Increased Notional Amount at a subscription price of 100 per cent. of the principal amount of the Junior Notes Increased Notional Amount.

The Second Subscription Agreement is subject to a number of conditions and may be terminated in certain circumstances prior to payment to the Issuer for the Senior Notes Increased Notional Amount and the Junior Notes Increased Notional Amount.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has represented, warranted and undertaken that it has not offered or sold the Notes and will not offer or sell any Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than

in accordance with an available exemption from registration under the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Issuer has not registered with the SEC as an investment company pursuant to the Investment Company Act. Because the Issuer intends to rely on the exemption from registration set out in Section 3(c)(7) of the Investment Company Act, any U.S. Person that acquires a direct or indirect interest in any of the Notes will be required to represent that such U.S. Person is a Qualified Purchaser as such term is defined in, and for purposes of the Investment Company Act.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other offering material relating to the Notes be distributed in the Republic of Italy, other than:

(a) to "**Qualified Investors**" pursuant to article 100 of Italian legislative decree No. 58 of 24 February 1998 (the "**Financial Services Act**") and to article 2(e) paragraphs (i), (ii) and (iii) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003; or

(b) in any other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Financial Services Act or CONSOB Regulation No. 11971 of 14 May 1999, as amended,

provided that, in any case, the offer or sale of the Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and the Banking Act; and

(b) in compliance with any applicable notification requirement or limitation under article 129 of the Banking Act or which may be imposed by any applicable laws, the Bank of Italy or CONSOB; and

(c) in compliance with the banking transparency requirements set forth in the Banking Act and the implementing regulations and decrees; and

(d) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy.

In addition to the foregoing and according to article 100-*bis* of the Financial Services Act even when an offer, sale or delivery of Notes is made to "**Qualified Investors**" as defined by CONSOB or under an express exemption provided by article 100 of the Financial Services Act and Article 33 of CONSOB Regulation No. 11971 of 14 May 1999 as amended, the subsequent distribution of Notes not falling within one of those exemptions must comply with the "**offer to the public**" restrictions provided by the Financial Services Act and CONSOB regulations.

For the purposes of this provision, the expression an 'offer of the Notes to the public' means any communication in any form and by any means of sufficient information on the terms of the offer including the placement through authorised intermediaries.

In no event may the Junior Notes be sold or offered for sale (on the Issue Date or at any time thereafter) to individuals (*persone fisiche*) residing in the Republic of Italy.

United Kingdom

The Senior Notes Increase Subscriber has represented and agreed that:

(a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the increase of the Existing Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

General

Each of the Notes Increase Subscribers and the Issuer have represented, warranted and undertaken that no action has been taken by them that would, or is intended to, permit a public offer of the Notes or possession or distribution of the Prospectus or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, pursuant to the Second Subscription Agreement, each of the Notes Increase Subscribers has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish the Prospectus or any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

REGULATORY DISCLOSURE AND RETENTION

Undertaking Retention statement

Under the terms of the Junior Notes Subscription Agreement and the Intercreditor Agreement the Originator has undertaken to the Issuer and the Representative of the Noteholders that it will:

(a) maintain on an ongoing basis a material net economic interest of at least 5 per cent. in the Securitisation in accordance with option (1)(d) of article 405 of the CRR and Part IV, Chapter 8 of the Bank of Italy's guidelines No. 288 of 3 April 2015 (*Disposizioni di vigilanza per gli intermediari finanziari*), as subsequently amended (the "**Instructions**", option (1)(d) of article 51 the AIFM Regulation and option 2(d) of Article 254 of the Solvency II Regulation (or any permitted alternative method thereafter) so long as the Notes are outstanding. As at the Issue Date, such interest will be comprised of an interest in the Junior Notes which is not less than 5 per cent. of the nominal value of the securitised exposures;

(b) disclose that it continues to fulfil the obligation to maintain the material net economic interest in the Securitisation in accordance with option (1)(d) of article 405 of the CRR and Part IV, Chapter 8, Section 4 of the Instructions, option (1)(d) of article 51 the AIFM Regulation and option 2(d) of Article 254 of the Solvency II Regulation and give relevant information to the Noteholders and prospective investors in this respect on a monthly basis through the Investors' Report;

(c) comply with the disclosure obligations imposed on sponsor and originator credit institutions under the Bank of Italy's guidelines No. 288 of 3 April 2015 (*Disposizioni di vigilanza per gli intermediari finanziari*), Part IV, Chapter 8, Section III, as subsequently amended, on the implementation of the CRR;

(d) ensure that Noteholders and prospective investors have readily available access to all information as it would be necessary to conduct comprehensive and well informed stress tests and to fulfil their monitoring and due diligence duties under articles 405 and following of the CRR;

(e) notify to the Restructuring Arranger, the Initial Arrangers and the Noteholders any change to the manner in which the material net economic interest set out above is held, to the extent this is permitted under any applicable regulation; and

(f) use its best endeavours to make available all such additional information in its possession which may be reasonably required by Rating Agencies or regulatory authorities in connection with items (a) to (e) above.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with each of Part Five of the CRR (including article 405), Section Five of Chapter III of the AIFM Regulation (including Article 51) and Chapter VIII of the Solvency II Regulation (including article 254) and any corresponding national measure which may be relevant and none of the Issuer, the Restructuring Arranger or the other parties to the Transaction Documents makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition each prospective Noteholder should ensure that it complies with the implementing provisions in respect of Part Five of the CRR (including articles 405 and 406), Section Five of Chapter III of the AIFM Regulation (including Article 51) and Chapter VIII of the Solvency II Regulation (including article 254) (as the case may be) in its relevant jurisdiction. Investors Fwho are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Please refer to the paragraph entitled "Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes" in the section entitled "Risk Factors" for further information on the implications of the Regulatory Disclosure for certain investors in the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Prospectus, and may be inspected during normal business hours at the registered office of the Issuer and of the Representative of the Noteholders:

Documents	Information contained	Reference Page
Financial statement of the Issuer as of 31 December 2016	- Report of the Sole Director	Page 3
	- Balance sheet as at 31 December 2016	Page 12
	- Income statement (Profit and Loss Account)	Page 12
	- Notes to financial statements	Page 17
Auditor's report		Entire document

The Prospectus and the documents incorporated by reference will be available on the Luxembourg Stock Exchange website (www.bourse.lu).

The information incorporated by reference in this Prospectus that it is not included in the cross-reference list above is considered additional information and is not required by the relevant schedule of the Prospectus Regulation and is either not relevant for prospective investors or covered elsewhere in this Prospectus.

GENERAL INFORMATION

Authorisation

The issue of the Existing Notes has been authorised by resolutions of the quotaholder's meeting of the Issuer passed on 28 November 2016.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Existing Notes.

The increase of the Existing Notes by the Senior Notes Increased Notional Amount and the Junior Notes Increased Notional Amount, respectively, has been authorised by resolutions of the quotaholder's meeting of the Issuer passed on 11 July 2017.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the increase of the notional amount of the Existing Notes by the Senior Notes Increased Notional Amount and the Junior Notes Increased Notional Amount, respectively, and the performance of the Existing Notes.

Funds available to the Issuer

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be from collections made in respect of the Portfolio.

Clearing systems

The Senior Notes have been accepted for clearance through Monte Titoli by Euroclear and Clearstream, Luxembourg. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg. The ISINs and the Common Code for the Notes are as follows:

	Class A Notes	Class B Notes
ISIN	IT0005224800	IT0005224818
COMMON CODE	153493634	/

No significant change

Save as disclosed in this Prospectus in section headed "*The Issuer - Capitalisation"*, there has been no significant change in the financial or trading position of the Issuer since 31 December 2016.

No material contracts or arrangements, other than those disclosed in this Prospectus, have been entered into by the Issuer since the date of its incorporation.

Legal and arbitration proceedings

The Issuer is not involved in any legal, governmental or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since its incorporation significant effects on the financial position or profitability of the Issuer.

Accounts

The Issuer will produce, and will make available at its registered office, proper accounts (*ordinata contabilità interna*) and audited (to the extent required) financial statements in respect of each financial year (commencing on 1st January and ending on 31 December) but will not produce interim financial statements.

Borrowings

Save as disclosed in this Prospectus in section headed "*The Issuer – Quota Capital*", as at the date of this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

Documents

Copies of the following documents will, when published, be available in physical form for inspection free of charge during usual office hours on any Business Day at the registered office of the Issuer and the Specified Offices of, respectively, the Representative of the Noteholders and the Paying Agent (as set forth in Condition 17 (*Notices*)) for the life of this Prospectus:

(a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;

(b) the annual audited (to the extent required) financial statements of the Issuer. The next annual financial reports will relate to the financial year ended on 31 December 2017 and will be available within 120 days as of 31 December 2017. The financial statements and the financial reports are drafted in Italian;

(c) the Investor Reports;

(d) the Servicer Report setting forth the performance of the Claims and Collections made in respect of the Portfolio prepared by the Servicer; and

(e) copies of the following documents:

(i) the Class A Notes Subscription Agreement;

(ii) the Junior Notes Subscription Agreement;

(iii) the Agency and Accounts Agreement;

(iv) the Mandate Agreement;

(v) the Interest Rate Cap Agreement;

(vi) the Intercreditor Agreement;

(vii) the English Deed of Charge and Assignment;

(viii) the Corporate Services Agreement;

(ix) the Quotaholder's Commitment;

(x) the Original Transfer Agreement;

(xi) the Servicing Agreement;

(xii) the Back-up Servicing Agreement;

(xiii) the Warranty and Indemnity Agreement;

(xiv) the Master Transfer Agreement;

(xv) the Second Subscription Agreement; and

(xvi) the Prospectus.

Any references to websites and website addresses (and the contents thereof) do not form part of this Prospectus.

Notes freely transferable

The Senior Notes shall be freely transferable.

Annual fees

The estimated annual fees and expenses payable by the Issuer in connection with the transaction described herein amount to approximately €200,000, excluding all fees payable to the Servicer under the Servicing Agreement, *plus* any VAT if applicable.

INDEX OF DEFINED TERMS

ISSUER

Indigo Lease S.r.l. via
Vittorio Alfieri,1 I-31015
Conegliano (Treviso) Italy

ORIGINATOR AND SERVICER

IFIS Leasing S.p.A.
via Vecchia di Cuneo
136, Loc. Pogliola, Mondovi (CN)
Italy

REPRESENTATIVE OF THE NOTEHOLDERS

Securitisation Services S.p.A.
via Vittorio Alfieri, 1
I-31015 Conegliano (Treviso)
Italy

ACCOUNT BANK

BNP Paribas Securities Services, Milan branch
Piazza Lina Bo Bardi, 3, 2
0124 Milan, Italy

PAYING AGENT AND AGENT BANK

BNP Paribas Securities Services, Milan branch
Piazza Lina Bo Bardi, 3,
20124 Milan,
Italy

INTEREST RATE HEDGING COUNTERPARTY

Citibank, N.A. London Branch
Citigroup Centre, Canada Square, Canary Wharf,
London E14 5LB
United Kingdom

BACK-UP SERVICER, COMPUTATION AGENT AND CORPORATE SERVICES PROVIDER

Securitisation Services S.p.A.
via Vittorio Alfieri, 1
I-31015 Conegliano (Treviso)
Italy

LEGAL ADVISERS

Studio Legale Associato in associazione con Clifford Chance
Piazzetta M. Bossi, 3
20121 Milan

To the Issuer and the Originator as to Italian law