VELA CONSUMER 2 S.R.L.

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

€477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035

Issue Price: 100 per cent

Application has been made to the *Commission de surveillance du secteur financier* ("**CSSF**"), which is the competent authority in the Grand Duchy of Luxembourg for the purposes of Directive 2003/71/EC (as subsequently amended, the "**Prospectus Directive**") and relevant implementing measures in the Grand Duchy of Luxembourg, for approval of this Prospectus in relation to €477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035 (the "**Senior Notes**") of Vela Consumer 2 S.r.l., a *società a responsabilità limitata* organised under the laws of the Republic of Italy. This document constitutes a *"prospectus"* for the purpose of article 5.3 of the Prospectus Directive and article 8 of the Luxembourg law on prospectuses for securities of 10 July 2005 (as amended and supplemented from time to time, the "**Luxembourg Law on Prospectus for Securities**") implementing the Prospectus Directive in the Grand Duchy of Luxembourg, and a *"prospetto informativo"* for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time. Application has been made to the Luxembourg stock exchange (the "**Luxembourg Stock Exchange**") for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*" which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC. In connection with the issue of the Senior Notes, the Issuer will also issue the €123,525,000 Class J Asset Backed Variable Return Notes due October 2035 (the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"). No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor this Prospectus will be approved by the CSSF in relation to the Junior Notes. By approving this Prospectus, the CSSF does not give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer, consistently with the provisions of article 7, sub-section 7, of the Luxembourg Law on Prospectus for Securities. The Notes will be issued on 6 December 2017 (the "**Issue Date**").

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of consumer loan agreements entered into by Banca Nazionale del Lavoro S.p.A., as Originator, and certain Debtors, and purchased by the Issuer from the Originator pursuant to the Receivables Purchase Agreement. The Issuer has purchased the Portfolio on 16 October 2017.

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

Interest on the Senior Notes will be payable by reference to successive Interest Periods. Interest on the Senior Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable quarterly in arrears in Euro on 26 January, 26 April, 26 July and 26 October in each year (or, if any such day is not a Business Day, on the immediately following Business Day or, if the immediately following Business Day falls in another month, the immediately preceding Business Day). The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the rate of 0.70 per cent per annum.

The Senior Notes are expected, on issue, to be rated "A(high) (sf)" by DBRS Ratings Limited and "A+ (sf)" by Fitch Italia - Società Italiana per il Rating S.p.A. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** As of the date hereof, DBRS Ratings Limited and Fitch Italia - Società Italiana per il Rating S.p.A. are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) number 462/2013 (the "**CRA Regulation**"), as it appears from the list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

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

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Principal Paying Agent, the Corporate Servicer, the Listing Agent, the Sole Arranger, the Underwriter, the Stichting Corporate Services Provider or the Quotaholder. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes will at all times be evidenced by book-entries in accordance with the provisions of article 83-*bis* of the Financial Laws Consolidation Act and the regulation issued jointly by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* on 22 February 2008, as subsequently amended and supplemented. No physical document of title will be issued in respect of the Notes.

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 8 (*Redemption, purchase and cancellation*)). Save for the fact that in any event full redemption will have to occur on the Final Maturity Date, there is no predetermined fixed duration of the Notes the actual maturity of which is therefore uncertain. The Notes will start to amortise on the Payment Date falling in April 2018, subject to there being sufficient Issuer Available Funds and in accordance with the Priority of Payments.

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

Capitalised words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the meanings set out in the section entitled "*Glossary*". The content of any website or webpage mentioned in this Prospectus does not form part of this Prospectus.

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

Sole Arranger and Underwriter

BANCA NAZIONALE DEL LAVORO S.P.A.

None of the Issuer, the Sole Arranger, the Underwriter or any other party to the Transaction Documents other than the Originator has undertaken or will undertake any investigation, searches or other actions to verify the details of the Receivables sold by the Originator to the Issuer, nor has any of the Issuer, the Sole Arranger, the Underwriter or any other party to the Transaction Documents (other than the Originator) undertaken, nor will they undertake, any investigations, searches, or other actions to establish the creditworthiness of any Debtor. In the Warranty and Indemnity Agreement the Originator has given certain representations and warranties to the Issuer in relation to, inter alia*, the Receivables, the Loan Agreements and the Debtors.*

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

Banca Nazionale del Lavoro S.p.A. has provided the information under the sections "The Portfolio", "The Originator, the Servicer and the Account Bank", "Credit and Collection Policy" *and* "Description of the Transaction Documents - The Servicing Agreement" *and any other information contained in this Prospectus relating to itself, the Receivables and the Loan Agreements and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Banca Nazionale del Lavoro S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

Securitisation Services S.p.A. has provided the information under the section "The Representative of the Noteholders, the Calculation Agent, the Back-up Servicer Facilitator and the Corporate Servicer" *and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Securitisation Services S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

BNP Paribas Securities Services, Milan branch has provided the information included in this Prospectus in the section entitled "The Principal Paying Agent" *and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of BNP Paribas Securities Services, Milan branch (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Account Bank, the Stichting Corporate Services Provider and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts deriving from the Portfolio and the other Segregated Assets will not be available

*to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as outlined in Condition 6 (*Priority of Payments*).*

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

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any other state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold within the United States or for the benefit of U.S. persons (as defined in Regulation S under the Securities Act).

*The Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering circular or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the Grand Duchy of Luxembourg, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section entitled "*Subscription, Sale and Selling Restrictions*" below.*

Certain monetary amounts and currency conversions included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.

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

*In this Prospectus, unless otherwise specified, references to "**EUR**", "**euro**", "**Euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended. Unless otherwise specified or where the context requires, references to laws and regulations are to the laws and regulations of Italy.*

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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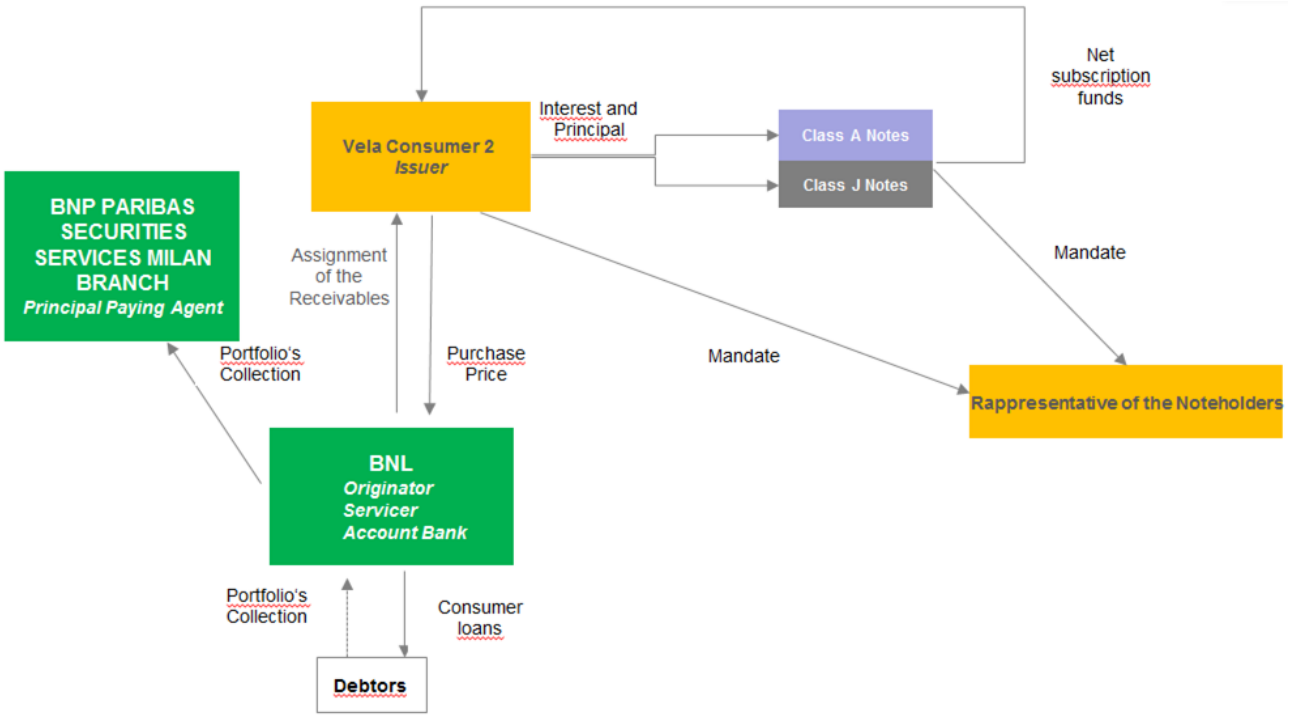
TRANSACTION DIAGRAM

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



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.

1. THE PRINCIPAL PARTIES

Issuer	**VELA CONSUMER 2 S.R.L.**, a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000 fully paid up, fiscal code, VAT number and enrolment with the companies register of Treviso - Belluno number 04883780266, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017, having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.
Originator	**BANCA NAZIONALE DEL LAVORO S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Viale Altiero Spinelli, 30, 00157 Rome, Italy, fiscal code and enrolment with the companies register of Rome number 09339391006, share capital of euro 2,076,940,000.00 fully paid up, enrolled under number 1005 in the register of banks held by Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the direction and coordination activities (*soggetta all'attività di direzione e coordinamento*) activities of its sole shareholder BNP Paribas S.A.
Servicer	**BANCA NAZIONALE DEL LAVORO S.P.A.** The Servicer will act as such pursuant to the Servicing Agreement.
Representative of the Noteholders	**SECURITISATION SERVICES S.P.A.**, a company incorporated under the laws of the Republic of Italy as a *società per azioni* with sole shareholder, share capital of euro 2,000,000.00 fully paid-up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso - Belluno number 03546510268, currently enrolled under number 50 in the register (*Albo degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) pursuant to article 2497 of the Italian civil code of Banca Finanziaria Internazionale S.p.A. The Representative of the Noteholders will act as such pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement.

Calculation Agent	**SECURITISATION SERVICES S.P.A.** The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Back-up Servicer Facilitator	**SECURITISATION SERVICES S.P.A.** The Back-up Servicer Facilitator will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Principal Paying Agent	**BNP PARIBAS SECURITIES SERVICES, MILAN BRANCH**, a company organised and incorporated under the laws of the Republic of France, having its registered office at 3, Rue d'Antin, 75002 Paris, France, acting through its Milan branch, with offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, fiscal code and enrolment in the companies' register of Milan number 13449250151, enrolled under number 5483 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act. The Principal Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Account Bank	**BANCA NAZIONALE DEL LAVORO S.P.A.** The Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Corporate Servicer	**SECURITISATION SERVICES S.P.A.** The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Quotaholder	**STICHTING BARYSHNIKOV**, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands, having its registered office at Barbara Strozzilaan, 101 1083 HN Amsterdam, The Netherlands, enrolment with the Dutch chamber of commerce under number 68227590.
Stichting Corporate Services Provider	**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**, a private limited liability company incorporated under the laws of England and Wales, having its registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF United Kingdom, and registered in England and Wales at no.02548079.
Sole Arranger	**BANCA NAZIONALE DEL LAVORO S.P.A.**
Underwriter	**BANCA NAZIONALE DEL LAVORO S.P.A.**

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
Senior Notes	€477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035

Junior Notes	€123,525,000 Class J Asset Backed Variable Return Notes due October 2035
Issue price	The Notes will be issued at the following percentages of their principal amount:

Class	*Issue Price*
Class A	100 per cent
Class J	100 per cent

Interest on the Senior Notes	The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the rate of 0.70 per cent per annum. Interest in respect of the Senior Notes will accrue on a daily basis and will be payable in arrears in Euro on each Payment Date in accordance with the relevant Priority of Payments. The first payment of interest in respect of the Senior Notes will be due on the Payment Date falling in April 2018 in respect of the period from (and including) the Issue Date to (but excluding) such date.
Variable Return on the Junior Notes	A Variable Return may or may not be payable on the Junior Notes on each Variable Return Payment Date, in accordance with the Junior Notes Conditions. Prior to the service of a Trigger Notice, the Variable Return payable on the Junior Notes on each Variable Return Payment Date will be determined by reference to the residual Interest Available Funds (if any) after satisfaction of the items ranking in priority to the Variable Return on the Junior Notes pursuant to the Interest Priority of Payments. After the service of a Trigger Notice, the Variable Return payable on the Junior Notes shall be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority thereto pursuant to the Post Trigger Notice Priority of Payments.
Junior Notes Conditions	Except for Junior Notes Conditions 3 (*Denomination*), 7 (*Variable Return*) and 8.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), the terms and conditions of the Junior Notes are the same, *mutatis mutandis*, as the Senior Notes Conditions.
Form and denomination	The denomination of the Senior Notes and of the Junior Notes will be, respectively, €100,000 and €1,000. The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders. The Notes will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes will at all times be in book entry form and title to the

	Notes will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Financial Laws Consolidation Act and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.
Ranking, status and subordination	The Senior Notes will at all times rank without preference or priority *pari passu* among themselves for all purposes. The Junior Notes will at all times rank without preference or priority *pari passu* among themselves for all purposes. Both prior to and following the delivery of a Trigger Notice, payments of interest and principal due on the Senior Notes will rank in priority to payments of principal and Variable Return due on the Junior Notes. The Issuer has created the Cash Reserve with part of the proceeds of the issue or the Junior Notes in order to provide liquidity and credit support to the Senior Notes. If, on any Calculation Date, the amounts standing to the credit of the Cash Reserve Account exceed the Required Cash Reserve Amount then, on the immediately following Payment Date, the portion of such excess (if any) which is not going to be used on such Payment Date as Cash Reserve Available Amount shall not constitute Issuer Available Funds and the Issuer shall pay directly to the Junior Noteholders such amounts as repayment of principal on the Junior 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 and Variable Return 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 the section headed "*Taxation*".
Mandatory redemption	The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date in accordance with the Conditions, in each case if on such dates there are sufficient Principal Available Funds which may be applied for this purpose in accordance with the Priority of Payments.

Optional redemption

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part, the Junior Noteholders' having consented to such partial redemption) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the Issuer:

(i) giving not more than 60 and not less than 30 days' prior written notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes of each Class which are to be redeemed; and

(ii) delivering, prior to the notice referred to in paragraph (i) 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 Payment Date 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 Trigger Notice 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 Trigger Notice Priority of Payments.

Redemption for tax reasons

Provided that no Trigger Notice has been served on the Issuer, upon the imposition, at any time, of:

(i) any Tax Deduction in respect of any payment to be made by the Issuer (other than in respect of a Decree 239 Deduction); or

(ii) 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 Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables),

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

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

a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds, not subject to the interests of any other person, 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 Trigger Notice 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 Trigger Notice Priority of Payments,

the Issuer may, in accordance with the Post Trigger Notice Priority of Payments and subject to as provided in the Conditions, redeem in whole (but not in part) the Senior Notes and in whole (or in part, the Junior Noteholders' having consented to such partial redemption) the Junior Notes at their Principal Amount Outstanding together with accrued and unpaid interest up to and including the relevant Payment Date.

Redemption at Final Maturity Date

Unless previously redeemed in full or cancelled, 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.

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them (together, the "**Segregated Assets**") 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 and the other Segregated Assets 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 Portfolio and the other Segregated Assets 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 a Trigger Notice or, subject to the fulfilment of certain conditions, 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, the other Segregated Assets and the Issuer's Rights. Italian law governs the delegation of such powers.

Trigger Events

If any of the following events occurs:

(i) *Non-payment:*

the Issuer defaults in the payment of the amount of interest and/or principal due and payable on the Most Senior Class of Notes and such default is not remedied within a period of five Business Days from the due date thereof; or

(ii) *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of interest and/or principal on the Most Senior Class of Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

(iii) *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

(iv) *Unlawfulness:*

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,

then the Representative of the Noteholders may, in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, shall serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following

which all payments of principal, interest, Variable Return and other amounts due in respect of the Notes shall be made according to the order of priority set out in Condition 6.2 and described under "*Post Trigger Notice Priority of Payments*" below and on such dates as the Representative of the Noteholders may determine.

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 and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular:

(i) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer, provided however that this provision shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for, or to making an administration order against, or to the winding up or liquidation of, the Issuer;

(ii) until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless a Trigger Notice has been served or an Insolvency Event 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 the Rules, provided further that this provision 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; and

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

Limited recourse obligations of 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 in priority to or *pari passu* with sums payable to such Noteholder; and

(iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets 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, who is appointed by the Underwriter in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.
Rating	The Senior Notes are expected, on issue, to be rated "A(high) (sf)" by DBRS Ratings Limited and "A+ (sf)" by Fitch Italia - Società Italiana per il Rating S.p.A. It is not expected that the Junior Notes will be assigned a credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** As of the date hereof, DBRS Ratings Limited and Fitch Italia - Società Italiana per il Rating S.p.A. are established in the European Union and are registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013 (the "**CRA Regulation**"), as it appears from the list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.
Approval, listing and admission to trading	This Prospectus has been approved by the CSSF as a prospectus issued in compliance with the Prospectus Directive. Application has been made for the Senior Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. No application has been made to list or admit to trading the Junior Notes on any stock exchange.
Governing Law	The Notes and any non-contractual obligations arising out thereof will be governed by Italian Law.

3. **ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS**

Issuer Available Funds

The Issuer Available Funds, in respect of any Payment Date, are constituted by the aggregate of the Interest Available Funds and the Principal Available Funds. For the avoidance of doubt, following the delivery of a Trigger Notice or upon redemption in full of all the Notes, the Issuer Available Funds, in respect of any Payment Date, shall also comprise any other amount standing to the credit of the Accounts.

Interest Available Funds

The Interest Available Funds are, in respect of any Payment Date, constituted by the aggregate of:

(i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Quarterly Collection Period and credited into the Collection Account (excluding, in the case of the first Quarterly Collection Period, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and the Initial Expenses Amount) and, if such Payment Date is a Variable Return Payment Date, the portion of Variable Return retained on the Payment Date immediately preceding such Variable Return Payment Date;

(ii) all Recoveries collected by the Servicer during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(iii) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Quarterly Collection Period;

(iv) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(v) all amounts standing to the credit of the Interest Reserve Account on such Payment Date;

(vi) the Cash Reserve Available Amount (if any), on such Payment Date; and

(vii) any amount allocated on such Payment Date under items *First* and *Seventh* of the Principal Priority of Payments.

Principal Available Funds

The Principal Available Funds are, in respect of any Payment Date, constituted of the aggregate of:

(i) all amounts collected by the Servicer in respect of the

Receivables on account of principal during the immediately preceding Quarterly Collection Period and credited to the Collection Account, including, in the case of the first Quarterly Collection Period, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and the Initial Expenses Amount;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement during the immediately preceding Quarterly Collection Period;

(iii) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Sixth* of the Interest Priority of Payments, pursuant to the Senior Notes Conditions;

(iv) all the proceeds deriving from the sale, if any, of the Portfolio;

(v) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (excluding any amount received from the sale, if any, of the Portfolio but including any proceeds deriving from the enforcement of the Issuer's Rights);

(vi) amounts under item *Eighth* of the Interest Priority of Payments on such Payment Date;

(vii) any amount allocated on such Payment Date under item *Fifth* of the Interest Priority of Payments;

(viii) any amount set aside on the Payments Account on the immediately preceding Payment Date under item *Fifth* of the Principal Priority of Payments; and

(ix) after full redemption of the Senior Notes or the delivery of a Trigger Notice, any amount standing to the credit of the Expenses Account and, after the delivery of a Trigger Notice, any amount standing to the credit of the Cash Reserve Account.

Interest Priority of Payments prior to the delivery of a Trigger Notice

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Condition 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Interest Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent

that payments of a higher priority have been made in full):

First, (a) to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period), and (b) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Second, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and any indemnity amount properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents, and (b) any amount due and payable on account of remuneration, fees, indemnity payments or reimbursement of expenses on such Payment Date to the Account Bank, the Back-up Servicer Facilitator, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer and the Stichting Corporate Services Provider;

Third, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fourth, to transfer to the Interest Reserve Account an amount equal to the Interest Reserve on such Payment Date;

Fifth, to transfer to the Principal Available Funds any amount paid on the preceding Payment Dates under item *First* of the Principal Priority of Payments and not yet repaid pursuant to this item;

Sixth, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, of the Principal Deficiency Ledger is reduced to zero;

Seventh, to transfer any amounts to the Cash Reserve Account in order to make up any shortfall in the Required Cash Reserve Amount;

Eighth, if a Class J Trigger Event has occurred, to apply all remaining Interest Available Funds to pay any amount payable under the Principal Priority of Payment on such Payment Date; and

Ninth, (i) if such Payment Date is a Variable Return Payment Date, to pay the Variable Return on the Junior Notes, and (ii) on any Payment Date which is not a Variable Return Payment Date, to retain any residual amount in the Collection Account.

Principal Priority of Payments prior to the

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Condition 8.1 (*Redemption, Purchase and Cancellation* –

delivery of a Trigger Notice	*Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Principal Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full): *First*, to pay any amount payable under items *First* to *Third* (inclusive) under the Interest Priority of Payments, to the extent that the Interest Available Funds are not sufficient on such Payment Date to make such payments in full; *Second*, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Senior Notes; *Third*, to pay to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the Receivables Purchase Agreement; *Fourth*, to pay to any party to the Transaction Documents, *pari passu* and *pro rata*, any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments; *Fifth*, if a Class J Trigger Event has occurred, to credit to the Payments Account any amount not paid in respect of principal on the Notes as a result of rounding adjustments requested by Monte Titoli; *Sixth*, to pay, *pari passu* and *pro rata*, principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount; *Seventh*, until the Payment Date on which the Notes are redeemed in full, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full; and *Eighth*, on the Payment Date on which the Notes are redeemed in full, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.
Post Trigger Notice Priority of Payments	On each Payment Date following the delivery of a Trigger Notice and upon redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, if the relevant Trigger Event is not an Insolvency Event, (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses, and (b) to credit into the Expenses Account such an amount to bring the balance of such account up to (but not exceeding) the Retention Amount;

Second, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) any amount due and payable on account of remuneration, fees, indemnity payments or reimbursement of expenses on such Payment Date to the Account Bank, the Back-up Servicer Facilitator, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer and the Stichting Corporate Services Provider;

Third, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fourth, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Senior Notes;

Fifth, to pay to any party to the Transaction Documents, *pari passu* and *pro rata*, any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Sixth, to pay, *pari passu* and *pro rata*, principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Seventh, to pay, *pari passu* and *pro rata*, the Variable Return on the Junior Notes; and

Eighth, on the Payment Date on which the Notes are redeemed in full, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

4. TRANSFER OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest and Variable Return and of repayment of principal on the Notes will be collections and recoveries made in respect of the Portfolio purchased on 16 October 2017 by the Issuer pursuant to the terms of the Receivables Purchase Agreement.

The Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure by any of the Debtors to pay amounts due under the Loan Agreements,

in accordance with the Securitisation Law and subject to the terms and conditions of the Receivables Purchase Agreement.

The Purchase Price in respect of the Portfolio, equal to the sum of all Individual Purchase Prices of the relevant Receivables, will be paid on the Issue Date using part of the proceeds of the issue of the Notes.

See for further details the section headed "*The Portfolio*" and "*Description of the Transaction Documents - The Receivables Purchase Agreement*".

Servicing of the Portfolio

On 16 October 2017, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer has agreed to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

The Servicer has undertaken to prepare and submit to the Issuer, on a monthly and a quarterly basis, reports in the form set out in the Servicing Agreement. In particular, the Servicer shall prepare: (i) on a monthly basis, a Monthly Servicer's Report, containing information relating to the Collections and the Recoveries made in respect of the Portfolio during the relevant Monthly Collection Period; and (ii) on a quarterly basis, a Quarterly Servicer's Report providing key information relating to the amortisation of the Portfolio and the Servicer's activity during the relevant Quarterly Collection Period, including, without limitation, a description of the Portfolio, information relating to any Defaulted Receivables and the Collections during the preceding Quarterly Collection Period and a performance analysis.

See for further details the section headed "*Description of the Transaction Documents - The Servicing Agreement*".

Warranties and indemnities

In the Warranty and Indemnity Agreement, the Originator has made certain representations and warranties to the Issuer in relation to, *inter alia*, the Receivables and has agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the breach of such representations and warranties.

See for further details the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*".

5. 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 a Trigger 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 Trigger Notice Priority of Payments.

See for further details the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*".

Retention and information undertakings

In the Intercreditor Agreement, the Originator has undertaken (i) to retain as at the Issue Date and on an ongoing basis a material net economic interest not lower than 5% in the Securitisation as described in this Prospectus, and (ii) to make available, on the Issue Date and then on a quarterly basis, through the Investors Report, certain information to prospective investors.

See for further details the section headed "*Regulatory Disclosure and Retention Undertaking*".

Cash Allocation, Management and Payments Agreement

Under the terms of the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Back-up Servicer Facilitator, the Corporate Servicer and the Principal Paying Agent have agreed to provide the Issuer with certain calculation, notification, cash management and reporting services together with account handling services in relation to moneys and securities from time to time standing to the credit of the Accounts and the Expenses Account and with certain agency services.

The Calculation Agent has agreed to prepare: (i) on or prior to each Calculation Date, the Payments Report containing, *inter alia*, details of amounts to be paid by the Issuer on the Payment Date following such Calculation Date in accordance with the Priority of Payments, and (ii) not later than the second Business Day following each Payment Date, the Investors Report.

On each Payment Date, the Principal Paying Agent shall apply amounts transferred to it out of the Payments Account in making payments to the Noteholders in accordance with the Priority of Payments, as set out in the Payments Report.

See for further details the section headed "*Description of the Transaction Documents - The Cash Allocation, Management and Payments Agreement*".

Mandate Agreement

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents 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 terms of the Corporate Services Agreement between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed to provide certain administration and management services to the Issuer.

See for further details the section headed "*Description of the Transaction Documents - The Corporate Services Agreement*".

The Cash Reserve

A portion of the proceeds of the issue of the Junior Notes shall be deposited by the Issuer on the Issue Date in the Cash Reserve Account to form the Cash Reserve.

The Cash Reserve Available Amount will be used on each Payment Date, together with the Interest Available Funds, for making the payments under items from *First* to *Sixth* of the Interest Priority of Payments, to the extent that the Interest Available Funds (excluding the Cash Reserve Available Amount) are not sufficient to make such payments in full on such Payment Date.

On each Payment Date prior to the delivery of a Trigger Notice and if the Cash Reserve has been used, the Cash Reserve Account will be replenished up to the Required Cash Reserve Amount in accordance with the Interest Priority of Payments.

The Cash Reserve is intended at all times to be: (i) on any Payment Date for as long as the Principal Amount Outstanding of the Senior Notes is higher than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date and, thereafter, until the first Payment Date (excluded) on which the conditions set out below are met for the first time, an amount equal to the Cash Reserve Initial Amount; and (ii) on the first Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal, if any, has been made on such Payment Date) is equal to or less than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date and the following conditions are met:

(a) the Outstanding Principal Due of the Receivables in respect of which there are Instalments due and unpaid for more than 90 days which are not classified yet as Defaulted Receivables is less than 2.5% the Collateral Portfolio as at the immediately preceding Quarterly Servicer's Report Date;

(b) the then available Cash Reserve Amount is equal to the Required Cash Reserve Amount as at the immediately preceding Payment Date;

(c) there is no Unpaid of PDL; and

(d) the ratio between (x) the aggregate Outstanding Principal Due of the Receivables which have been classified as Defaulted Receivables (at the time they have been so classified) since the Valuation Date and (y) the Collateral Portfolio as at the Valuation Date is lower than 9.0%,

and on each Payment Date thereafter, 4.0% of the Principal Amount Outstanding of the Senior Notes on such Payment Date, provided that the Required Cash Reserve Amount shall never be lower than Euro 2,386,000.00 until the Senior Notes have been redeemed in full or cancelled in which case the Required Cash Reserve Amount shall be equal to zero.

If on any Calculation Date prior to the delivery of a Trigger Notice the amounts standing to the credit of the Cash Reserve Account exceed the then Required Cash Reserve Amount then, on the immediately succeeding Payment Date, such excess amount (if any) which is not going to be used on such Payment Date as Cash Reserve Available Amount will not form part of the Issuer Available Funds and will be applied by the Issuer to pay directly to the Junior Noteholders, *pari passu* and *pro rata*, amounts in respect of principal outstanding on the Junior Notes.

The Interest Reserve

A portion of the proceeds of the issue of the Junior Notes shall be deposited by the Issuer on the Issue Date in the Interest Reserve Account to form the Interest Reserve.

The Interest Reserve will be used on each Payment Date, together with the Interest Available Funds for making the payments under items from *First* to *Third* of the Interest Priority of Payments. On each Payment Date prior to the delivery of a Trigger Notice, the Interest Reserve Account will be replenished up to the Interest Reserve in accordance with the Interest Priority of Payments.

The Interest Reserve is intended at all times to be: (i) on any Payment Date prior to the service of a Trigger Notice for as long as the Senior Notes are outstanding Euro 2,000,000.00; and (ii) on the Payment Date on which the Senior Notes are redeemed in full, on any Payment Date thereafter and on any Payment Date following the service of a Trigger Notice, zero.

The Principal Deficiency Ledger

The Principal Deficiency Ledger is a ledger established by the Issuer in order to record any principal deficiency on the Portfolio.

On each Calculation Date, the Calculation Agent will, subject to receipt of the relevant information due from the Servicer, record:

(a) as a debit entry in the Principal Deficiency Ledger, an amount

equal to the difference between (A) the Principal Amount Outstanding of the Notes as at such Calculation Date net of the Required Cash Reserve Amount and the Interest Reserve as at the immediately preceding Payment Date, and (B) the aggregate of:

(i) the Collateral Portfolio at the end of the immediately preceding Quarterly Collection Period; plus

(ii) amounts on account of principal collected under the Receivables during the immediately preceding Quarterly Collection Period, plus, in the case of the first Quarterly Collection Period only, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and a sum equal to the Initial Expenses Amount; plus

(iii) the absolute value of any amount already standing to the debit of the Principal Deficiency Ledger; and

(b) up to when the balance of the Principal Deficiency Ledger reaches zero, as a credit entry:

(i) prior to the occurrence of a Class J Trigger Event, the amount to be transferred on the Payment Date immediately succeeding such Calculation Date to the Principal Available Funds in accordance with item *Sixth* of the Interest Priority of Payments;

(ii) after the occurrence of a Class J Trigger Event and thereafter, the amount to be transferred on the Payment Date immediately succeeding such Calculation Date to the Principal Available Funds in accordance with items *Sixth* and *Eighth* of the Interest Priority of Payments.

6. THE ACCOUNTS

Collection Account

Pursuant to the Servicing Agreement, the Servicer shall credit to the Collection Account established in the name of the Issuer with the Account Bank all the amounts received or recovered in respect of the Portfolio during each Quarterly Collection Period on the Business Day on which such amounts are so received or recovered.

The Collection Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

Payments Account

All amounts payable by the Issuer on each Payment Date will, three Business Days prior to such Payment Date, be paid into the Payments Account established in the name of the Issuer with the

	Principal Paying Agent. The Payments Account will be maintained with the Principal Paying Agent for as long as the Principal Paying Agent is an Eligible Institution.
Cash Reserve Account	The Issuer has established with the Account Bank the Cash Reserve Account. A portion of the proceeds of the issue of the Junior Notes shall be deposited by the Issuer, on the Issue Date, in the Cash Reserve Account to form the Cash Reserve Initial Amount. The Cash Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.
Interest Reserve Account	The Issuer has established with the Account Bank the Interest Reserve Account. A portion of the proceeds of the issue of the Junior Notes shall be deposited by the Issuer, on the Issue Date, in the Interest Reserve Account to form the Interest Reserve. The Interest Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.
Expenses Account	The Issuer has established the Expenses Account with Banca Finanziaria Internazionale S.p.A., into which, on the Issue Date, and, if necessary, on every Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, a pre-determined amount will be credited which will be used by the Issuer to pay any Expenses.

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. 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 Senior Notes of interest or principal on such Senior Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

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

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 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.

Issuer's ability to meet its obligations under the Notes

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on (i) the receipt by the Issuer of collections and recoveries made on its behalf by the Servicer from the Portfolio, (ii) the amounts standing to the credit of the Cash Reserve Account; (iii) the amounts standing to the credit of the Interest Reserve Account; and (iv) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

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

No independent investigation in relation to the Receivables

None of the Issuer or the Arranger nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements nor has any of them undertaken or will undertake any other investigation, searches or other actions to verify the details of the Receivables 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 creditworthiness of any Debtors.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be 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). There can be no assurance that the Originator will have the financial resources to honour such obligations.

Liquidity and credit risk

The Issuer is subject to a liquidity risk in case of delay between the Scheduled Instalment Dates and the actual receipt of payments from the Debtors. This risk is addressed in respect of the Notes through the support provided to the Issuer in respect of interest payments on the Senior Notes by the Cash Reserve.

The Issuer is also subject to the risk of default in payment by the Debtors and of the failure to realise or to recover sufficient funds in respect of the Loans in order to discharge all amounts due from the Debtors under the Loan Agreements. This risk is mitigated by the availability of, with respect to the Senior Notes, the credit support provided by the Junior Notes and, with reference to the payment of interest on the Senior Notes, the Interest Reserve and the Cash Reserve. No assurance can be given that any of these mitigants will be adequate to ensure to the Noteholders punctual and full receipt of amounts due under the Notes.

Although the Issuer believes that the Portfolio has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes, there can, however, be no assurance that the level of collections and recoveries received from the Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

Credit risk on Banca Nazionale del Lavoro S.p.A., 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 BNL (in any capacity) and the other parties to the Transaction Documents of their respective 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 the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any). 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 BNL 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. Under the Servicing Agreement, the Issuer has undertaken to promptly appoint, with the cooperation of the Back-up Servicer Facilitator, a back-up servicer when the Servicer's long-term, unsecured and unsubordinated debt obligations ceases to be rated at least "BBB-" by Fitch, an entity (selected by the Back-up Servicer Facilitator) having the characteristics summarised above to replace the Servicer should the Servicing Agreement be terminated for any reason (the "**Back-up Servicer**"). However, the ability of the Back-up Servicer to fully perform its 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 Receivables upon the substitution of the Servicer.

Therefore, no assurance can be given that Back-up Servicer will continue to service the Portfolio on the same terms as those provided for by the Servicer.

In addition, the Issuer is subject to the risk that, in the event of insolvency of BNL, the Collections and the Recoveries then held by the Servicer and not yet credited into the Collection Account are lost. For the purpose of reducing such risk, the Issuer has taken certain actions, such as requiring the Servicer to transfer any Collections and Recoveries to the Collection Account on the Business Day on which such amounts are so received or recovered. See for further details the sections headed "*Description of the Transaction Documents - The Servicing Agreement*" and "*Description of the Transaction Documents - The Cash Allocation, Management and Payments Agreement*". See for further details the section headed "*Selected Aspects of Italian Law*".

Claims of unsecured creditors of the Issuer and Segregated Assets

By operation of Italian law, the rights, title and interests of the Issuer in and to the Portfolio and the other Segregated Assets are 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) and any amounts deriving therefrom (to the extent such amounts have not been and are not physically commingled with other sums) 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 and the other Segregated Assets are not 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 and the other Segregated Assets, even in a bankruptcy of the Issuer.

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. 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.

Each Other Issuer Creditor has undertaken in the Intercreditor Agreement not to file any petition or commence proceedings for a declaration of insolvency (nor join any such petition or proceedings) against the Issuer until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions.

The Issuer is less likely to have creditors who would have a claim against it other than the ones related to any further securitisation, the Noteholders and the Other Issuer Creditors and the other third parties creditors in respect of any taxes, costs, fees or expenses incurred in relation to such securitisations and in order to preserve the corporate existence of the Issuer, to maintain it in good standing and to comply with applicable legislation.

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expenses Account, into which the Retention Amount has been credited on the Issue Date and will be replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period. To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned taxes, costs, fees and expenses during any Interest Period, the Issuer shall procure that such amounts are paid on the immediately following Payment Date from the Payments Account in accordance with the Priority of Payments. In addition, according to the Cash Allocation, Management and Payments Agreement, the Account Bank may, if so instructed by the Representative of the Noteholders or the Issuer, at any time effect a payment in favour of a creditor of the Issuer who is not an Other Issuer Creditor out of the funds then standing to the credit of the Collection Account, to the extent that such payment may not remain outstanding until the next Payment Date without prejudice to the Issuer and to the extent that funds to the credit of the Expenses Account have not been sufficient for that purpose. Notwithstanding the foregoing, 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.

Further securitisations

The Issuer may purchase and securitise further portfolios of monetary claims in addition to the Portfolio subject to the provisions of Condition 5.11 (*Covenants – Further Securitisations*).

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company that purchases the assets. 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 assets and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuing company.

Historical, financial and other information

The historical, financial and other information set out in the sections headed "*The Originator, the Servicer and the Account Bank*" and "*Credit and Collection Policy*", 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.

Changes in Portfolio composition

During the life of the Securitisation, the characteristics of the Portfolio may become different from the ones that the Portfolio had as at Valuation Date (such characteristics being shown in the section headed "*The Portfolio*"). Such a change in the composition of the Portfolio may occur, *inter alia*, due to the following circumstances:

(i) *Servicing of the Portfolio* - under the Servicing Agreement, and within the limits set forth therein, the Servicer may implement certain actions, such as payment deferrals and/or settlements in respect of the Loan Agreements. Any such action may have an impact on the amount and timing on the payment obligations due by the Debtors under the Loans. Under the terms of the Servicing Agreement, the Servicer may conclude with the relevant Debtors settlements agreements envisaging

amendments to the amortisation plan of the Loans only if certain conditions set by the Servicing Agreement are satisfied; and

(ii) *Repurchase rights* - the Originator has been granted an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option right will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Receivables Purchase Agreement provides that the Originator may exercise the repurchase option only within the limit of (i) in respect of the year 2017, 1.5% of the Outstanding Principal Due of the Portfolio as of the Valuation Date, and (ii) in respect of the years following the year 2017, 3% of the Outstanding Principal Due of the Portfolio as of 1 January of the relevant year.

Tax treatment of the Issuer

The Issuer, being incorporated as an Italian *società a responsabilità limitata*, qualifies as a corporation subject to Italian Corporate Tax ("**IRES**", levied at 24 per cent rate), pursuant to letter a) of Article 73, par. 1, of Presidential Decree 23th December 1986, no. 917 (hereinafter, the "**Consolidated Income Tax Code**"), and Regional Tax ("**IRAP**", levied at a basic rate of 3.9 per cent), pursuant to letter a) of Article 3 of Legislative Decree 15th December 1997, no. 446. However, the Issuer, since any Italian securitisation company must be mandatory incorporated as a "*società di capitali*" – *i.e.* as an Italian corporation – pursuant to Par. 3 of Article 3 of the Italian Securitisation Law, it is not subject to the provisions set forth in Par. 1 of Article 30 of Law 23th December 1994, no. 724, concerning the so-called "dummy corporations", because no. 1) of Par. 1 of the latter provision expressly excludes from its field of application the companies to be mandatory incorporated as a "*società di capitali*".

Pursuant to the regulations issued by the Bank of Italy on 29 March 2000 (*schemi di bilancio delle società per la cartolarizzazione dei crediti*), and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'"elenco speciale", degli IMEL delle SGR e delle SIM*), on 29 April 2011, on March 13, 2012 on January 21, 2014 and on December 22, 2014, the assets and liabilities and the costs and revenues of the Issuer in relation to the securitisation of the Receivables 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 Issuer Available Funds for the payment of such overhead and general expenses). Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting (i.e. on-balance sheet earnings) subject to such adjustments as are specifically provided for by applicable income tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the Securitisation.

On 24 October 2002, the Revenue Agency – Regional Direction of Lombardy, released a private ruling with reference to some aspects of the Italian taxation of a securitisation vehicle. According to the private ruling, the Agency claimed that the net result of a securitisation transaction is taxable as issuer's taxable income "to the extent that the relevant securitisation transaction is structured in such a way that a net income is available to the vehicle after having discharged all its obligations". Moreover, the Agenzia delle Entrate (the "**Agency**"), with Circular number 8/E of 6 February 2003 and with resolution of 4 August 2010, No. 77/E, 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 the quoted position of the Agency, 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 Ministry of Economy and Finance or another competent authority may issue regulations, circular letters or generally binding rules relating to the Securitisation Law which might alter or affect, or that any competent authority or court may take a different view with respect to, the tax position of the Issuer, as described above.

Interest accrued on the accounts opened by the Issuer in the Republic of Italy with any Italian resident bank or any Italian branch of a non-Italian bank (including the Collection Account, the Payments Account, the Cash Reserve Account and the Expenses Account) may be subject to withholding tax on account of Italian tax which, as at the date of this Prospectus, is levied at the rate of 26 per cent.

RISK FACTORS IN RELATION TO THE NOTES

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 the Senior Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition.

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

Source of payments to the Noteholders

The Notes are limited recourse obligations solely of the Issuer. In particular, the Notes are not obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Paying Agent, the Corporate Servicer, the Arranger, the Underwriter, the Stichting Corporate Services Provider or the Quotaholder. None of any such persons, other than the Issuer, accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

The Issuer will not as at the Issue Date have any significant assets to be used for making payments under the Notes other than the Portfolio and its rights under the Transaction Documents to which it is a party. Consequently, following the service of a Trigger Notice or on the Final Maturity Date, the funds available to the Issuer may be insufficient to pay interest or Variable Return on the Notes or to repay the Notes in full.

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 a

Trigger Notice, or otherwise), there will be sufficient funds to enable the Issuer to pay interest or Variable Return on the Notes, or to repay the Notes in full.

The Notes are limited recourse obligations of the Issuer. If there are not sufficient funds available to the Issuer to pay in full all principal, interest, Variable Return and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of a Trigger Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of Noteholders of the Issuer's Rights.

Yield and payment considerations

The amount and timing of the receipt of Collections on the Receivables and the courses of action to be taken by the Servicer with respect to the servicing, administration, collection and other recoveries on the Receivables, 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 Receivables, which will be influenced by the courses of action followed by the Servicer with respect to the Receivables 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 Receivables earlier or later or for different amounts than anticipated may significantly affect the weighted average life of the Senior 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 Receivables.

See for further details the section of this Prospectus headed "*Expected weighted average life of the Senior Notes*".

Italian Legislative Decree n. 141 of 13 August 2010, as subsequently amended ("**Legislative Decree 141**"), has introduced in the Consolidated Banking Act article 120 *quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Italian Law Decree number 7 of 31 January 2007, as converted into law by Italian Law number 40 of 2 April 2007 (the "**Bersani Decree**"), replicating though, with some additions, such repealed provisions. The purpose of article 120 *quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of prepayment of the loan and/or subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-*quater* of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 days from the date on which the original lender has been requested to cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1% of the loan or facility granted, for each month or fraction of month of delay. The original

lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

Subordination

In respect of the obligation of the Issuer to pay interest and/or Variable Return (as applicable) on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice, on the Final Maturity Date and on each Payment Date other than the Payment Date on which the Senior Notes are redeemed pursuant to Condition 8.3 (*Optional redemption*) or 8.4 (*Optional redemption for taxation reasons*): (i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to payments of Variable Return on the Junior Notes and repayment of principal due on the Senior Notes and the Junior Notes; and (ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to repayment of principal due on the Junior Notes and subordinated to payments of interest and repayment of principal due on the Senior Notes.

In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice, on the Final Maturity Date, and on each Payment Date other than the Payment Date on which the Senior Notes are redeemed pursuant to Condition 8.3 (*Optional redemption*) or 8.4 (*Optional redemption for taxation reasons*): (i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes, but in priority to payments of Variable Return and principal due on the Junior Notes; and (ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and subordinated to payments of Variable Return on the Junior Notes.

Following the delivery of a Trigger Notice and on the Payment Date on which the Senior Notes are redeemed pursuant to Condition 8.3 (*Optional redemption*) or 8.4 (*Optional redemption for taxation reasons*), in respect of the obligation of the Issuer to pay interest and Variable Return and to repay principal on the Notes, the Conditions provide that: (i) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes and in priority to the Junior Notes; and (ii) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

As long as any Senior Note is outstanding, unless notice has been given to the Issuer declaring the Senior Notes due and payable, the Junior Notes shall not be capable of being declared due and payable and the Senior Noteholders shall be entitled to determine the remedies to be exercised. Remedies pursued by the Senior Noteholders could be adverse to the interests of the Junior Noteholders.

Noteholders should have particular regard to the factors identified in the sections headed "*Credit Structure*" and "*Priority of Payments*" above in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest on the Senior 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 of the security 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 different Classes of Notes, to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding.

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.

Limited nature of credit ratings assigned to the Senior Notes and CRA III

Each credit rating assigned to the Senior Notes reflects the relevant Rating Agencies' assessment only of the likelihood that interest will be paid promptly and principal will be paid by the final redemption date, not that it will be paid when expected or scheduled. These ratings are based, among other things, on the reliability of the payments on the Portfolio and the availability of credit enhancement.

The ratings do not address, *inter alia*, the following:

- the possibility of the imposition of Italian or European withholding tax;
- the marketability of the Senior Notes, or any market price for the Senior Notes; or
- whether an investment in the Senior Notes is a suitable investment for the relevant Noteholder.

A rating is not a recommendation to purchase, hold or sell the Senior Notes. Any Rating Agency may lower its ratings or withdraw its ratings if, *inter alia* and in the sole judgement of that Rating Agency, the credit quality of the Senior Notes has declined or is in question. If any rating assigned to the Senior Notes is lowered or withdrawn, the market value of the Senior Notes may be affected.

The Issuer has not requested a rating of the Notes by any rating agency other than the Rating Agencies. However, credit rating 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 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 CRA Regulation. 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 Regulation (EC) No 1060/2009 of the CRA Regulation.

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 ("**CRA III**") which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by

ESMA and impose new obligations on (among others) issuers of securities established in the EU. Under article 8(b) of the CRA Regulation, the issuer, originator and sponsor 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 a specified website set up by ESMA. This includes information on, *inter alia*, (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. On 6 January 2015, Commission Delegated Regulation 2015/3 (the "**Regulation 2015/3**") on disclosure requirements for SFI was published in the Official Journal of the EU. The Regulation 2015/3 contains regulatory technical standards specifying:

- the information that the issuers, originators and sponsors must publish to comply with article 8(b) of the CRA Regulation;
- the frequency with which this information should be updated;
- a standardised disclosure template for the disclosure of this information.

The Regulation 2015/3 applies from 1 January 2017, with the exception of article 6(2), which applies from 26 January 2015 and obliged ESMA to publish on its website at the latest on 1 July 2016 the technical instructions in accordance with which the reporting entity shall submit data files containing the information to be reported starting from 1 January 2017.

On 27 April 2016 ESMA issued a press release stating that it has encountered several issues in preparing the set-up of the SFI website, including the absence of a legal basis for the funding of the website. Consequently, it was unlikely that the SFI website would have been available to reporting entities by 1 January 2017 and that ESMA would be in a position to publish the technical instructions by 1 July 2016. On such basis, ESMA did not expect to be in a position to receive the information related to SFI from reporting entities from 1 January 2017. In the press release ESMA clarified that it expected that new securitisation legislation, which was in the legislative process, would provide clarity on the future obligation regarding reporting on SFIs.

According to a regulation recently issued by the European Parliament and the European Council, laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (the "**STS Regulation**") the above mentioned article 8(b) of the CRA Regulation has been repealed.

Market for the Senior Notes

There is currently no market for the Senior Notes. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States.

Although application has been made to the Luxembourg Stock Exchange for the Senior Notes to be admitted to the official list and trading on its regulated market, there can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

In particular, as at the date of this Prospectus, the secondary market for asset backed securities is experiencing disruptions resulting from reduced investor demand for such securities. This has had a material adverse impact on the market value of the 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 and market values of the Notes are likely to fluctuate. Any of these fluctuations may be significant and could result in significant losses to an investor.

Eurosystem eligibility criteria

The Senior Notes have been structured in a manner so as to allow Eurosystem eligibility. However, this does not necessarily mean that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria and, in accordance with its policies, will not be given prior to issue of the Senior Notes. If the Senior Notes are accepted for such purposes, Eurosystem may amend or withdraw any such approval in relation to the Senior Notes at anytime. Neither the Issuer, the Arranger, the Underwriter, the Originator nor any other party (i) gives any representation or warranty as to whether Eurosystem will ultimately confirm that the Senior Notes are eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem for such purpose; and (ii) will have any liability or obligation in relation thereto if the Senior Notes are at any time deemed ineligible for such purposes.

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

In Europe, the United States and elsewhere an increased political and regulatory scrutiny of the asset-backed securities industry has occurred. 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 requirement 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.

In particular, in Europe, investors should be aware that on 26 June 2013, the European Parliament and the European Council adopted the Directive 2013/36/EC (the "**CRD IV**") and the Regulation 575/2013/CE (the "**CRR**") repealing in full the so-called capital requirements directive (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC).

Directive 2009/138/EU (the "**Solvency II Directive**"), as implemented by Legislative Decree No. 74 of 12 May 2015, and the Delegated Act adopted by European Commission on 10 October 2014 (the "**Solvency II Regulation**") lay down 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.

Pursuant to article 67 of the CRD IV, an institution is subject to administrative penalties and other administrative measures if, *inter alia*, it is exposed to the credit risk of a securitisation position without satisfying the conditions set out in article 405 of the CRR ("**Article 405**"). Article 405 specifies that an EU regulated credit institution, other than when acting as originator, sponsor or original lender, may assume an exposure in the context of a securitisation in its trading or non-trading book only if the originator, sponsor or

original lender has explicitly disclosed to such credit institution that it will retain, on an ongoing basis, a material net economic interest not lower than 5% in the securitised exposure.

The CRR (including Article 405) is directly applicable and became effective on 1 January 2014. The CRD IV has been implemented in Italy by the Bank of Italy Instructions *(Disposizioni di Vigilanza per le Banche)* entered into force in 1 January 2014.

Similar requirements to those set out in articles 405 and following of the CRR (a) are imposed on EU-regulated alternative investment fund managers by chapter 3, section 5 of the AIFMR, in particular, Article 51 and article 254 of the Solvency II Regulation ("**Article 254**").

In the Intercreditor Agreement, Banca Nazionale del Lavoro S.p.A., in its capacity as Originator, has undertaken *vis-à-vis* the Issuer and the Representative of the Noteholders that:

(i) so long as the Notes are outstanding it will retain a material net economic interest of at least 5 per cent. in the Securitisation in accordance with option (d) of Article 405, the Bank of Italy Instructions, option (d) of Article 51 and option 2(d) of Article 254;

(ii) the Junior Notes retained in compliance with the above shall not be subject to any credit risk mitigation or any short protection or other hedge, as to the extent required by articles 405-410 (inclusive) of CRR, chapter 3, section 5 of the AIFMR and paragraph 3 Article 254;

(iii) it shall not change the manner in which the net economic interest set out above is held until the Final Maturity Date, unless a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of retained interest in the Securitisation;

(iv) it shall notify to the Issuer and the Representative of the Noteholders any change, made pursuant to paragraph (iii) above, to the manner in which the net economic interest set out above is held;

(v) it shall comply with the disclosure obligations imposed on the originator under article 409 of the CRR, the Bank of Italy Instructions, chapter 3, section 5 of the AIFMR and article 256 of the Solvency II Regulation ("**Article 256**"); and

(vi) it shall make available to each Noteholder, upon its reasonable request, all such necessary information in the Originator's possession to comply with the Noteholder's on-going monitoring obligations arising as a direct and immediate consequence of paragraph 2 of article 406 of the CRR and/or chapter 3, section 5 of the AIFMR and/or paragraph 4 of Article 256. For the purposes of this provision, a Noteholder's request of information shall be considered reasonable to the extent that the relevant Noteholder provides evidence satisfactory to the Originator that the additional information required by it is necessary to comply with paragraph 2 of article 406 of the CRR and/or chapter 3, section 5 of the AIFMR and/or paragraph 4 of Article 256 and the domestic implementing regulations to which such Noteholder is subject.

Article 406 of the CRR further requires an EU regulated credit institution, before investing, and as appropriate thereafter, for each of its individual exposure in securitisation transaction, to carry out a due diligence in respect of each such exposure and the relevant securitisation, to implement formal policies and procedures appropriate for such activities to be conducted on an on-going basis, to regularly perform its own stress tests appropriate to its exposure and to monitor on an ongoing basis and in a timely manner performance information on such exposures. Failure to comply with one or more of the requirements set out in article 406 of the CRR will result in the imposition of a higher capital requirement in relation to the relevant exposure by the relevant EU regulated credit institution. In such respect, article 409 of the CRR

requires originators, sponsors and original lenders to ensure that prospective investors have readily available access as at the Issue Date and on an ongoing basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

Similar provisions to those described above are imposed on EU-regulated alternative investment fund managers by chapter 3, section 5 of AIFMR.

Banca Nazionale del Lavoro S.p.A., in its capacity as Originator, (i) has made available on the Issue Date, (ii) has undertaken in the Intercreditor Agreement to make available, on a quarterly basis through the Quarterly Servicer's Report, the information required by article 409 of the CRR, chapter 3, section 5 of the AIFMR and paragraph 4 of Article 256 necessary to prospective investors for the purposes above (including, in particular, the information regarding the net economic interest from time to time held by the Originator in the Securitisation) and (iii) has expressly authorised the Calculation Agent to include in the Investors Report such information contained in the Quarterly Servicer's Report, provided that the Calculation Agent will include such information in the Investors Report on the basis and to the extent of the information received by the Servicer in the Quarterly Servicer's Report. It is understood that the Investors Report shall be deemed to have been produced on behalf of the Originator, under the Originator's full responsibility, with reference to the information that the Originator has the obligation to make available (or cause to make available, if the case) to investors under article 409 of the CRR, chapter 3, section 5 of the AIFMR and paragraph 4 of Article 256.

To date there is limited guidance, and no regulatory or judicial determination, on the interpretation and application of the CRD IV and CRR. Until additional guidance is available and such determinations are made, there remains a degree of uncertainty with respect to the interpretation and application of the provisions of the CRD IV and CRR and, in particular, what will be required to demonstrate compliance with Article 405 to national regulators.

Similar requirements to those set out above are also expected to be implemented for EEA-regulated insurance and reinsurance undertakings and UCITS in the future.

The CRD IV, the CRR, chapter 3, section 5 of the AIFMR, Solvency II Regulation and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Originator or any other party 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 or compliance of the Securitisation with the relevant investors' supervisory regulations.

Joint disclosure requirements in relation to structured finance instruments

On 20 June 2013, the Regulation (EC) number 462/2013 amending the Regulation (EC) No 1060/2009 is entered into force. Under the Regulation (EC) number 462/2013, the issuer, originator and sponsor of a structured finance instrument established in the European Union are required, jointly, to publish information in relation to the credit quality and performance of the underlying assets, the structure of the securitisation transaction, the cash flows and any collateral supporting a securitisation exposure, together with any information that is necessary to conduct comprehensive and well-informed stress tests on the cash

flows and collateral values supporting the underlying exposures. Such information is to be published on a website which is to be established by ESMA.

The STS Regulation recently issued by the European Parliament and the European Council lays down a general framework for securitisation. It defines securitisation and establishes due-diligence, risk-retention and transparency requirements for parties involved in securitisations, criteria for credit granting, requirements for selling securitisations to retail clients, a ban on re-securitisation, requirements for securitisation special purpose entities as well as conditions and procedures for securitisation repositories. It also creates a specific framework for simple, transparent and standardised securitisation. In order to enhance market transparency, the STS Regulation envisages that a framework for securitisation repositories to collect relevant reports, primarily on underlying exposures in securitisations, should be established. Such securitisation repositories should be authorised and supervised by the ESMA. In specifying the details of such reporting tasks, ESMA should ensure that the information required to be reported to such repositories reflects as closely as possible existing templates for disclosures of such information. The STS Regulation will apply to securitisations the securities of which are issued on or after 1 January 2019.

Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**Bank Recovery and Resolution Directive**" or "**BRRD**") established a framework for the recovery and resolution of credit institutions and investment firms. The aim of the BRRD is to provide national authorities in EU Member States (the "**Resolution Authorities**") with common tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The BRRD applies, *inter alia*, to credit institutions, investments firms and 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) (collectively, the "**relevant institutions**"). The BRRD entered into force on 2 July 2014 and had to be transposed by the Member States of the European Union into national law by 31 December 2014. The Republic of Italy has implemented the BRRD by legislative decrees number 180 and number 181 of 16 November 2015.

If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents to which such institutions are party not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

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

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II Framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the 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 (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards. 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*"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through the CRD IV (as defined below). 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%.

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 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. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel II Framework. The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework. Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to 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.

Withholding tax under the Senior Notes

As at the date of this Prospectus, payments of interest and other proceeds under the Notes may or may not be subject to withholding or deduction for or on account of Italian tax pursuant to Decree 239, neither the Issuer nor any other person will be obliged to gross-up or otherwise compensate the Noteholders for the lesser amounts the Noteholders will receive as a result of such tax (see for further details also the section headed "*Taxation*" below).

Foreign Account Tax Compliance Act (FATCA)

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (commonly known as "**FATCA**"), provides that various information reporting requirements must be satisfied with respect to (i) certain payments from sources within the United States, (ii) "*foreign pass-through payments*" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Failure to comply with such information reporting requirements may trigger a U.S. withholding tax, currently at 30 per cent rate on such payments.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (the "**IGAs**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being FATCA Withholding) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Republic of Italy have entered into an agreement (the "**US-Italy IGA**") based largely on the Model 1 IGA, which has been ratified in Italy by Law No. 95 of 18 June 2015.

Since the FATCA regulations are complex and uncertain in some respects, in particular with respect to the definition of so-called "pass-thru payments" the application of FATCA to payments between financial intermediaries is not entirely certain. Indeed, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

Accordingly it is not completely clear how FATCA may affect the Notes and/or the parties of the Transaction Documents; therefore, investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. However, the Issuer will not pay any additional amounts to Noteholders in respect of taxes imposed under FATCA or any law enacted to implement an intergovernmental agreement relating to FATCA and they have no responsibility for any amount thereafter transmitted through the custodians or intermediaries.

Risks arising from the sovereign debt crisis

The Issuer is affected by disruptions and volatility in the global financial markets. Since the beginning of May 2010, the sovereign debt-related difficulties in several Euro-zone countries have determined the decline of the credit quality of certain EU Member States, including Cyprus, Greece, Italy, Portugal and Spain, as also reflected by downgrades suffered by such Countries. The large sovereign debts and fiscal deficits in European countries and its impact on Euro-zone banks' funding have raised concerns regarding the stability and overall standing of the Euro-zone and the suitability of the Euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead the potential reintroduction of national currencies in one or more Euro-zone countries or, in particularly dire circumstances, the possible dissolution of the Euro entirely. Should the Euro dissolve entirely, the legal and contractual consequences for the Noteholders would be determined by laws in effect at such time. 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 since the beginning of 2015, in particular with reference to Greece. The so-called "Grexit" (i.e. the exit of the Greece from the European Union), may have a negative impact on the European financial market.

The occurrence of such adverse scenario might result in higher levels of financial market volatility, lower interest rates, bond impairments, increased bond spreads and other difficult to predict spill-over effects.

In particular, the Issuer's credit ratings 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 Notes are downgraded.

Risks arising from "Brexit"

On 23 June 2016, the United Kingdom held a referendum on the country's membership of the European Union (Brexit). 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 European 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 European 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. The consequences of Brexit are uncertain, with respect to the European Union integration process, the relationship between the United Kingdom and the European Union, and the impact on economies and European businesses.

GENERAL RISK FACTORS

Claw back of the sales of the Receivables

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 relevant Portfolio).

Restructuring arrangements in accordance with Law number 3 of 27 January 2012

Following the enactment of Italian Law number 3 of 27 January 2012 (as amended by Decree of the Italian Government number 179 of 18 October 2012 coordinated with the conversion Italian Law number 221 of 17 December 2012), a debtor who is neither subject nor eligible to be subject to ordinary insolvency procedures in accordance with the Italian Bankruptcy Law is entitled to enter into a restructuring arrangement with his/her creditors provided that (i) he/she has not been entered into any such restructuring arrangement in the last five years; (ii) the previous restructuring arrangements have not been annulled or revoked for reasons directly or indirectly ascribable to him/her; (iii) he/she has not provided a documentation suitable to reconstruct and figure out his/her patrimonial and economic situation.

Such law applies, therefore, to debtors who are not eligible to be adjudicated bankrupt under the Italian Bankruptcy Law and who are in a state of over-indebtedness, being a situation recognisable when the "continuing imbalance between the debtor's obligations and his/her highly liquid assets" determines "the relevant difficulties of performing his/her obligations" or the "definitive non capability of duly performing such obligations".

A debtor in a state of over-indebtedness is entitled to submit to his/her creditors, with the assistance of a competent body (*Occ-Organismi per la Composizione della Crisi*), a draft restructuring arrangement providing that, among others, those creditors not adhering to such arrangement and those creditors having security interests over the debtor's assets will be repaid in full.

Such draft arrangement must 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 arrangement, the draft 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 arrangement may provide for a moratorium on payments due to those secured creditors not adhering to such arrangement for a period of up to one year since the court's certification ("*omologa*").

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order a hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and the decree are subject to appropriate publication and communication to creditors. During the hearing, the judge awards an automatic stay with respect to the enforcement actions over the assets of the relevant debtor until the date on which the court's certification ("*omologa*") becomes final. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

In order to be eligible for the court's certification, the agreement must be reached with a number of creditors representing at least 60% of the relevant claims.

Once the draft restructuring arrangement is reached with 60% of claims, 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 (*omologa*) the restructuring arrangement.

Once the restructuring arrangement has been certified, should the debtor be subject to bankruptcy afterwards (indeed, the debtor could become eligible for bankruptcy due to a modification of the size of the enterprise) the payments, agreements and, in general, any deed enacted under the certified restructuring agreement is not subject to claw back.

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

It is worth noting that such legislation provides also for:

(i) a specific restructuring procedure for consumer. The restructuring plan of the consumer is not submitted to the approval of the creditors but only to the competent Court which shall evaluate the feasibility and suitability of the plan, also taking into account the consumer conduct; and

(ii) a liquidation procedure alternative to the restructuring arrangement. This procedure might apply, *inter alia*, when: (a) the restructuring plan is not carried out by the debtor; (b) the debtor does not satisfy the claims for taxes and welfare duties; and (c) frauds against creditors is committed following to the certification of the plan by the Court.

The impact of such legislation on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus. In addition on 15 July 2015 the Bank of Italy published on its web-site a public consultation concerning such law which has been concluded on 17 August 2015. The consultation concerns the criteria for the classification of the claims towards those debtors subject to this procedure by banks and financial intermediaries. As a result of such consultation, on 11 November 2015, the Bank of Italy issued a communication clarifying the classification criteria thereto. In particular, according to Bank of Italy the requirements to be admitted to "*sovraindebitamento*" procedure can be compared to the "*stato di crisi*" provided for composition with creditors under article 160 Italian Bankruptcy Law.

Loans' performance

There can be no guarantee that the Debtors will not default under the relevant Loans and that they will therefore continue to perform their obligations thereunder. The recovery of amounts due in relation to Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Loans may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the

relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of the Debtor's assets.

Rights of set-off and other rights of the Debtors

Under general principles of Italian law, the Debtors are entitled to exercise rights of set-off in respect of amounts due by them under the relevant Loan Agreement against any amounts payable by the Originator to the relevant Debtor.

The assignment of receivables under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, Debtors, Guarantors or Liquidators may exercise a right of set-off against the Issuer on claims against the Originator and/or the Issuer which have arisen before the later of: (i) the publication of the notice in the Official Gazette and (ii) the registration in the competent companies' register have been completed. In addition, as set out in paragraph "*Consumer protection legislation*" below, pursuant to article 125-*septies* of the Consolidated Banking Act, debtors of consumer loans are entitled to exercise against the assignee of any lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation of the provisions of article 1248 of the Italian civil code (that means the debtors have such right even if they have accepted the assignment or have been given written notice thereof and if the transfer has been made enforceable against them). In this respect, it must be noted that article 4, paragraph 2 of the Securitisation Law (as amended by Decree 145) provides that debtors of securitised receivables are not entitled to exercise any right of set-off against the securitisation company for any claims they have vis-à-vis the relevant originator which have arisen after the date of completion of the enforceability formalities of the transfer of such receivables to the securitisation company as provided for under the Securitisation Law. However, it is unclear whether the amendments made to article 4, paragraph 2 of the Securitisation Law by Decree 145 in relation to set-off rights of the assigned debtors also prevails on article 125-*septies* of the Consolidated Banking Act, considering the special nature of the latter (i.e. provisions aimed at protecting the category of consumers).

In this regard, under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer, with reference to each Transaction, in respect of any reduction in amounts received by the Issuer in respect of the Receivables comprised in the relevant Portfolio as a result of the exercise by any Debtor and/or any Guarantor and/or any Liquidator of a right of set-off.

Usury Law

Italian Law number 108 of 7 March 1996 ("*Disposizioni in materia di usura*") (as also amended by law decree number 70 of 13 May 2011 ("*Decreto Sviluppo*"), as converted into Law number 106 of 12 July 2011) (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than the thresholds set on a quarterly basis by a decree issued by the Italian Treasury (the "**Usury Thresholds**") (the latest of such decrees has been issued on 25 September 2017 and being applicable for the quarterly period from 1 October 2017 to 31 December 2017). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court ("*Corte di Cassazione*") decision number 46669 of 23 November 2011. In particular the Italian Supreme Court ("*Corte di Cassazione*"), with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 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, the Italian Supreme Court ("*Corte di Cassazione*"), with the decision number 350 of 9 January 2013 has further clarified that, for the purpose of such calculation, also default interests ("*interessi moratori*") shall be taken into account. It should be noted that, pursuant to Usury Law, even though the applicable Usury Thresholds are not exceeded, interests and other advantages and/or remunerations might be held usurious if: (i) they are disproportionate to the sum lent (taking into account, in evaluating such condition, the specific terms and conditions of the transaction and the average rate usually applied to similar transactions); and (ii) the person who paid or accepted to pay the relevant amounts was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

The Italian Government has specified with law decree number 394 of 29 December 2000 (the "**Usury Law Decree**"), converted into Law number 24 by the Italian Parliament on 28 February 2001, that an interest rate is to be deemed usurious only if it is higher than the Usury Rate in force at the time the relevant agreement is reached, regardless of the time at which interest is repaid by the borrower. However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law Decree, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion was supported by the Italian Supreme Court (decisions numbers 602 and 603 of 11 January 2013), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans. However, a recent decision by the *Sezioni Unite* of the Italian Supreme Court (Cass. Sez. Un., 19 October 2017, number 24675) has finally clarified that the principle of the so called "*usura sopravvenuta*" may not apply and therefore if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest would not need to be reduced to the then applicable usury limit.

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 replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

The validity of the Usury Law Decree has been challenged before the Italian Constitutional Court by certain consumers' associations claiming that the Usury Law Decree does not comply with the principles set out in the Italian Constitution. By decision number 29 of 25 February 2002, the Italian Constitutional Court stated, *inter alia*, that the Usury Law Decree complies with the principles set out in the Italian Constitution except for those provisions of the Usury Law Decree which provide that the interest rates due on instalments payable after 2 January 2001 on loans are to be replaced by lower interest rates fixed in accordance with the Usury Law Decree. By such decision the Italian Constitutional Court has established that the lower interest rates fixed in accordance with the Usury Law Decree are to be substituted on instalments payable from the date on which such decree came into force (31 December 2000) and not on instalments payable after 2 January 2001.

If the Usury Law were to be applied to the Notes, the amount payable by the Issuer to the Noteholders may be subject to reduction, renegotiation or repayment.

The Originator has represented and warranted to the Issuer in the Warranty and Indemnity Agreement that the provisions of the Loan Agreements comply with the Italian usury provisions.

Compounding of interest (*anatocismo*)

According to article 1283 of the Italian civil code, in respect of a monetary claim, interests accrued for at least six months can be capitalised and provided that the capitalisation has been agreed after the date when they have become due or from the date when the relevant legal proceedings are commenced in respect of that monetary claim, save there are no contrary recognised customary practices ("*usi normativi*"). Banks in Italy have traditionally capitalised accrued interests on a quarterly basis on the grounds that such practice could be characterized as a customary practices. Certain judgments from Italian Courts (including Judgments number 2374/99 and number 2593/03 of the Italian Supreme Court ("*Corte di Cassazione*")) have held that such practice do not meet the legal definition of customary practices. In this respect, it should be noted that article 25, paragraph 2, of the Decree number 342 of 4 August 1999 ("*Decree 342*") has delegated to the Interministerial Committee of Credit and Saving (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a Resolution dated 9 February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of Decree 342 provides that the provisions relating to the capitalisation of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Decree 342 has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the Legge Delega, and article 25 paragraph 3 of Decree 342 has been declared unconstitutional by decision number 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court ("*Corte di Cassazione*") in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

The Originator has consequently 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 relating to the violation of article 1283 of the Italian civil code.

Article 17-*bis* of law decree number 18 of 14 February 2016 (as converted into law with amendments by law number 49 of 8 April 2016) amended article 120, paragraph 2, of the Consolidated Banking Act, providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Article 120, paragraph 2, of the Consolidated Banking Act delegated to the CICR the establishment of the methods and criteria for compounding of interest. In this respect, the CICR, with a resolution dated 3 August 2016, substituting the resolution dated 9 February 2000, has provided, *inter alia*, that: (i) negative accrued interests and principal are to be accounted separately; (ii) in accordance with the new provision of article 120 of the Consolidated Banking Act, interests are due as from 1 March of the year following the year of the relevant accrual. In any case, such interests shall become payable and the relevant debtor shall be considered in default only after a period of 30 days starting from the day the debtor is aware of the amount to be paid; and (iii) the debtor and the bank may agree, also in advance, to charge the interests due and payable directly to the relevant debtor's account (in such event, the charged amount shall be considered as principal amount and interests shall accrue on such amount). Intermediaries shall apply the 2016 CICR resolution no later than 1 October 2016.

The Originator has consequently 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 relating to infringement of the article 1283 of the Italian civil code.

Consumer protection legislation

Under Italian law, consumer credit agreements are regulated by special provisions derogating the general principles of law. Consumer credit agreement legislation have been subject to a full revision in August 2010. In addition, since the newly enacted provisions apply only to Loans entered into after the date of their entry into force and not to loans agreements concluded on or before such date, some most noticeable differences between current and former consumer credit legislation will be highlighted. In addition, further amendments have been introduced on October 2012. For further information on the provisions regulating consumer loans, please see section headed "*Selected aspects of Italian law - Consumer credit provisions*":

(i) *Prepayment of consumer loans* - Pursuant to sub-section 2 of former article 125 of the Consolidated Banking Act, debtors under consumer loan agreements have the right (which cannot be waived by agreement between the parties) to prepay any consumer loan: (a) with the additional right to a *pro rata* reduction in the aggregate cost of the loan, as provided by CICR and (b) without incurring in any prepayment penalty. Current article 125-*sexies* of the Consolidated Banking Act: with reference to point (a) above, provides that the reduction in the aggregate cost of the loan shall be equal to the amount of interest and costs which would have been due to the lender, had the consumer loan not been prepaid; with reference to point (ii) above, prepayment penalties are now allowed, as far as they are a fair and objectively justified compensation for possible costs incurred by the lender as a direct consequence of the early repayment. Prepayment penalties shall not, anyway, exceed 1% or 0.5% of the amount of the prepaid amount, depending on the period of time elapsed between the date on which early repayment occurred and the agreed maturity date. No prepayment penalty shall be due:

   (a) if the repayment has been made under an insurance contract intended to provide a credit repayment guarantee; or

   (b) in the case of overdraft facilities; or

   (c) if the repayment falls within a period for which the borrowing rate is not fixed; or

   (d) the prepaid sum is equal to the total outstanding amount of the relevant consumer loan and is equal or less than €10,000.

(ii) *Set-off rights* - Pursuant to article 125-*septies* of the Consolidated Banking Act, debtors are entitled to exercise against the assignee of any lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation to the provisions of article 1248 of the Italian civil code (that is even if the borrower has accepted the assignment or has been notified thereof). Pursuant to such provision, the assigned debtor shall be entitled to set-off against the assignee not only the claims on the assignor arisen before the assignment has become enforceable *vis-à-vis* the assigned consumer (as permitted under general principles of Italian law), but also claims on the assignor arising after such moment, regardless of any notification/acceptance of the same. For this purpose, under the Warranty and Indemnity Agreement the Originator has agreed to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred as a result of the successful exercise by any Debtor of any set-off right *vis-à-vis* the Issuer.

(iii) *Linked Credit Agreements* - Article 121 of the Consolidated Banking Act defines linked credit agreements as credit agreements where the credit in question serves exclusively to finance an agreement for the supply of specific goods or the provision of a specific service, and (a) the lender uses the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement, or (b) the specific goods or the provision of a specific service are explicitly

identified in the credit agreement. Article 125-*quinquies* of the Consolidated Banking Act provides that, in case of a default by the relevant supplier (provided that such default meets the conditions set out under article 1455 of the Italian civil code), debtors under linked credit agreements, which pursued remedies against such supplier but failed to obtain satisfaction, have the right to terminate (*risoluzione del contratto*) the linked credit agreement. Following termination, the lender shall reimburse to the consumer any instalment which has been paid by the latter to reimburse the granted consumer loan (and any commission paid); on its turn, the lender shall be entitled to claim the amounts granted to the consumer as consumer loan only against the relevant supplier of goods or provider of services. Any such lenders' potential liability is extended to assignors of receivables arising from consumer loan agreements. Article 67-*sexies* of Italian Legislative Decree No. 206 of 6 September 2005 (as subsequently amended, the "**Consumer Code**"), finally, provides that a consumer shall no longer be bound by a linked credit agreement, in case it exercises a right of redress (*diritto di recesso*) of the agreement for the supply of the specific goods or the provisions of a specific service which is under distance contracts and/or contracts negotiated away from business premises.

Former consumer credit agreement legislation provided that, in case of default by the relevant supplier, a debtor under a consumer credit agreement entered into in order to finance the supply of goods or services was allowed to pursue remedies against the relevant lender only if, *inter alia*, such supplier was linked to the lender by an exclusivity agreement (whereas, under current legislation, such condition has been substituted with less stringent ones reported under letters a) and b) above in this paragraph). It should be noted, however, that the Italian Supreme Court seemed to have disregarded the requirement of the existence of an exclusivity agreement between the lender and the supplier, so to enable debtors to act against the relevant lender even if the existence of such a pre-requisite was not proved by the plaintiff.

For this purposes, under the Warranty and Indemnity Agreement, the Originator has represented that no Loan Agreement falls under the definition of linked credit agreement (*contratto di credito collegato*) pursuant to article 121 of the Consolidated Banking Act.

(iv) *Annual percentage rate of interest* - Paragraph 6 of current article 125-*bis* of the Consolidated Banking Act disposes that clauses providing costs which, in breach of the provisions of the relevant definition set by current article 121 of the Consolidated Banking Act, have not been, or have been incorrectly, included in the calculation of the annual percentage rate of charge (*TAEG*), are void; moreover, paragraph 7, letter a), of the same article provides that, in case the relevant contractual clauses are missing or are void, the annual percentage rate of interest shall be equal to the minimum nominal interest rate applicable to annual Italian Treasury Bills or similar securities, issued within the 12 months preceding the date on which the relevant contract has been executed, and that no further charges shall be paid by the consumer as interests, commissions or other expenses. A rule similar to the one set by current paragraph 7, letter a), was provided by former paragraph 5 of article 125 of the Consolidated Banking Act. Under the terms of the Warranty and Indemnity Agreement, the Originator has represented that each Loan Agreement which is a consumer loan pursuant to articles 121 and following of the Consolidated Banking Act has been entered into and performed and is compliant with, *inter alia*, the provisions relating to the calculation of the of the annual percentage rate of charge (*TAEG*).

(v) *Prior written notice of assignment* - Sub-section 11 of article 21 of law number 142 of 19 February 1992 provides that claims arising from consumer credit agreement could be assigned only if the relevant debtor had received a 15 days' prior written notice. This provision has been repealed by the Consolidated Banking Act, with effect from the date on which the Bank of Italy issues the relevant

implementing regulations, but no such regulations have ever been issued. Such provision seems to have been definitely repealed by the current legislation regulating consumer credit agreements, so it does not apply to Loans came into existence after the date of issuance of such legislation. Though, with reference to Loans existing as at such date, there is a risk that Debtors could raise a defence in any enforcement action taken by the Issuer, claiming that the assignment of the Receivables cannot be enforced against them, due to the missed notification of the relevant assignment.

(vi) *Unfair terms in consumer contracts* - Article 33 of the Consumer Code provides 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. No independent due diligence has been carried out in order to verify if any clause of the Loan Agreements may be qualified as unfair under article 33 of the Consumer Code; though, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that the Loan Agreements comply with all applicable laws and regulations.

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

The financial condition, results of operations and prospects of the Republic of Italy and companies incorporated in the Republic of Italy may be adversely affected by events outside their control, namely European law generally, any conflicts in the region or taxation and other political, economic or social developments in or affecting the Republic of Italy generally.

Change of law

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

Projections, forecast and estimates

Estimates of the expected maturity and expected average lives of the Senior Notes included herein, together with any projections, 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.

Forward-looking statements

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

The Issuer believes that the risks described above are the principal risks inherent in the transaction for holders of the Senior Notes but the inability of the Issuer to pay interest or repay principal on the Senior Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Senior 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 Senior Notes of interest or principal on such Notes on a timely basis or at all.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

On 26 June 2013, the European Parliament and the European Council adopted the Directive 2013/36/EC (the "**CRD IV**") and the Regulation 575/2013/CE (the "**CRR**") repealing in full the so-called capital requirements directive (being an expression making reference to Directive 2006/48/EC and Directive 2006/49/EC).

Pursuant to article 67 of the CRD IV, an institution is subject to administrative penalties and other administrative measures if, *inter alia*, it is exposed to the credit risk of a securitisation position without satisfying the conditions set out in article 405 of the CRR ("**Article 405**"). Article 405 specifies that an EU regulated credit institution, other than when acting as originator, sponsor or original lender, may assume an exposure in the context of a securitisation in its trading or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to such credit institution that it will retain, on an ongoing basis, a material net economic interest not lower than 5% in the securitised exposure.

The CRR (including Article 405) is directly applicable and became effective on 1 January 2014. The CRD IV has been implemented in Italy by the Bank of Italy Instructions *(Disposizioni di Vigilanza per le Banche)* entered into force in 1 January 2014 and last updated on 2 November 2016.

Similar requirements to those set out in articles 405 and following of the CRR (a) are imposed on EU-regulated alternative investment fund managers by chapter 3, section 5 of Regulation (EU) No 231/2013 (the "**AIFMR**") and, in particular, article 51 of the AIFMR ("**Article 51**") and on EU-regulated insurance undertakings by Directive 2009/138/EC and the delegated act issued on 10 October 2014 by the European Commission in relation thereto (the "**Solvency II Regulation**") and, in particular, article 254 of the Solvency II Regulation ("**Article 254**").

In the Intercreditor Agreement, BNL, in its capacity as Originator, has undertaken *vis-à-vis* the Issuer and the Representative of the Noteholders that:

(i) so long as the Notes are outstanding, it will retain a material net economic interest of at least 5 per cent. in the Securitisation in accordance with option (d) of Article 405, option (d) of Article 51 and option 2(d) of Article 254, an interest in the Junior Notes which is not less than 5 per cent. of the nominal value of the securitised exposures;

(ii) the Junior Notes retained in compliance with the above shall not be subject to any credit risk mitigation or any short protection or other hedge, as to the extent required by articles 405-410 (inclusive) of the CRR, chapter 3, section 5 of the AIFMR and paragraph 3 of Article 254;

(iii) it shall not change the manner in which the net economic interest set out above is held until the Final Maturity Date, unless a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of retained interest in the Securitisation;

(iv) it will notify to the Issuer and the Representative of the Noteholders any change, made pursuant to sub-paragraph (iii) above, to the manner in which the net economic interest set out above is held;

(v) it will comply with the disclosure obligations imposed on the originator under article 409 of the CRR, the Bank of Italy Instructions, chapter 3, section 5 of the AIFMR and article 256 of the Solvency II Regulation ("**Article 256**"); and

(vi) it will make available to each Noteholder, upon its reasonable request, all such necessary information in the Originator's possession to comply with the Noteholder's on-going monitoring obligations arising as a direct and immediate consequence of paragraph 2 of article 406 of the CRR, chapter 3,

section 5 of the AIFMR and/or paragraph 4 of Article 256. For the purposes of this provision, a Noteholder's request of information shall be considered reasonable to the extent that the relevant Noteholder provides evidence satisfactory to the Originator that the additional information required by it is necessary to comply with paragraph 2 of article 406 of the CRR and/or chapter 3, section 5 of the AIFMR and/or paragraph 4 of Article 256 and the domestic implementing regulations to which such Noteholder is subject.

BNL, in its capacity as Originator, (i) has made available on the Issue Date, (ii) has undertaken in the Intercreditor Agreement to make available, on a quarterly basis through the Quarterly Servicer's Report, the information required by article 409 of the CRR and chapter 3, section 5 of the AIFMR and paragraph 4 of Article 256 necessary to prospective investors for the purposes above (including, in particular, the information regarding the net economic interest from time to time held by the Originator in the Securitisation) and (iii) has expressly authorised the Calculation Agent to include in the Investors Report such information contained in the Quarterly Servicer's Report, provided that the Calculation Agent will include such information in the Investors Report on the basis and to the extent of the information received by the Servicer in the Quarterly Servicer's Report. It is understood that the Investors Report shall be deemed to have been produced on behalf of the Originator, under the Originator's full responsibility, with reference to the information that the Originator has the obligation to make available (or cause to make available, if the case) to investors under article 409 of the CRR and chapter 3, section 5 of the AIFMR and paragraph 4 of Article 256

See for further details the section headed: "*Risk factors – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*".

THE PORTFOLIO

Pursuant to the Receivables Purchase Agreement, the Issuer has purchased the Portfolio from the Originator together with any other rights of the Originator to guarantees or security interests and any related rights that have been granted to the Originator to secure or ensure payments under any of the Receivables.

The Receivables comprised in the Portfolio arise out of consumer loans contracts (*contratti di credito al consumo*) which were classified as at the Valuation Date as performing by the Originator.

All Receivables comprised in the Portfolio, purchased by the Issuer from the Originator, have been selected on the basis of the Criteria listed in annex 1 of the Receivables Purchase Agreement and repeated in this Prospectus (see "*The Criteria*", below).

As at the Valuation Date, the aggregate of the Outstanding Principal of all Receivables comprised in the Portfolio amounted to Euro 587,383,160.90.

The information relating to the Portfolio contained in this Prospectus is, unless otherwise specified, a description of the Portfolio as at the Valuation Date.

The Criteria

The Receivables arise out of Loans which, as at the Valuation Date, met the following criteria:

(i) loans denominated in euro;

(ii) performing loans in respect of which no instalment is due but not paid, in relation to which the relevant debtor has not been notified of its classification as "*inadempienze probabili*", "*in sofferenza*" or "*in corso di ristrutturazione*" and which have not been classified in the past as "*ristrutturati*" pursuant to Bank of Italy's instructions (*Istruzioni di Vigilanza*) and to the other regulation issued by the latter;

(iii) loans granted to natural persons (whether individually or jointly with other persons) belonging to the category SAE 600 (*Famiglie Consumatrici)* pursuant to Bank of Italy's classifications;

(iv) loans not disbursed to employees of the BNL banking group;

(v) loans with a fixed rate, with monthly instalments and in respect of which the TAEG is higher than 2,00%;

(vi) loans not disbursed under any laws or regulations providing for the contribution or facilitation for principal or interest by public or non-public entities;

(vii) loans in respect of which repayment of principal has already commenced;

(viii) loans in respect of which no instalments are due but not paid;

(ix) loans whose interest rate has been set in compliance with the provisions of Law number 108 of 7 March 1996, as subsequently amended and supplemented;

(x) loans in respect of which the outstanding principal is higher than zero and lower than €100,000.00;

(xi) loans granted by Banca Nazionale del Lavoro S.p.A. starting from 1 January 2010;

(xii) loans with reference to which the relevant Loan Agreement does not classify them as belonging to the "*Serenity*" or the "*Programma Crash*" categories of loans;

(xiii) loans not subject to any suspension and/or deferral (provided by any law, regulation or on a voluntary basis) of the payment of any principal component and/or interest component of the relevant instalments;

(xiv) loans in respect of which the payment of the instalment does not fall on the 14, 15 or 16 of October 2017;

(xv) loans in respect of which the payment of the instalment is made by current account debit (*addebito in conto corrente*);

(xvi) loans providing for the so-called "*alla francese*" repayment method, meaning the progressive amortisation method by which each instalment is divided into an interest amount which decreases over time and into a principal amount which increases over time;

(xvii) loans that have been fully disbursed;

(xviii) loans in respect of which the last instalment is not due after the date falling on 13 September 2027;

(xix) loans granted to Debtors resident in Italy;

(xx) loans with original maturity longer than 18 months; and

(xxi) loans in respect of which the relevant Loan Agreement does not refer to the following reference numbers:

000000000000828796;	000000000000917298;	000000000000944693;	000000000001035782;
000000000001105012;	000000000001105940;	000000000001107821;	000000000001129284;
000000000001133366;	000000000001144645;	000000000001151279;	000000000001169894;
000000000001170117;	000000000001182053;	000000000001189675;	000000000001213077;
000000000001221937;	000000000001230376;	000000000001233379;	000000000001245012;
000000000001251105;	000000000001251846;	000000000001257470;	000000000001259522;
000000000001268036;	000000000001268269;	000000000001269317;	000000000001269413;
000000000001269719;	000000000001272461;	000000000001272597;	000000000001278488;
000000000001283757;	000000000001285387;	000000000001286951;	000000000001298887;
000000000001304367;	000000000001312752;	000000000001313847;	000000000001315572;
000000000001315725;	000000000001316237;	000000000001320677;	000000000001321155;
000000000001321388;	000000000001324526;	000000000001335493;	000000000001336674;
000000000001336994;	000000000001337515;	000000000001340427;	000000000001341521;
000000000001342126;	000000000001345033;	000000000001348227;	000000000001351741;
000000000001354979;	000000000001356095;	000000000001360788;	000000000001361377;
000000000001365962;	000000000001372342;	000000000001372681;	000000000001377212;
000000000001379026;	000000000001383053;	000000000001386706;	000000000001390334;
000000000001391768;	000000000001393072;	000000000001396356;	000000000001399571;
000000000001403092;	000000000001405215;	000000000001408968;	000000000001410460;
000000000001411833;	000000000001411969;	000000000001415266;	000000000001421132;
000000000001431277;	000000000001431747;	000000000001435209;	000000000001446367;
000000000001448197;	000000000001450558;	000000000001451435;	000000000001452090;
000000000001453265;	000000000001456992;	000000000001460730;	000000000001464765;
000000000001465074;	000000000001471368;	000000000001471471;	000000000001472152;
000000000001476324;	000000000001476550;	000000000001477558;	000000000001480402;
000000000001480474;	000000000001489674;	000000000001490697;	000000000001492471;

000000000001492920; 000000000001493502; 000000000001500607; 000000000001501727;
000000000001503523; 000000000001508353; 000000000001508762; 000000000001516446;
000000000001521605; 000000000001523387; 000000000001530734; 000000000001534307;
000000000001541444; 000000000001548150; 000000000001550357; 000000000001552550;
000000000001554328; 000000000001562514; 000000000001567561; 000000000001572313;
000000000001576182; 000000000001577178; 000000000001577483; 000000000001578895;
000000000001581337; 000000000001581344; 000000000001591299; 000000000001592504;
000000000001593998; 000000000001596467; 000000000001598033; 000000000001598201;
000000000001598824; 000000000001601216; 000000000001602879; 000000000001607004;
000000000001614010; 000000000001615076; 000000000001615222; 000000000001617000;
000000000001619151; 000000000001619703; 000000000001622148; 000000000001622624;
000000000001622954; 000000000001632010; 000000000001632303; 000000000001633742;
000000000001633751; 000000000001637077; 000000000001637247; 000000000001637327;
000000000001638045; 000000000001638430; 000000000001639262; 000000000001640519;
000000000001642315; 000000000001643085; 000000000001643378; 000000000001644368;
000000000001645431; 000000000001646783; 000000000001648716; 000000000001660397;
000000000001661640; 000000000001663817; 000000000001665335; 000000000001665779;
000000000001672736; 000000000001674072; 000000000001674372; 000000000001676431;
000000000001676751; 000000000001678244; 000000000001679866; 000000000001682458;
000000000001684854; 000000000001687292; 000000000001688183; 000000000001690780;
000000000001693303; 000000000001699114; 000000000001705955; 000000000001709064;
000000000001709325; 000000000001714107; 000000000001716291; 000000000001717986;
000000000001718106; 000000000001718425; 000000000001718493; 000000000001718575;
000000000001718628; 000000000001718635; 000000000001718700; 000000000001718733;
000000000001718739; 000000000001718811; 000000000001718863; 000000000001718910;
000000000001719047; 000000000001719063; 000000000001719126; 000000000001719276;
000000000001719315; 000000000001719321; 000000000001719449; 000000000001719460;
000000000001719527; 000000000001719545; 000000000001719657; 000000000001719879;
000000000001722500; 000000000001722917; 000000000001724580; 000000000001726177.

Characteristics of the Portfolio

The Receivables included in the Portfolio have the characteristics that demonstrate capacity to produce funds to serve payments due and payable on the Notes. However, neither the Originator nor the Issuer warrant the solvency (credit standing) of any or all of the Debtor(s).

The Loan Agreements included in the Portfolio have the characteristics illustrated in the following tables.

SUMMARY	
Outstanding Principal Balance	587,383,161
Number of Loans	36,174
Loan type - Fixed	100.0%
Loan payment frequency - Monthly	100.0%
Average Current Loan Amount	16,238
Weighted Average Seasoning (years)	1.37
Weighted Average Maturity (years)	6.98
Weighted Average Current Interest Rate (Fixed Rate)	6.70%
Direct debit in accounts	100.0%

The tables in the following pages set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer. Such information reflect the position of the Portfolio as at the Valuation Date.

Breakdown by Origination Date	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
2010	202	0.6%	1,922,302	0.3%
2011	629	1.7%	7,508,602	1.3%
2012	812	2.2%	9,664,369	1.6%
2013	1,385	3.8%	14,869,901	2.5%
2014	1,764	4.9%	22,422,674	3.8%
2015	4,908	13.6%	71,904,833	12.2%
2016	13,723	37.9%	226,016,090	38.5%
2017	12,751	35.2%	233,074,390	39.7%
Total	**36,174**	**100.0%**	**587,383,161**	**100%**

Breakdown by Geographic Area	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
North	11,222	31.0%	162,126,498	27.6%
Centre	12,092	33.4%	213,653,410	36.4%
South	12,860	35.6%	211,603,253	36.0%
Total	**36,174**	**100.0%**	**587,383,161**	**100%**

Breakdown by Province of Location of the Debtor	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
ROMA	5,948	16.4%	110,544,594	18.8%
NAPOLI	1,947	5.4%	31,476,561	5.4%
MILANO	1,248	3.4%	19,378,490	3.3%
TORINO	1,225	3.4%	17,106,004	2.9%
FIRENZE	776	2.1%	13,446,348	2.3%
BARI	902	2.5%	13,426,430	2.3%
PALERMO	651	1.8%	10,365,167	1.8%
CAGLIARI	581	1.6%	9,593,874	1.6%
PERUGIA	579	1.6%	9,545,986	1.6%
SASSARI	554	1.5%	9,498,356	1.6%
CATANZARO	481	1.3%	8,942,979	1.5%
CATANIA	540	1.5%	8,474,325	1.4%
COSENZA	499	1.4%	8,452,294	1.4%
REGGIO CALABRIA	511	1.4%	8,355,436	1.4%
VENEZIA	554	1.5%	8,087,294	1.4%
GENOVA	599	1.7%	7,846,335	1.3%
BOLOGNA	528	1.5%	7,257,674	1.2%
TARANTO	458	1.3%	7,153,536	1.2%
CASERTA	394	1.1%	6,929,967	1.2%
L'AQUILA	390	1.1%	6,833,605	1.2%
PAVIA	423	1.2%	6,785,348	1.2%
PESCARA	368	1.0%	6,507,357	1.1%
PISA	379	1.0%	6,362,186	1.1%
LUCCA	400	1.1%	6,334,270	1.1%
CHIETI	367	1.0%	6,283,438	1.1%
LATINA	381	1.1%	6,209,703	1.1%
LECCE	369	1.0%	6,124,197	1.0%
SALERNO	353	1.0%	6,121,090	1.0%
ANCONA	367	1.0%	6,015,633	1.0%
LIVORNO	336	0.9%	5,967,785	1.0%
TREVISO	387	1.1%	5,905,570	1.0%
VARESE	384	1.1%	5,750,564	1.0%
VITERBO	283	0.8%	5,275,187	0.9%
VERONA	324	0.9%	5,240,925	0.9%
ALESSANDRIA	337	0.9%	5,194,876	0.9%
MESSINA	306	0.8%	5,182,871	0.9%
TERNI	262	0.7%	4,680,025	0.8%
FROSINONE	265	0.7%	4,604,486	0.8%
GROSSETO	266	0.7%	4,255,822	0.7%
PRATO	255	0.7%	4,086,121	0.7%
VICENZA	269	0.7%	4,007,157	0.7%
COMO	279	0.8%	3,911,887	0.7%
TERAMO	241	0.7%	3,841,627	0.7%
PESARO URBINO	237	0.7%	3,817,585	0.6%
OLBIA-TEMPIO	200	0.6%	3,659,809	0.6%
ORISTANO	194	0.5%	3,609,529	0.6%
ASCOLI PICENO	245	0.7%	3,571,747	0.6%
PADOVA	240	0.7%	3,556,481	0.6%
BENEVENTO	231	0.6%	3,424,470	0.6%
MACERATA	191	0.5%	3,393,108	0.6%
PORDENONE	234	0.6%	3,352,887	0.6%
NOVARA	227	0.6%	3,333,778	0.6%
AREZZO	205	0.6%	3,322,642	0.6%
MONZA E BRIANZA	224	0.6%	3,241,561	0.6%
MODENA	227	0.6%	3,154,798	0.5%
SIRACUSA	177	0.5%	3,053,317	0.5%

Breakdown by Province of Location of the Debtor	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
PISTOIA	193	0.5%	2,996,520	0.5%
RIETI	158	0.4%	2,937,299	0.5%
PIACENZA	215	0.6%	2,916,792	0.5%
BOLZANO	211	0.6%	2,881,527	0.5%
REGGIO EMILIA	192	0.5%	2,881,054	0.5%
BERGAMO	194	0.5%	2,765,239	0.5%
CARBONIA-IGLESIAS	153	0.4%	2,754,510	0.5%
AVELLINO	183	0.5%	2,628,413	0.4%
BRESCIA	223	0.6%	2,622,126	0.4%
NUORO	151	0.4%	2,604,493	0.4%
POTENZA	150	0.4%	2,559,670	0.4%
MASSA CARRARA	152	0.4%	2,545,896	0.4%
BRINDISI	153	0.4%	2,457,283	0.4%
CROTONE	150	0.4%	2,393,279	0.4%
FOGGIA	174	0.5%	2,368,959	0.4%
PARMA	178	0.5%	2,366,997	0.4%
RAVENNA	184	0.5%	2,314,804	0.4%
CUNEO	134	0.4%	2,280,762	0.4%
VERCELLI	176	0.5%	2,248,668	0.4%
UDINE	137	0.4%	2,156,398	0.4%
TRAPANI	118	0.3%	2,119,076	0.4%
TRIESTE	152	0.4%	2,117,660	0.4%
SIENA	115	0.3%	2,072,246	0.4%
CAMPOBASSO	140	0.4%	2,050,683	0.3%
MATERA	139	0.4%	2,017,146	0.3%
VIBO VALENTIA	120	0.3%	2,002,839	0.3%
FORLI' CESENA	128	0.4%	1,896,921	0.3%
SAVONA	130	0.4%	1,881,532	0.3%
ISERNIA	126	0.3%	1,787,294	0.3%
CREMONA	120	0.3%	1,740,917	0.3%
BARLETTA-ANDRIA-TRANI	116	0.3%	1,684,677	0.3%
FERMO	99	0.3%	1,668,222	0.3%
LECCO	100	0.3%	1,555,002	0.3%
BIELLA	119	0.3%	1,526,024	0.3%
FERRARA	110	0.3%	1,479,446	0.3%
MANTOVA	104	0.3%	1,306,336	0.2%
ENNA	70	0.2%	1,153,532	0.2%
TRENTO	75	0.2%	1,152,047	0.2%
AGRIGENTO	65	0.2%	1,128,189	0.2%
LA SPEZIA	67	0.2%	1,104,007	0.2%
VERBANIA	81	0.2%	1,072,453	0.2%
CALTANISSETTA	50	0.1%	1,060,350	0.2%
OGLIASTRA	53	0.1%	1,051,877	0.2%
RIMINI	70	0.2%	1,006,783	0.2%
IMPERIA	70	0.2%	986,608	0.2%
LODI	67	0.2%	907,081	0.2%
GORIZIA	53	0.1%	756,240	0.1%
ROVIGO	49	0.1%	756,222	0.1%
AOSTA	51	0.1%	661,008	0.1%
ASTI	54	0.1%	647,977	0.1%
SONDRIO	28	0.1%	518,511	0.1%
BELLUNO	41	0.1%	507,725	0.1%
RAGUSA	18	0.0%	243,586	0.0%
MEDIO CAMPIDANO	17	0.0%	227,165	0.0%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Interest Rate Type	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
Fixed	36,174	100.0%	587,383,161	100.0%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Instalment Frequency	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
Monthly	36,174	100.0%	587,383,161	100.0%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Current Interest Rate	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
<=4%	16	0.0%	538,843	0.1%
>4%<=5%	4,086	11.3%	45,022,178	7.7%
>5%<=5,25%	5	0.0%	153,333	0.0%
>5,25%<=5,5%	2,029	5.6%	18,976,701	3.2%
>5,5%<=5,75%	2	0.0%	54,328	0.0%
>5,75%<=6%	8,973	24.8%	178,004,740	30.3%
>6%<=6,5%	3,283	9.1%	39,588,190	6.7%
>6,5%<=7%	7,838	21.7%	120,146,377	20.5%
>7%<=8%	6,015	16.6%	136,356,700	23.2%
>8%<=9%	3,587	9.9%	45,470,292	7.7%
>9%<=10%	340	0.9%	3,071,479	0.5%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Original Balance (in ,000)	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
<=10	8,363	23.1%	36,702,237	6.2%
>10<=20	12,803	35.4%	143,048,433	24.4%
>20<=30	8,249	22.8%	169,354,173	28.8%
>30<=40	3,923	10.8%	113,571,065	19.3%
>40<=50	1,671	4.6%	62,987,965	10.7%
>50<=60	625	1.7%	28,240,798	4.8%
>60<=70	276	0.8%	14,840,916	2.5%
>70<=80	103	0.3%	6,236,520	1.1%
>80<=90	73	0.2%	5,300,913	0.9%
>90<=100	88	0.2%	7,100,141	1.2%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Current Balance (in ,000)	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
<=10	13,748	38.0%	76,153,547	13.0%
>10<=20	11,209	31.0%	162,162,906	27.6%
>20<=30	6,673	18.4%	164,340,696	28.0%
>30<=40	2,842	7.9%	97,380,223	16.6%
>40<=50	1,036	2.9%	45,431,153	7.7%
>50<=60	363	1.0%	19,653,198	3.3%
>60<=70	150	0.4%	9,700,114	1.7%
>70<=80	72	0.2%	5,419,041	0.9%
>80<=90	51	0.1%	4,329,912	0.7%
>90<=100	30	0.1%	2,812,370	0.5%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Remaining Term (months)	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
<=12	1,462	4.0%	2,618,260	0.4%
>12<=18	1,450	4.0%	5,656,592	1.0%
>18<=24	1,595	4.4%	8,076,765	1.4%
>24<=36	3,644	10.1%	27,059,278	4.6%
>36<=48	4,933	13.6%	49,094,703	8.4%
>48<=60	5,902	16.3%	77,926,508	13.3%
>60<=120	17,188	47.5%	416,951,055	71.0%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

Breakdown by Seasoning (months)	*No. of Loans*	*% of Total*	*Outstanding Value*	*% of Total*
<=12	15,084	41.7%	274,580,543	46.7%
>12<=18	6,933	19.2%	112,411,633	19.1%
>18<=24	6,507	18.0%	103,805,535	17.7%
>24<=36	3,137	8.7%	43,560,822	7.4%
>36<=48	1,755	4.9%	22,101,719	3.8%
>48<=60	1,246	3.4%	13,077,280	2.2%
>60<=120	1,512	4.2%	17,845,630	3.0%
Total	**36,174**	**100.0%**	**587,383,161**	**100.0%**

THE ORIGINATOR, THE SERVICER AND THE ACCOUNT BANK

BNL, incorporated as BNL Progetto S.p.A. by deed dated 1 February 2007, took on the name "Banca Nazionale del Lavoro S.p.A." following the contribution of the "commercial bank" business line by the grantor company "Banca Nazionale del Lavoro S.p.A.", effective from 1 October 2007.

The latter, founded in 1913 as "Istituto di Credito per la Cooperazione", with a primary mission to finance Italian cooperative companies, was renamed as "Banca Nazionale del Lavoro" on 18 March 1929, and, on 25 July 1992, became a joint stock corporation, pursuant to the resolution of the Shareholders' meeting of 30 April 1992. On 1 October 2007, immediately following the transfer of the line of business, BNL joined the large international group BNP Paribas S.A.

It should be noted that in 2011 the planned incorporation of BNP Paribas Personal Finance S.p.A. ("**PF Italia**") into BNL S.p.A. was finally completed, following the approval of a merger by incorporation of PF Italia and its residual operations into BNL.

Business Partner Italia, a new company established to provide specialised, top-level services to all companies in the BNP Paribas Group in Italy, with a view to partnership and transversal integration, started operations on 1 October 2014. On 1 October 2015, the demerger of the company BNPP IP SGR S.p.A. was also completed, which brought into BNL the business line concerning the management of individual asset portfolios. In November 2016, the BNL Group acquired a 100% stake in SHQT S.r.l., a management and property maintenance company; the said company manages the property located in Roma Tiburtina, which houses the new head offices of BNL S.p.A.

BNL's name is "Banca Nazionale del Lavoro S.p.A." and, in its corresponding contracted form, "BNL S.p.A." (as referred to in art. 1 of the Corporate By-Laws). Its commercial name is "BNL".

BNL was established as "BNL Progetto S.p.A." with deed by Notary Liguori in Rome, on 1 February 2007, and the company name was changed to "Banca Nazionale del Lavoro S.p.A." on 1 October 2007.

Pursuant to art. 3 of the Corporate By-Laws, the duration of BNL is set until 31 December 2050.

BNL is a joint stock corporation (*società per azioni*) established under the laws of the Republic of Italy. BNL operates under the laws of the Republic of Italy.

The registered office and General Administrative Office of BNL S.p.A. are in Viale Alterio Spinelli 30, 00157 Rome, Italy, telephone number +39 06-47021.

OVERVIEW

BNL's main businesses, pursuant to article 4 of the Corporate By-Laws, consist in raising capital and various forms of lending, in Italy and internationally, and performing any other financial services, in compliance with the specific regulations for each service, as well as connected and instrumental activities. BNL may also issue bonds and other similar financial instruments, in compliance with current national law, and set up open-end funds pursuant to the relevant applicable law.

Organisational Structure

ACTIVITIES

BNL S.p.A., subject to the management and coordination by BNP Paribas S.A, is the holding company of the BNL Banking Group, whose main activities consist in traditional banking business (carried out by BNL

S.p.A. and Artigiancassa S.p.A.), trading on own account and for third parties in securities and currencies, offering insurance products (carried out by BNL S.p.A.), merchant acquiring (carried out by BNL POSitivity S.r.l.) and consumer credit (BNL Finance S.p.A). Since 1 November 2016, the company Sviluppo HQ Tiburtina S.r.l. has joined the BNL Banking Group for the purpose of its business (the sale, construction, renovation, transformation and management of property mainly for industrial, tertiary and commercial use).

Please find hereunder a list of the companies in the BNL Group, classified according to business segment, as of 31 December 2016:

BNL S.P.A. BANKING GROUP AS OF 31/12/2016
Banks
Artigiancassa S.p.A.
Credit financing
BNL Finance S.p.A.
Financial and others
BNL POSitivity S.r.l.
VELA OBG S.r.l.
Instrumental companies
EUTIMM S.r.l
Business Partner Italia S.C.P.A.
Sviluppo HQ Tiburtina S.r.l.
Company in liquidation
Tamleasing S.p.A.

As of 31 December 2016, BNL's Central Management organisational structure is comprised of the following:

- **Functions**, which oversee the markets and support BNL's sales and marketing activities;
- **Divisions**, which oversee BNL's governance processes.

The following structures operate as Business Lines;

- the **Retail and Private Division and the Corporate Division**[1], with the main purpose of achieving the contribution, distribution, commercial, financial and customer satisfaction targets. They are also

[1] On 15 December 2016, the Board of Directors of BNL resolved to rename the Retail and Private Division and the Corporate Division, respectively, the Commercial and Private Banking Division and Corporate Banking Division. At the same meeting, the Board also established the Special Credits Department, in order to achieve the objectives of reducing the cost of risk and safeguarding the BNL's income and wealth interests; to define the non-performing client management strategies; to set the operational address and coordination of the activities of the Workout Management Team of Business Partners Italy; and to optimize the interventions and guarantees related to the existing credits or credits to be granted to the relevant customers, within

responsible for supervising the quality and cost of the credit risk and for monitoring/reducing operational risk for their assigned customers. Each division ensures the coordination of the territorial network and the development of synergies within the entities of the BNP Paribas Group.

- the **BNPP-BNL Corporate and Institutional Banking Division** is responsible for implementing the corporate institutional banking global business model, within the main lines of business. The Division also has the goal of achieving the commercial, financial and customer satisfaction targets, supervising the quality and cost of credit risk and monitoring/reducing operational risk for its assigned customers.
- **Investment Solutions Italia** focuses on implementing the global business model of the product companies, which operate in asset management, real estate and life insurance.

The following structures operate as functions overseeing the relevant governance procedures:

- *Compliance Department*;
- *Communication Department*;
- *Financial Department*;
- *Real Estate Department*;
- *IT Department*;
- *Legal and Corporate Affairs*;
- *Operations Department*;
- *Risks Department*;
- *Human Resources Department*;
- *Inspection Générale – Hub Italy*; and
- *Data Office*[2].

The organisational structure of the general management includes the officers below, who report directly to the Managing Director:

- **Chief Operating Officer** (COO), responsible for ensuring united governance when managing "the operating machine", by coordinating the Human Resources Department, the IT Department, the Operations Department and the Territorial Department Network Services;
- **Chief Financial Officer** (CFO), responsible for the Financial Department, the Real Estate Department and the ALM Treasury and Data Office.

The Distribution Network is comprised of the departments which are set out below:

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the contexts of rebalancing and restructuring. The Management Team is also responsible for the coordination of the applicable Territorial Network. These organizational changes are valid from January 2017.

[2] On 25 October 2016, the BNL Board of Directors resolved to set up the Data Office Structure under the Senior Deputy Managing Director and Chief Financial Officer. This amendment is valid from January 2017.

- **4 Territorial Retail and Private Departments** (North West, North East, Central, South), responsible for achieving the contribution, distribution, financial, customer satisfaction, relevant credit quality and cost of risk targets, in line with compliance requirements;
- **4 Territorial Corporate Departments** (North West, North East, Central, South), responsible for achieving the relevant contribution, commercial, financial, customer satisfaction, relevant credit quality and cost of risk targets;
- **4 Risk Territorial Departments** (North West, North East, Central, and South), responsible for overseeing the activities aimed at formulating credit opinions, monitoring and providing specialist technical support for commercial roles, where necessary.
- **1 Territorial Department Network Services**, responsible for achieving the objectives of effectiveness and efficiency in the delivery of administrative services, in order to optimize costs and to oversee the relevant operational, reputational and commercial risks.

CREDIT AND COLLECTION POLICY

Credit Policy

Personal loans are primarily granted by BNL to individuals and to families. The personal loans approval process is initiated through the receipt of an application and the opening of an anagraphical report on the applicant.

The evaluation of the creditworthiness and the determination of the competent managing department are carried out by taking into account the overall financial position of the client. In particular, the granting of the loan depends on the economic and financial information of the applicant.

The application process involves the evaluation of a variety of information, such as:

(a) the type and source of the income of the applicant;

(b) information provided by the applicant, credit history registered by the Centrale Rischi Finanziari (CRIF), which keeps credit records collected from banks and financial institutions and a database about any loan applicants' overall exposure; and

(c) additional information (e.g. information from regular clients and suppliers).

The internal management of the personal loan proposal is carried out by using specific assessment instruments including internal rating model systems.

In particular, BNL's retail scoring system provides an objective and global method of evaluating the Debtors and of estimating the probability of insolvency. This internal rating system, which relies on socio-demographic variables and behavioural information, is highly integrated into the decision-making process and has a high reported discriminatory power.

Payment Procedures

All the Consumer Loans out of which the Receivables comprised in the Portfolio derive have begun to amortise on the first day of the amortisation period falling immediately after the date of execution of the relevant Consumer Loan Agreement (except where the relevant Consumer Loan Agreement provided for a pre-amortisation period, during which the Debtor was required to pay only interest instalments). None of the Receivables comprised in the Portfolio are in their respective pre-amortisation period.

The SIF application (*Sistema Integrato Finanziamenti*), built on an internet platform, manages all the processes of the servicing procedure connected with the Securitisation.

The payment of the instalments related to all the Consumer Loans originated by BNL are managed by SIF and is carried out as follows:

(i) by direct debit from the bank account of the Debtor, held with BNL (which applies to 99% of the Consumer Loan Agreements);

(ii) by payment from the bank account of the Debtor, held with another bank via SEPA Direct Debit; or

(iii) by cash payment at a branch of BNL.

Direct debit payments from current accounts held at BNL

Where payments are made by direct debit from a bank account held with BNL (which is the case for 99% of the Consumer Loans), SIF will identify all the instalments due on a specific day and debit the bank account of each relevant Debtor on such day (except where such a day is not a Business Day). If a bank account does not have sufficient funds standing to its credit, then that account will not be debited and the relevant branch automatically receives details regarding the unpaid amounts.

Any arrears will be immediately recorded on BNL's IT system, which is updated on a real time basis as soon as a Consumer loan instalment is unpaid, so that the status of payments can be checked at any time.

Delinquency Management and Recovery Management

Monitoring procedures of BNL are automated so that prompt action can be taken in relation to any Debtor who is in arrear with payments under its Consumer loan.

BNL – Divisione Commercial e Private Banking is responsible for the management of arrears and delinquencies.

BNL's management of delinquent receivables consists of a monitoring system, operating through a sequence of contacts, by telephone or mail, with the relevant Debtors, to press them or agree with them a customised repayment plan, in order to recover any loan in arrear or delinquent and to preserve the commercial relationship with the borrower.

The different stages of these activities are diversified by classifying the Debtors in relation to their economic status and to the credit score received when the Consumer loan was advanced.

Management of defaulted Consumer loans (*crediti problematici*)

According to Bank of Italy's criteria, a Consumer loan is considered as "*problematico*" when it is classified as "default": "pastdue", "*Inadempienze Probabili*" (unlikely to pay), "*Sofferenza*" (Bank of Italy's criteria)

The difference between "*Inadempienze Probabili*" and "*Sofferenza*" is based on Bank of Italy's criteria that refer to the objective economic and financial difficulties of the relevant Debtor, which can be considered, at the discretion of the relevant bank, as being temporary or permanent. As a result, a loan that has been previously classified as "*Inadempienze Probabili*" (a situation of temporary difficulty of the Debtor) could return to be classified as performing ("*in bonis*") if all the instalments due but unpaid are recovered.

BPI WORKOUT (a company of BNL banking group) is responsible for the recovery of Defaulted Receivables. Waivers of rights or sums of money with respect to a consumer loan can be agreed by reaching "out-of-court settlements" through the appointment of suitable third parties, in order to recover amounts due in a shorter period of time as opposed to recovering monies under the consumer loan by means of legal proceedings.

If no out-of-court settlements are reached, BPI Workout appoints outsourcers and, only if necessary, external legal advisers to undertake legal proceedings against defaulting debtors. Such Outsourcers or legal advisers will be closely monitored and supervised continuously. For the purpose of improving performance in terms of recoveries, BPI has implemented a special procedure for managing the defaulted loans based on an internal incentive system, according to which "success fees" are paid to outsourcers for the recovered amount.

BPI Workout will ensure that:

(i) all legal proceedings to recover the relevant amounts owed by a Debtor are initiated and will support, address and direct such legal proceedings where necessary;

(ii) where possible, out-of-court settlements with customers are pursued (also through the assignment of the debt); and

(iii) other assets of the relevant debtor are, where appropriate, seized (for example, attachment of one-fifth of salary, foreclosure of real estate assets other than the relevant collateral involved).

BPI Workout , while attempting to ensure that out-of-court settlements are reached:

(a) will consider the rental value of any eventually guarantee;

(b) may reach an agreement, upon request, with the Debtors to make them pay their debts by instalments; and

(c) may, in exceptional cases, reach an agreement with Debtors to defer their payments

THE ISSUER

Introduction

The Issuer is a special purpose vehicle which was incorporated in the Republic of Italy pursuant to the Securitisation Law on 31 May 2017 as a *società a responsabilità limitata unipersonale* under the name "Vela Consumer 2 S.r.l." for the purpose of carrying out one or more securitisation transactions and issuing asset-backed securities The Issuer's by-laws provides for termination of the same in 2100. The registered office of the Issuer is in Via Vittorio Alfieri, 1, 31015 Conegliano (TV) Italy, the fiscal code, VAT code and enrolment number with the companies register of Treviso – Belluno is 04883780266. The Issuer is registered in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017. The Issuer's telephone number is +39 0438 360 962. The Issuer has no employees and no subsidiaries.

The authorised and issued quota capital of the Issuer is €10,000 fully paid up and entirely held by Stichting Baryshnikov, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands.

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

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

Issuer's principal activities

The sole corporate object of the Issuer as set out in article 3 of its by-laws (*statuto*) and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*) and issue asset backed securities.

The Issuer was established as a multi-purpose vehicle and accordingly it may carry out further securitisation transactions in addition to the Securitisation, subject to the provisions set forth in Condition 5 (*Covenants*).

Sole director

The current sole director of the Issuer is Andrea Fantuz, appointed by the Quotaholder from the date of incorporation until the date of resignation or revocation, an employee of Finanziaria Internazionale Securitisation Group S.p.A., a company providing services related to securitisation transactions. The domicile of sole director, in his capacity of Sole Director of the Issuer, is at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy.

The Quotaholder's Agreement

Pursuant to the terms of the Quotaholder's Agreement entered into on or about the Issue Date, between the Issuer, the Quotaholder and the Representative of the Noteholders, the Quotaholder has agreed, *inter alia*, not to pledge, charge or dispose of the quota capital of the Issuer without the prior written consent of the Representative of the Noteholders. The Quotaholder's Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

The Issuer believes that the provisions of the Quotaholder's Agreement and of the other Transaction Documents are adequate to ensure that the participation by the Quotaholder in the quota capital of the Issuer is not abused.

Accounts of the Issuer and accounting treatment of the Portfolio

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

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year with the first fiscal year ending on 31 December 2017.

Capitalisation and indebtedness statement

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

Quota capital	**Euro**
Issued, authorised and fully paid up capital	10,000
Loan capital (Securitisation)	**Euro**
€477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035	477,200,000
€123,525,000 Class J Asset Backed Variable Return Notes due October 2035	123,525,000
Total loan capital (Euro)	**600,725,000**
Total capitalisation and indebtedness (Euro)	**600,735,000**

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

Financial statements and auditors' report

The Issuer's accounting reference date is 31 December in each year. As at the date of this Prospectus, no financial statements are available and no auditors have been appointed. According to the Quotaholder's Agreement, the Issuer will give notice to the Luxembourg Stock Exchange in the event the auditors will be appointed.

THE REPRESENTATIVE OF THE NOTEHOLDERS, THE CALCULATION AGENT, THE BACK-UP SERVICER FACILITATOR AND THE CORPORATE SERVICER

Securitisation Services S.p.A. is a company incorporated under the laws of the Republic of Italy as a società per azioni, share capital of Euro 2,000,000.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso - Belluno number 03546510268, currently registered under number 50 in the register (*Albo degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the banking group known as "Gruppo Banca Finanziaria Internazionale", registered with the register of the banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act, subject to the activity of direction and coordination (soggetta all'attività di direzione e coordinamento) pursuant to article 2497 of the Italian civil code of Banca Finanziaria Internazionale S.p.A.

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

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

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

THE PRINCIPAL PAYING AGENT

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

The bank has a local presence in 36 countries across five continents, effecting global coverage of more than 90 markets.

At 30 September 2017 BNP Paribas Securities Services has USD 10,282 billion of assets under custody, USD 2,503 billion assets under administration. BNP Paribas Securities Services has 10,166 administered funds and more than 10,000 employees.

BNP Paribas Securities Services, Milan Branch shall act as Paying Agent pursuant to the Cash Allocation Management Payments Agreement.

The information contained herein relates to and has been obtained from BNP Paribas Securities Services. 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.

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 600,725,000.00 and will be applied by the Issuer to pay to the Originator the Purchase Price for the Portfolio in accordance with the Receivables Purchase Agreement and to credit (i) the Interest Reserve ultimately on the Interest Reserve Account, (ii) the Cash Reserve Initial Amount ultimately on the Cash Reserve Account, and (iii) the Retention Amount ultimately on the Expenses Account.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents. Prospective Noteholders may inspect copies of the Transaction Documents upon request at the specified office of each of the Representative of the Noteholders and the Principal Paying Agent.

1. THE RECEIVABLES PURCHASE AGREEMENT

On 16 October 2017, the Originator and the Issuer entered into the Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Portfolio.

The Purchase Price for the Portfolio payable pursuant to the Receivables Purchase Agreement is equal to the aggregate of the Individual Purchase Prices of the Receivables comprised in the Portfolio. The Individual Purchase Price for each Receivable is equal to the aggregate amount of all Principal Instalments due from the Valuation Date under the relevant Loan Agreement, plus the interest accrued but unpaid as at the Valuation Date. Under the Receivables Purchase Agreement, the Purchase Price for the Receivables is payable by the Issuer to the Originator on the Issue Date, provided that the transfer notification formalities required by clause 8.1.1 of the Receivables Purchase Agreement have been completed.

The Originator has sold to the Issuer, and the Issuer has purchased from the Originator, the Receivables comprised in the Portfolio, which meet the Criteria, described in detail in the section headed "*The Portfolio*". The sale of the Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda,* number 124 of 21 October 2017 and was registered in the companies register of Treviso – Belluno on 19 October 2017.

The Receivables Purchase Agreement contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and in particular not to assign or transfer the Receivables to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Receivables. The Originator has also undertaken not to modify or cancel any term or condition of the Loan Agreements or any document to which it is a party relating to the Receivables which may prejudice the Issuer's rights to the Receivables or the then current rating of the Senior Notes, save in the event such modifications or cancellations are provided for by the Transaction Documents or required by law.

Further, under the Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option to repurchase the Portfolio (in whole but not in part) from the Issuer, *pro soluto* and pursuant to article 58 of the Consolidated Banking Act, on any Payment Date falling after 31 July 2020 in accordance with the terms and subject to the conditions set out in the Receivables Purchase Agreement.

In addition, under the Receivables Purchase Agreement, the Purchaser has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables,

in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolio as described above, within the limit of (i) in respect of the year 2017, 1.5% of the Outstanding Principal Due of the Portfolio as of the Valuation Date, and (ii) in respect of the years following the year 2017, 3% of the Outstanding Principal Due of the Portfolio as of 1 January of the relevant year.

The Receivables Purchase Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

2. THE SERVICING AGREEMENT

On 16 October 2017, the Originator and the Issuer entered into the Servicing Agreement, pursuant to which the Issuer has appointed Banca Nazionale del Lavoro S.p.A. as Servicer of the Receivables. The receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer shall credit on a daily basis any amounts collected from the Receivables to the Collection Account. The Servicer will also act as the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law. In such capacity, the Servicer shall also be responsible for ensuring that such operations comply with the applicable law and this Prospectus.

The Servicer will also be responsible for carrying out, on behalf of the Issuer, in accordance with the Servicing Agreement and the Credit and Collection Policy, any activities related to the management, enforcement and recovery of the Defaulted Receivables.

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

The Servicer has undertaken to use all due diligence to maintain all accounting records relating to the Receivables and the Defaulted Receivables and to supply all relevant information to the Issuer to enable it to prepare its financial statements.

In return for the services provided by the Servicer, the Issuer will pay to the Servicer on each Payment Date, in accordance with the applicable Priority of Payments:

(i) with regard to the management services of the Receivables which are not Defaulted Receivables, an annual fee to be calculated as 0.025% (plus any VAT, if applicable) of the Outstanding Principal of the Receivables included in the Portfolio (other than the Defaulted Receivables) as at the first day of the Quarterly Collection Period immediately preceding such Payment Date;

(ii) with regard to the collection services of the Receivables which are not Defaulted Receivables, an annual fee to be calculated as 0.025% (plus any VAT, if applicable) of the Outstanding Principal of the Receivables included in the Portfolio (other than the Defaulted Receivables) as at the first day of the Quarterly Collection Period immediately preceding such Payment Date;

(iii) with regard to the recovery services of the Defaulted Receivables, an annual fee to be calculated as 0.10% (plus any VAT, if applicable) of the Outstanding Principal of the

Defaulted Receivables as at the first day of the Quarterly Collection Period immediately preceding such Payment Date; and

(iv) a quarterly fee equal to €1,000.00 per quarter for the activity regarding the monitoring and compliance with the supervisory authority regulations.

The Servicer has undertaken to prepare and submit to the Issuer monthly and quarterly reports containing, a summary of the performance of the Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolio, for delivery to, *inter alios*, the Issuer, the Calculation Agent and the Representative of the Noteholders. In addition, the Servicer has undertaken to prepare a loan-level data report in compliance with the European Central Bank's applicable regulation.

Under the Servicing Agreement, the Issuer has undertaken to promptly appoint, with the cooperation of the Back-up Servicer Facilitator and with previous consultation with the Servicer, a back-up servicer when the Servicer's long-term, unsecured and unsubordinated debt obligations ceases to be rated at least "BBB-" by Fitch, an entity (selected by the Back-up Servicer Facilitator) having the characteristics summarised above to replace the Servicer should the Servicing Agreement be terminated for any reason (the "**Back-up Servicer**").

The Servicer may not terminate its appointment before the earlier of the date on which the Notes have been repaid in full and the Final Maturity Date. 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 the following events:

(i) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 5 Business Days after the due date thereof and cannot be attributed to force majeure;

(ii) failure on the part of the Servicer to observe or perform any other term, condition, covenant or agreement provided for under the Servicing Agreement and the other Transaction Documents to which it is a party, and the continuation of such failure for a period of 7 Business Days following receipt by the Servicer of written notice from the Issuer;

(iii) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement, has been proved to be untrue, false or deceptive in any material respect and such default is, in the opinion of the Representative of the Noteholders, materially prejudicial to the Issuer or the Noteholders;

(iv) an Insolvency Event occurs with respect to the Servicer;

(v) 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;

(vi) the Servicer is or will be unable to meet the current or future legal requirements and the Bank of Italy's regulations for entities acting as servicers in the context of a securitisation transaction.

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

3. THE WARRANTY AND INDEMNITY AGREEMENT

On 16 October 2017, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

The Warranty and Indemnity Agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator validly exists 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.

The Warranty and Indemnity Agreement sets out standard representations and warranties in respect of the Receivables including, *inter alia*, that, as of the date of execution of the Warranty and Indemnity Agreement, the Receivables comprised in the Portfolio (i) were valid, in existence and in compliance with the Criteria, and (ii) related to Loan Agreements which had been entered into, executed and performed by the Originator in compliance with all applicable laws, rules and regulations (including the Usury Law). In addition, the Originator represented, *inter alia*, that each of the Debtors and the guarantors is resident in Italy.

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Debtor and/or any insolvency receiver of the relevant Debtor; (d) the failure of the terms and conditions of any Loan Agreement on the Valuation Date to comply with the provision of article 1283 or article 1346 of the Italian civil code; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Loan Agreement up to the Valuation Date.

The Warranty and Indemnity Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

4. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Originator, the Servicer, the Account Bank, the Representative of the Noteholders, the Back-up Servicer Facilitator, the Corporate Servicer, the Calculation Agent and the Principal Paying Agent entered into the Cash Allocation, Management and Payments Agreement.

Under the terms of the Cash Allocation, Management and Payments Agreement:

(i) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Collection Account, the Cash Reserve Account and the Interest Reserve Account and to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of such accounts;

(ii) the Principal Paying Agent has agreed to (a) establish and maintain, in the name and on behalf of the Issuer, the Payments Account, and (b) provide the Issuer with certain payment services together with certain calculation services in relation to the Notes;

(iii) the Corporate Servicer has agreed to operate the Expenses Account, in accordance with the instructions of the Issuer;

(iv) the Calculation Agent has agreed to provide the Issuer with calculation services; and

(v) the Back-up Servicer Facilitator has undertaken, for as long as Banca Nazionale del Lavoro S.p.A. acts as Servicer in accordance with the provisions of the Servicing Agreement, in the event that the long-term rating of the Servicer's unsecured, unsubordinated and unguaranteed debt obligations falling below "BBB-" by Fitch, to (a) use its best efforts in order to select an entity to be appointed as Back-up Servicer in accordance with the Servicing Agreement and (b) cooperate with the Issuer for the appointment of such Back-up Servicer in accordance with clause 9 of the Servicing Agreement.

The Accounts shall be opened in the name of the Issuer and shall be operated by the relevant depositary bank, and the amounts or securities standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Issuer may (with the prior approval of the Representative of the Noteholders) revoke its appointment of the Calculation Agent by giving not less than three months' written notice. The appointment of the Calculation Agent shall terminate forthwith in accordance with article 1456 of the Italian civil code if: (i) an Insolvency Event occurs in relation to it; or (ii) it is rendered unable to perform its obligations for a period of 60 days by circumstances beyond its control. The Calculation Agent may resign from its appointment, upon giving not less than three months' (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders. Such resignation will be subject to and conditional upon the Representative of the Noteholders consenting in writing to the resignation (such consent not to be unreasonably withheld or delayed) and a substitute Calculation Agent being appointed by the Issuer, with the prior written approval of the Representative of the Noteholders and the prior notice to the Rating Agencies, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement.

The Cash Allocation, Management and Payments Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

5. THE INTERCREDITOR AGREEMENT

On or about the Issue Date, the Issuer and the Other Issuer Creditors entered into the Intercreditor Agreement. Under the Intercreditor Agreement provision is made as to the application of the proceeds from collections in respect of the Portfolio and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolio.

In the Intercreditor Agreement the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the

Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer has undertaken, following the service of a Trigger Notice, to comply with all directions of the Representative of the Noteholders, acting pursuant to the Conditions, in relation to the management and administration of the Portfolio.

The Intercreditor Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

6. THE MANDATE AGREEMENT

On or about the Issue Date, the Issuer and the Representative of the Noteholders entered into the Mandate Agreement under which, subject to a Trigger Notice being served upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents and subject to the fulfilment of certain conditions, the Representative of the Noteholders, acting in such capacity, shall be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain of the Transaction Documents to which the Issuer is a party.

The Mandate Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

7. THE CORPORATE SERVICES AGREEMENT

On or about the Issue Date, the Issuer, the Corporate Servicer and the Representative of the Noteholders entered into the Corporate Services Agreement under which the Corporate Servicer has agreed to provide certain corporate administration and management services to the Issuer in relation to the Securitisation.

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Italian law.

8. THE STICHTING CORPORATE SERVICES AGREEMENT

Pursuant to a stichting corporate services agreement entered into on or prior the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Services Provider, the latter undertook to provide the Quotaholder with certain services set out thereunder.

The Stichting Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of The Netherlands.

THE ACCOUNTS

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

(1) **Collection Account**

Pursuant to the Servicing Agreement, the Servicer shall credit to the Collection Account established in the name of the Issuer with the Account Bank all the amounts received or recovered in respect of the Portfolio during each Quarterly Collection Period on the Business Day on which such amounts are so received or recovered.

(2) **Payments Account**

All amounts payable by the Issuer on each Payment Date will, three Business Days prior to such Payment Date, be paid into the Payments Account established in the name of the Issuer with the Principal Paying Agent. The Payments Account will be maintained with the Principal Paying Agent for as long as the Principal Paying Agent is an Eligible Institution.

(3) **Cash Reserve Account**

The Issuer has established with the Account Bank the Cash Reserve Account. A portion of the proceeds of the issue of the Junior Notes shall be deposited by the Issuer, on the Issue Date, in the Cash Reserve Account to form the Cash Reserve Initial Amount. The Cash Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

(4) **Interest Reserve Account**

The Issuer has established with the Account Bank the Interest Reserve Account. A portion of the proceeds of the issue of the Junior Notes shall be deposited by the Issuer, on the Issue Date, in the Interest Reserve Account to form the Interest Reserve. The Interest Reserve Account will be maintained with the Account Bank for as long as the Account Bank is an Eligible Institution.

(5) **Expenses Account**

The Issuer has established the Expenses Account with Banca Finanziaria Internazionale S.p.A., into which, on the Issue Date, and, if necessary, on every Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled, a pre-determined amount will be credited which will be used by the Issuer to pay any Expenses.

The Account Bank and the Principal Paying Agent will be required at all times to be an Eligible Institution. Should each of them cease to be an Eligible Institution, the Accounts held with it will be transferred to another Eligible Institution within 30 calendar days from the date on which the Account Bank or the Principal Paying Agent, as the case may be, ceased to be an Eligible Institution.

TERMS AND CONDITIONS OF THE SENIOR NOTES

*The following is the text of the terms and conditions of the Senior Notes. In these Senior Notes Conditions, references to the "holder" of a Senior Note and to the "Senior Noteholders" are to the ultimate owners of the Senior Notes, dematerialised and evidenced by book entries with Monte Titoli in accordance with the provisions of (i) article 83-*bis *of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published in the Official Gazette number 54 of 4 March 2008, as subsequently amended and supplemented from time to time. The Senior Noteholders are deemed to have notice of and are bound by, and shall have the benefit of,* inter alia*, the terms of the Rules of the Organisation of the Noteholders, attached as an Exhibit to, and forming part of, these Senior Notes Conditions.*

The €477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035 and the €123,525,000 Class J Asset Backed Variable Return Notes due October 2035 have been issued by the Issuer on the Issue Date pursuant to the Securitisation Law, to finance the purchase by the Issuer of the Portfolio pursuant to the Receivables Purchase Agreement, to create the Cash Reserve and to pay certain expenses incurred by the Issuer in connection with the Securitisation. The principal source of payment of interest and Variable Return and of repayment of principal on the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents.

Any reference below to a "Class" of Notes or a "Class" of Noteholders shall be a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective ultimate owners thereof.

1. INTRODUCTION

1.1 *Senior Noteholders deemed to have notice of Transaction Documents*

The Senior Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents (described below).

1.2 *Provisions of Senior Notes Conditions subject to Transaction Documents*

Certain provisions of these Senior Notes Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

1.3 *Copies of Transaction Documents available for inspection*

Copies of the Transaction Documents (other than the Subscription Agreement) are available for inspection by the Senior Noteholders during normal business hours at the registered office of the Issuer and the Representative of the Noteholders, both being, as at the Issue Date, Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy and at the specified office of the Principal Paying Agent, being, as at the Issue Date, Piazza Lina Bo Bardi, 3, 20124 Milan, Italy.

1.4 *Description of Transaction Documents*

1.4.1 Pursuant to the Subscription Agreement, the Underwriter has agreed to subscribe for the Notes and has appointed the Representative of the Noteholders to perform the activities described in the Subscription Agreement, these Conditions, the Junior Notes Conditions, the Rules of the Organisation of the Noteholders and the other Transaction Documents to which it is a party.

1.4.2 Pursuant to the Warranty and Indemnity Agreement, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Portfolio and certain

other matters and has agreed to indemnify the Issuer in respect of certain liabilities of the Issuer incurred in connection with the purchase and ownership of the Portfolio.

1.4.3 Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect amounts in respect of the Portfolio on behalf of the Issuer. The Servicer will be the *soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento* pursuant to the Securitisation Law and will be responsible for ensuring that such transactions comply with the applicable law and the Prospectus.

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

1.4.5 Pursuant to the Cash Allocation, Management and Payments Agreement, the Back-up Servicer Facilitator, the Account Bank, the Calculation Agent, the Corporate Servicer and the Principal Paying Agent have agreed to provide the Issuer with certain calculation, notification, reporting and agency services together with account handling and payment services in relation to moneys from time to time standing to the credit of the Accounts and the Expenses Account. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of principal, interest and Variable Return in respect of the Notes.

1.4.6 Pursuant to the Intercreditor Agreement, provision is made as to the order of application of Issuer Available Funds and the circumstances under which the Representative of the Noteholders will be entitled to exercise certain of the Issuer's rights in respect of the Portfolio and the Transaction Documents.

1.4.7 Pursuant to the Mandate Agreement, the Representative of the Noteholders, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event and, subject to the fulfilment of certain conditions, upon failure by the Issuer to exercise its rights under the Transaction Documents, is authorised 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.

1.4.8 Pursuant to the Quotaholder's Agreement, certain rules have been set forth in relation to the corporate management of the Issuer.

1.4.9 Pursuant to the Stichting Corporate Services Agreement the Stichting Corporate Services Provider undertook to provide the Quotaholder with certain services set out thereunder.

1.4.10 Pursuant to the Master Definitions Agreement, the definitions and interpretation of certain terms and expressions used in the Transaction Documents have been agreed by the parties to the Transaction Documents.

1.5 *Acknowledgement*

Each Senior Noteholder, by reason of holding Senior Notes, acknowledges and agrees that the Underwriter shall not be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Senior Noteholders as a result of the performance by Securitisation Services S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

2. DEFINITIONS AND INTERPRETATION

2.1 Definition

In these Senior Notes Conditions, the following expressions shall, except where the context otherwise requires and save where otherwise defined, have the following meanings:

"**Account Bank**" means Banca Nazionale del Lavoro S.p.A., or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Accounts**" means, collectively, the Payments Account, the Collection Account, the Interest Reserve Account and the Cash Reserve Account and "**Account**" means any of them.

"**Accrued Interest**" means, as at the Valuation Date, the portion of Interest Instalments accrued on the Portfolio or, as the context may require, on a Receivable on such date but not due yet.

"**Adjustment Purchase Price**" means, in relation to any Receivables erroneously excluded from the Portfolio pursuant to clause 4.1.2 of the Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3 of the Receivables Purchase Agreement.

"**Annual Default Level**" means, as at any Collection Date, the ratio expressed as a percentage between: (a) the aggregate outstanding principal amount of any Defaulted Receivables classified as such within the four preceding Quarterly Collection Periods; and (b) the average of the Collateral Portfolio Outstanding Principal as at the beginning of each of such four Quarterly Collection Periods.

"**Back-up Servicer Facilitator**" means Securitisation Services S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Cash Allocation, Management and Payments Agreement.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

"**BNL**" means Banca Nazionale del Lavoro S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at at Viale Altiero Spinelli, 30, 00157 Rome, Italy, fiscal code and enrolment with the companies register of Rome number 09339391006, share capital of euro 2,076,940,000.00 fully paid up, enrolled under number 1005 in the register of banks held by Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the direction and coordination activities (*soggetta all'attività di direzione e coordinamento*) activities of its sole shareholder BNP Paribas S.A.

"**Business Day**" means, with reference to and for the purposes of any payment obligation provided for under the Transaction Documents, any day on which TARGET2 (or any successor thereto) is open and, with reference to any other provision specified under the Transaction Documents, any day on which banks are generally opened to the public for business in Milan, Rome, Paris and Luxembourg.

"**Calculation Agent**" means Securitisation Services S.p.A., or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means the date falling four Business Days before each Payment Date.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Back-up Servicer Facilitator, the Originator, the Representative of the Noteholders, the Account Bank,

the Corporate Servicer, the Calculation Agent and the Principal Paying Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Cash Reserve**" means a reserve created with a portion the proceeds of the issue of the Junior Notes to be applied in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT56C0100503200000000016810, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Amount**" means, at any time, the aggregate of the balance of the amounts standing to the credit of the Cash Reserve Account, net of any interest accrued and paid thereon.

"**Cash Reserve Available Amount**" means, in respect of any Payment Date, the amount to be drawn from the Cash Reserve Account equal to the absolute value of the difference, if negative, between the Interest Available Funds (net of any Cash Reserve Available Amount) available to pay items from *First* to *Sixth* of the Interest Priority of Payments and the amounts due under items from *First* to *Sixth* of the Interest Priority of Payments on such Payment Date.

"**Cash Reserve Excess Amount**" means: (A) on any Payment Date on which the Cash Reserve Amount on the immediately preceding Payment Date is equal to or higher than the Required Cash Reserve Amount as at such immediately preceding Payment Date and on which no Cash Reserve Available Amount is to be applied in accordance with the Priority of Payments, an amount equal to the difference, if positive, between (i) the Cash Reserve Amount; and (ii) the Required Cash Reserve Amount on such Payment Date; or (B) on any other Payment Date, zero.

"**Cash Reserve Initial Amount**" means €9,544,000.00.

"**Class**" shall be a reference to a Class of Notes being the Senior Notes or the Junior Notes and "**Classes**" shall be construed accordingly.

"**Class J Trigger Event**" means the event occurring when any of the following events have occurred:

(a) the ratio between (x) the aggregate Outstanding Principal Due of the Receivables which have been classified as Defaulted Receivables (at the time they have been so classified) since the Valuation Date and the Collateral Portfolio as at the Valuation Date, is higher than 13.0%;

(b) the Unpaid Principal Deficiency has exceeded 2.0%;

(c) the Delinquency Level has exceeded 8.0%.

"**Clean Up Option Date**" means the Payment Date falling after 31 July 2020.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

"**Collateral Portfolio**" means, on any given date, the aggregate of all Outstanding Principal of all the Receivables that are not classified as Defaulted Receivables, plus the sum of the unpaid Principal

Instalments for all the Receivables in arrear that are not Delinquent Receivables or Defaulted Receivables.

"**Collateral Portfolio Outstanding Principal**" means at any date the Outstanding Principal of all Receivables comprised in the Collateral Portfolio.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT26M0100503200000000016809, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collection Date**" means the second Business Day of each month in each year.

"**Collection Period**" means the Monthly Collection Period and/or the Quarterly Collection Period, as the context requires.

"**Collections**" means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables.

"**Conditions**" means, together, the Senior Notes Conditions and the Junior Notes Conditions and "**Condition**" means a condition of either of them or, where reference is made to a "**Condition**" with a number without indicating whether it is a reference to the Senior Notes Conditions or the Junior Notes Conditions, means that a Condition with that number appears in identical terms in both the Senior Notes Conditions and Junior Notes Conditions and the reference is to both.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Corporate Servicer**" means Securitisation Services S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

"**Corporate Services Agreement**" means the corporate services agreement executed on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**CRA Regulation**" means the Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013.

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, DBRS Ratings Limited, and (ii) in any other case, any entity of DBRS Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

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

DBRS	*Moody's*	*S&P*	*Fitch*

DBRS	*Moody's*	*S&P*	*Fitch*
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means: (a) if a Fitch public rating, a Moody's public rating and an S&P public 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 by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating will be the lower of 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); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent

Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

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

"**Decree 239**" means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

"**Decree 239 Deduction**" means any withholding, deduction, imposition or other payment of Taxes to be made under Decree 239.

"**Defaulted Receivables**" means any Receivable:

(a) in relation to which there are seven instalments due and unpaid or

(b) which has been classified as a "defaulted loan" (*credito in sofferenza*) pursuant to the Bank of Italy's supervisory regulations (*Circolare n. 272 del 30 luglio 2008 della Banca d'Italia*); or

(c) which has been classified as "*inadempienze probabili*" pursuant to the Bank of Italy's supervisory regulations (*Circolare n. 272 del 30 luglio 2008 della Banca d'Italia*).

"**Delinquency Level**" means, as at any Collection Date, the ratio expressed as a percentage between:

(a) the aggregate outstanding principal amount of any Delinquent Receivable that is not a Defaulted Receivable as at such Collection Date;

(b) the outstanding principal amount of the Loans as at such Collection Date.

"**Delinquent Receivables**" means, on each Collection Date, any Receivables having from 1 to 6 Instalments not paid.

"**Determination Date**" means:

(i) with respect to the Initial Interest Period, the day falling two Business Days prior to the Issue Date; and

(ii) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

"**EU Insolvency Regulation**" means the Regulation (EU) No. 848 of 20 May 2015.

"**Euro**", "**cents**" and "**€**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Expenses**" means:

(a) any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and

(b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights.

"**Expenses Account**" means the euro denominated account established in the name of the Issuer with Banca Finanziaria Internazionale S.p.A., IBAN: IT93Y0326661620000014009575, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Extraordinary Resolution**" shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Final Maturity Date**" means the Payment Date falling on October 2035.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

"**First Payment Date**" means the Payment Date falling in April 2018.

"**Fitch**" means (i) for the purpose of identifying the entity which will assign the credit rating to the Senior Notes, Fitch Italia - Società Italiana per il Rating S.p.A. and (ii) in any other case, any entity of Fitch Rating Ltd which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Holder**" or "**holder**" means the ultimate owner of a Note.

"**Initial Expenses Amount**" means an amount equal to the Retention Amount.

"**Initial Interest Period**" means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Initial Principal Amount of the Loans**" means Euro 587,383,160.90.

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the

Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the 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 not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the 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 or corporation takes any action for a re-adjustment of 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 Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Instalment**" means, with respect to each Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

"**Insurance Policy**" means each of the insurance policies taken out in relation to each Loan.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Quarterly Collection Period and credited into the Collection Account (excluding, in the case of the first Quarterly Collection Period, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and the Initial Expenses Amount) and, if such Payment Date is a

Variable Return Payment Date, the portion of Variable Return retained on the Payment Date immediately preceding such Variable Return Payment Date;

(ii) all Recoveries collected by the Servicer during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(iii) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Quarterly Collection Period;

(iv) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(v) all amounts standing to the credit of the Interest Reserve Account on such Payment Date;

(vi) the Cash Reserve Available Amount (if any), on such Payment Date; and

(vii) any amount allocated on such Payment Date under items *First* and *Seventh* of the Principal Priority of Payments.

"**Interest Instalment**" means the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Calculation of Interest Payment Amounts*).

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

"**Interest Priority of Payments**" means the Priority of Payments under Condition 6.1.1 (*Priority of Payments - Priority of Payments prior to the delivery of a Trigger Notice - Interest Priority of Payments*).

"**Interest Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT33D0100503200000000016811, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Interest Reserve**" means (i) on any Payment Date prior to the service of a Trigger Notice until the Payment Date (excluded) on which the Senior Notes are redeemed in full, Euro 2,000,000.00; and (ii) on each Payment Date thereafter (including following the service of a Trigger Notice), zero.

"**Investors Report**" means the report to be prepared and delivered by the Calculation Agent on the second Business Day following each Payment Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 6 December 2017, or such other date on which the Notes are issued.

"**Issue Price**" means 100% of the Principal Amount Outstanding of the Notes upon issue.

"**Issuer**" means Vela Consumer 2 S.r.l., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000 fully paid up, fiscal code, VAT number and enrolment with the companies register of Treviso - Belluno number 04883780266, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation

issued by the Bank of Italy on 7 June 2017, having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.

"**Issuer Available Funds**" means, together, the Interest Available Funds and the Principal Available Funds. For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall also comprise any other amount standing to the credit of the Accounts.

"**Issuer's Rights**" means the Issuer's rights under the Transaction Documents.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008.

"**Junior Notes**" means the €123,525,000 Class J Asset Backed Variable Return Notes due October 2035 issued by the Issuer on the Issue Date.

"**Junior Noteholders**" means the holders of the Junior Notes.

"**Junior Notes Conditions**" means the terms and conditions of the Junior Notes.

"**Junior Notes Retained Amount**" means an amount equal to 10% of the Principal Amount Outstanding of the Junior Notes upon issue.

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

"**Loan**" means each of loan granted to a Debtor, on the basis of a Loan Agreement pursuant to which the Issuer has title to enforce a Receivable (or portion thereof) against the relevant Debtor.

"**Loan Agreement**" means each of loan agreement entered into between the Originator and a Debtor from which each Receivable included in the Portfolio arises.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

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

"**Monthly Collection Period**" means:

(a) each period commencing on (but excluding) a Collection Date and ending on (and including) the following Collection Date; and

(b) in the case of the first Monthly Collection Period, the period commencing on (and including) the Transfer Date and ending on (and including) the Collection Date falling in February 2018.

"**Moody's**" means any entity belonging to the group of Moody's Investors Service, Inc which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Most Senior Class of Notes**" means (i) the Senior Notes; and (ii) following the full repayment of all the Senior Notes, the Junior Notes.

"**Noteholders**" means, together, the Senior Noteholders and the Junior Noteholders.

"**Notes**" means, together, the Senior Notes and the Junior Notes.

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means BNL.

"**Other Issuer Creditors**" means the Originator, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Account Bank, the Stichting Corporate Services Provider and the Underwriter.

"**Outstanding Principal**" means, on any relevant date, in relation to any Receivable, the aggregate of the Principal Instalments not yet due.

"**Outstanding Principal Due**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all Principal Instalments due but not paid on such relevant date, and (ii) the Principal Instalments not due yet.

"**Paying Agents**" means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time pursuant to Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means (a) prior to the delivery of a Trigger Notice, the 26th day of January, April, July and October in each year or, if such day is not a Business Day, the immediately following Business Day or, if the immediately following Business Day falls in another month, the immediately preceding Business Day, and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Trigger Event Priority of Payment, the Conditions and the Intercreditor Agreement, provided that the First Payment Date will fall on 26 April 2018.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Principal Paying Agent with IBAN: IT 59 F 03479 01600 000802156100, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

"**Portfolio**" means the portfolio of Receivables purchased on 16 October 2017 by the Issuer pursuant to the terms and conditions of the Receivables Purchase Agreement.

"**Post Trigger Notice Priority of Payments**" means the Priority of Payments set out in Senior Notes Condition 6.2 (*Priority of Payments - Priority of Payments following the delivery of a Trigger Notice*).

"**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 Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Quarterly Collection Period and credited to the Collection Account, including, in the case of the first Quarterly Collection Period, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and the Initial Expenses Amount;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement during the immediately preceding Quarterly Collection Period;

(iii) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Sixth* of the Interest Priority of Payments, pursuant to the Senior Notes Conditions;

(iv) all the proceeds deriving from the sale, if any, of the Portfolio;

(v) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (excluding any amount received from the sale, if any, of the Portfolio but including any proceeds deriving from the enforcement of the Issuer's Rights);

(vi) amounts under item *Eighth* of the Interest Priority of Payments on such Payment Date;

(vii) any amount allocated on such Payment Date under item *Fifth* of the Interest Priority of Payments;

(viii) any amount set aside on the Payments Account on the immediately preceding Payment Date under item *Fifth* of the Principal Priority of Payments; and

(ix) after full redemption of the Senior Notes or the delivery of a Trigger Notice, any amount standing to the credit of the Expenses Account and, after the delivery of a Trigger Notice, any amount standing to the credit of the Cash Reserve Account.

"**Principal Deficiency Ledger**" means the ledger maintained by the Calculation Agent, which shall be established by or on behalf of the Issuer in order to record, *inter alia*, any Defaulted Receivable, any Principal Instalment unpaid under any Delinquent Receivable and, in the case of the first Quarterly Collection Period only, the amounts not collected by the Servicer in respect of the Receivables on account of Accrued Interest, in accordance with the provisions of the Intercreditor Agreement and the Cash Allocation, Management and Payments Agreement.

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

"**Principal Paying Agent**" means BNP Paribas Securities Services, Milan branch, or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Principal Payment Amount**" shall have the meaning ascribed to it in Condition 8.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

"**Principal Priority of Payments**" means the Priority of Payments under Condition 6.1.2 (*Priority of Payments - Priority of Payments prior to the delivery of a Trigger Notice - Principal Priority of Payments*).

"**Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to and/or following the service of a Trigger Notice in accordance with the Senior Notes Conditions, the Junior Notes Conditions and the Intercreditor Agreement.

"**Privacy Law**" means Legislative Decree number 196 of 30 June 2003 and, to the extent applicable, Law number 675 of 31 December 1996, inclusive of any regulations for the implementation thereof, as supplemented by any regulations as the Italian Privacy Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*) may issue from time to time.

"**Prospectus**" means this prospectus.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended and supplemented from time to time.

"**Purchase Price**" means Euro 589,150,948.18.

"**Quarterly Collection Period**" means:

(a) prior to the service of a Trigger Notice, each period commencing on (but excluding) the Collection Date of January, April, July and October and ending on (and including) respectively, the Collection Date of April, July, October and January;

(b) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Quarterly Collection Period and ending on (and including) the day falling 10 calendar days prior to the next following Payment Date; and

(c) in the case of the first Quarterly Collection Period, the period commencing on (and including) the Transfer Date and ending on (and including) the Collection Date falling in April 2018.

"**Quarterly Servicer's Report**" means the report to be delivered by the Servicer to the Account Bank, the Issuer, the Calculation Agent, the Representative of the Noteholders, the Principal Paying Agent, the Corporate Servicer and the Rating Agencies on each Quarterly Servicer's Report Date and containing details of the performance of the Receivables during a specified Quarterly Collection Period prepared in accordance with clause 5.2 of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the date falling seven Business Days before each Payment Date.

"**Quotaholder**" means Stichting Baryshnikov.

"**Quotaholder's Agreement**" means the agreement executed on or about the Issue Date between, the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Rate of Interest**" has the meaning ascribed to that term in Condition 7.5 (*Rate of Interest*).

"**Rating Agencies**" means DBRS and Fitch.

"**Receivables**" means all rights and claims of the Issuer arising out from any Loan Agreement existing or arising from (and excluding) the Valuation Date, including without limitation:

(a) all rights and claims in respect of the repayment of the outstanding principal;

(b) all rights and claims in respect of the payment of interest (including default interest) accrued on the Loans and not collected up to (but excluding) the Valuation Date;

(c) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Loans from (and including) the Valuation Date;

(d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred;

(e) all rights and claims in respect of each Loan and any guarantee and security relating to the relevant Loan Agreement;

(f) all rights and claims under and in respect of the Insurance Policies; and

(g) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 16 October 2017 between the Issuer and the Originator, as from time to time modified in accordance

with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Recoveries**" means any amounts received or recovered by the Servicer in relation to any Defaulted Receivables and any amounts received or recovered by the Servicer in relation to any Delinquent Receivable.

"**Representative of the Noteholders**" means Securitisation Services S.p.A., or any other person for the time being acting as representative of the Noteholders.

"**Required Cash Reserve Amount**" means: (i) on any Payment Date for as long as the Principal Amount Outstanding of the Senior Notes is higher than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date and, thereafter, until the first Payment Date (excluded) on which the conditions set out below are met for the first time, an amount equal to the Cash Reserve Initial Amount; and (ii) on the first Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal, if any, has been made on such Payment Date) is equal to or less than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date and the following conditions are met:

(a) the Outstanding Principal Due of the Receivables in respect of which there are Instalments due and unpaid for more than 90 days which are not classified yet as Defaulted Receivables is less than 2.5% of the Collateral Portfolio as at the end of the immediately preceding Quarterly Collection Period;

(b) the then available Cash Reserve Amount is equal to the Required Cash Reserve Amount as at the immediately preceding Payment Date;

(c) there is no Unpaid of PDL; and

(d) the ratio between (x) the aggregate Outstanding Principal Due of the Receivables which have been classified as Defaulted Receivables (at the time they have been so classified) since the Valuation Date and (y) the Collateral Portfolio as at the Valuation Date, is lower than 9.0%,

and on each Payment Date thereafter, 4.0% of the Principal Amount Outstanding of the Senior Notes on such Payment Date, provided that the Required Cash Reserve Amount shall never be less than Euro 2,386,000.00 until the Senior Notes have been redeemed in full or cancelled in which case the Required Cash Reserve Amount shall be equal to zero.

"**Retention Amount**" means an amount equal to €30,000.00.

"**Rules of the Organisation of the Noteholders**" or "**Rules**" means the rules of the organisation of the Noteholders attached as Exhibit to the Senior Notes Conditions and the Junior Notes Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Scheduled Instalment Date**" means any date on which an Instalment is due pursuant to a Loan Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

"**Segregated Assets**" means the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them.

"**Senior Noteholders**" means the holders of the Senior Notes.

"**Senior Notes**" means the €477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035.

"**Senior Notes Conditions**" means the terms and conditions of the Senior Notes.

"**S&P**" means any entity belonging to the group of Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies Inc which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Servicer**" means BNL, or any other person for the time being acting as Servicer pursuant to the Servicing Agreement.

"**Servicing Agreement**" means the agreement entered into on 16 October 2017 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Specified Office**" means with respect to the Principal Paying Agent, Piazza Lina Bo Bardi, 3, 20124 Milan, Italy or, with respect to any additional or other Paying Agent appointed pursuant to Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) Limited

"**Subscription Agreement**" means the subscription agreement in relation to the Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Underwriter.

"**TARGET System**" means the TARGET2 system.

"**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 the TARGET2 is open.

"**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, together, the Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Subscription Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Master Definitions Agreement and this Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

"**Transfer Date**" means 16 October 2017.

"**Trigger Event**" means any of the events described in Senior Notes Condition 12 (*Trigger Events*). For the avoidance of doubt, a Class J Trigger Event shall not constitute a Trigger Event.

"**Trigger Event Report**" means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

"**Trigger Notice**" means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12 (*Trigger Events*).

"**Underwriter**" means Banca Nazionale del Lavoro S.p.A.

"**Unpaid of PDL**" means, as at any Collection Date, the absolute value of the negative sum, if any, between the debit entries and the credit entries of the Principal Deficiency Ledger.

"**Unpaid Principal Deficiency**" means, as at any Calculation Date, the ratio, expressed as a percentage, between: (i) the Unpaid of PDL on the immediately preceding Collection Date; and (ii) the Initial Principal Amount of the Loans.

"**Valuation Date**" means 14 October 2017 (included).

"**Variable Return**" means the amount, which may or may not be payable on the Junior Notes on each Variable Return Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Interest Available Funds after satisfaction of the items ranking in priority pursuant to the Interest Priority of Payments or the Post Trigger Notice Priority of Payments, as the case may be.

"**Variable Return Payment Date**" means the Payment Dates falling in April and October in each year or the Payment Date on which the Junior Notes are to be redeemed in full or cancelled.

"**VAT**" means *Imposta sul Valore Aggiunto* (*IVA*) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to *IVA*) or elsewhere.

"**Warranty and Indemnity Agreement**" means the agreement entered into on 16 October 2017 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

2.2 **Interpretation**

2.2.1 *References in Senior Notes Condition*

Any reference in these Senior Notes Conditions to:

"**holder**" and "**Holder**" mean the ultimate holder of a Note and the words "**holder**", "**Noteholder**" and related expressions shall be construed accordingly;

a "**law**" shall be construed as a reference to any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body and a reference to any provision of any law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any such legislative measure is to that provision as amended or re-enacted;

"**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state and any association or partnership (whether or not having legal personality) of two or more of the foregoing;

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.2 *Transaction Documents and other agreements*

Any reference to the Master Definitions Agreement, any other document defined as a "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Master Definitions Agreement, such other Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be amended, varied, novated, supplemented or replaced.

2.2.3 *Transaction Parties*

A reference to any person defined as a "**Transaction Party**" in these Senior Notes Conditions or in any Transaction Document shall be construed so as to include its and any subsequent successors and permitted assignees and transferees in accordance with their respective interests.

2.2.4 *Master Definitions Agreement*

Words and expressions used herein and not otherwise defined shall have the meanings and constructions ascribed to them in the Master Definitions Agreement.

3. DENOMINATION, FORM AND TITLE

3.1 *Denomination*

The Senior Notes are issued in the denomination of €100,000.

3.2 *Form*

The Senior Notes are issued in bearer and dematerialised form and will be evidenced by, and title thereto will be transferable by means of, one or more book-entries in accordance with the provisions of (i) article 83-*bis* of the Financial Laws Consolidation Act, and (ii) the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

3.3 *Title and Monte Titoli*

3.3.1 The Senior Notes will be held by Monte Titoli on behalf of the Senior Noteholders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. No physical documents of title will be issued in respect of the Senior Notes.

3.3.2 Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Principal 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 Senior Note, as the absolute owner of such Senior Note for the purposes of payments to be made to the holder of such Senior Note (whether or not the Senior Note is overdue and notwithstanding any notice to the contrary or any notice of ownership or writing on the Senior Note) and shall not be liable for doing so.

3.4 *The Rules*

The rights and powers of the Senior Noteholders may only be exercised in accordance with the Rules attached to these Senior Notes Conditions as an Exhibit which shall constitute an integral and essential part of these Senior Notes Conditions.

4. STATUS, SEGREGATION AND RANKING

4.1 *Status*

The Senior Notes constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Senior Notes is limited to the amounts received or recovered by the Issuer in respect of the Portfolio and pursuant to the exercise of the Issuer's Rights, as further specified in Senior Notes Condition 9.2 (*Limited recourse obligations of the Issuer*). The Senior Noteholders acknowledge that the limited recourse nature of the Senior Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian civil code.

4.2 *Segregation by law*

By virtue of the Securitisation Law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets are segregated from all other assets of the Issuer and any amount deriving therefrom will only be available both before and after a winding-up of the Issuer to satisfy the obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and to any third party creditors of the Issuer in respect of costs, fees and expenses incurred by the Issuer in relation to the Securitisation.

4.3 *Ranking*

4.3.1 The Senior Notes will at all times rank without preference or priority *pari passu* among themselves for all purposes. The Junior Notes will at all times rank without preference or priority *pari passu* among themselves for all purposes. Both prior to and following the delivery of a Trigger Notice, payments of interest and principal due on the Senior Notes will rank in priority to payments of principal and Variable Return due on the Junior Notes, provided however that, if on any Calculation Date prior to the delivery of a Trigger Notice the amounts standing to the credit of the Cash Reserve Account exceed the then Required Cash Reserve Amount then, on the immediately succeeding Payment Date, such excess amount (if any) which is not going to be used on such Payment Date as Cash Reserve Available Amount will not form part of the Issuer Available Funds and will be applied by the Issuer to pay directly to the Junior Noteholders, *pari passu* and *pro rata*, amounts in respect of principal outstanding on the Junior Notes

4.3.2 The Rules of the Organisation of the Noteholders contain provisions regarding the protection of 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 interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

4.4 *Obligations of Issuer only*

The Senior Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other entity or person.

5. **COVENANTS**

For so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders or as expressly provided in any of the Transaction Documents:

5.1 *Negative pledge*

create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or over any of its other assets or sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its assets, except in connection with further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.2 *Restrictions on activities*

5.2.1 engage in any activity whatsoever which is not incidental to or necessary in connection with the Securitisation, any further securitisation complying with Condition 5.11 (*Further securitisations*) or with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage; or

5.2.2 have any subsidiary (*società controllata* or *società collegata* each as defined in article 2359 of the Italian civil code) or any employees or premises; or

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders 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 Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset; or

5.3 *Dividends or distributions*

pay any dividend or make any other distribution or return or repay any quota capital to its Quotaholder, or increase its capital, save as required by applicable law; or

5.4 *De-registrations*

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

5.5 *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of further securitisations permitted pursuant to Condition 5.11 (*Further securitisations*) below), or give any guarantee, indemnity or security in respect of any indebtedness or in respect of any other obligation of any person or entity or become liable for the debts of any other person or entity or hold out its credit as being available to satisfy the obligations of others; or

5.6 *Merger*

consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity; or

5.7 *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, or exercise any powers of consent or waiver pursuant to the terms of any of the Transaction Documents to which it is a party including any power of consent or waiver in respect of the Portfolio, or permit any party to any of the Transaction Documents to which it is a party to be released from such obligations; or

5.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Expenses Account, the account on which its quota capital is deposited or any bank accounts opened in relation to any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9 *Statutory documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or *atto costitutivo* except where such amendment, supplement or modification is required by a compulsory provision of Italian law or by the competent regulatory authorities or is in connection with a change of the registered office of the Issuer; or

5.10 *Corporate records, financial statements and book of account*

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

5.11 *Further securitisations*

carry out any other securitisation transactions pursuant to the Securitisation Law or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, deed or agreement in connection with any other securitisation transaction and then only if (a) the transaction documents relating to any such securitisation are notified to the Rating Agencies and any such securitisation transaction would not adversely affect the then current rating of any of the Senior Notes, (b) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law, and (c) any such further securitisation has been previously approved by the Senior Noteholders in accordance with the Rules.

6. PRIORITY OF PAYMENTS

6.1 *Pre Trigger Notice Priority of Payments*

6.1.1 *Interest Priority of Payments*

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Condition 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Interest Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, (a) to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such costs during the immediately preceding Interest Period), and (b) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Second, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and any indemnity amount properly due and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction

Documents, and (b) any amount due and payable on account of remuneration, fees, indemnity payments or reimbursement of expenses on such Payment Date to the Account Bank, the Back-up Servicer Facilitator, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer, the Servicer and the Stichting Corporate Services Provider;

Third, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fourth, to transfer to the Interest Reserve Account an amount equal to the Interest Reserve on such Payment Date;

Fifth, to transfer to the Principal Available Funds any amount paid on the preceding Payment Dates under item *First* of the Principal Priority of Payments and not yet repaid pursuant to this item;

Sixth, in or towards making good any shortfall reflected in the Principal Deficiency Ledger until the debit balance, if any, of the Principal Deficiency Ledger is reduced to zero;

Seventh, to transfer any amounts to the Cash Reserve Account in order to make up any shortfall in the Required Cash Reserve Amount;

Eighth, if a Class J Trigger Event has occurred, to apply all remaining Interest Available Funds to pay any amount payable under the Principal Priority of Payment on such Payment Date; and

Ninth, (i) if such Payment Date is a Variable Return Payment Date, to pay the Variable Return on the Junior Notes, and (ii) on any Payment Date which is not a Variable Return Payment Date, to retain any residual amount in the Collection Account.

6.1.2 *Principal Priority of Payments*

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Condition 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Principal Available Funds shall be applied on each Payment Date in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, to pay any amount payable under items *First* to *Third* (inclusive) under the Interest Priority of Payments, to the extent that the Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

Second, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of principal on the Senior Notes;

Third, to pay to the Originator any Adjustment Purchase Price pursuant to clause 4.3 of the Receivables Purchase Agreement;

Fourth, to pay to any party to the Transaction Documents, *pari passu* and *pro rata*, any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Fifth, if a Class J Trigger Event has occurred, to credit to the Payments Account any amount not paid in respect of principal on the Notes as a result of rounding adjustments requested by Monte Titoli;

Sixth, to pay, *pari passu* and *pro rata*, principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Seventh, until the Payment Date on which the Notes are redeemed in full, to transfer to the Interest Available Funds any remaining amount after all the other payments under this Principal Priority of Payments have been made in full; and

Eighth, on the Payment Date on which the Notes are redeemed in full, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

6.2 *Post Trigger Notice Priority of Payments*

On each Payment Date following the delivery of a Trigger Notice and upon redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption for taxation reasons*), the Issuer Available Funds shall be applied in making the following payments in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

First, if the relevant Trigger Event is not an Insolvency Event, (a) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses, and (b) to credit into the Expenses Account such an amount to bring the balance of such account up to (but not exceeding) the Retention Amount;

Second, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, (a) the remuneration due to the Representative of the Noteholders and to pay any indemnity amount properly due under and any proper costs and expenses incurred by the Representative of the Noteholders under the provisions of, or in connection with, any of the Transaction Documents; and (b) any amount due and payable on account of remuneration, fees, indemnity payments or reimbursement of expenses on such Payment Date to the Account Bank, the Back-up Servicer Facilitator, the Calculation Agent, the Principal Paying Agent, the Corporate Servicer the Servicer and the Stichting Corporate Services Providerand the Servicer;

Third, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Senior Notes on such Payment Date;

Fourth, to pay, *pari passu* and *pro rata*, all amounts in respect of principal outstanding on the Senior Notes;

Fifth, to pay to any party to the Transaction Documents, *pari passu* and *pro rata*, any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Sixth, to pay, *pari passu* and *pro rata*, principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Seventh, to pay, *pari passu* and *pro rata*, the Variable Return on the Junior Notes; and

Eighth, on the Payment Date on which the Notes are redeemed in full, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

7. INTEREST

7.1 *Accrual of interest*

Each Senior Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date.

7.2 *Payment Dates and Interest Periods*

Interest on each Senior Note will accrue on a daily basis and will be payable in Euro in arrears on each Payment Date in respect of the Interest Period ending on such Payment Date. The First Payment Date is the Payment Date falling in April 2018 in respect of the Initial Interest Period.

7.3 *Termination of interest accrual*

Each Senior Note (or the portion of the Principal Amount Outstanding due for redemption) shall cease to bear interest from (and including) the Final Maturity Date or from (and including) any earlier date fixed for redemption unless payment of the principal due and payable but unpaid is improperly withheld or refused, in which case, each Senior Note (or the relevant portion thereof) will continue to bear interest in accordance with this Senior Notes Condition (both before and after judgment) at the rate from time to time applicable to such Senior Note until the day on which either all sums due in respect of such Senior Note up to that day are received by the relevant Senior Noteholder or the Representative of the Noteholders or the Principal Paying Agent receives all amounts due on behalf of all such Senior Noteholders.

7.4 *Calculation of interest*

Interest in respect of any Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and the actual number of days in the relevant calendar year (i.e. on ACT/365 ISDA basis).

7.5 *Rate of Interest*

The rate of interest applicable to the Senior Notes (the "**Rate of Interest**") for each Interest Period, including the Initial Interest Period, shall be 0.70% per annum.

7.6 *Calculation of Interest Payment Amounts*

The Issuer shall on each Determination Date determine or cause the Principal Paying Agent to determine the Euro amount (the "**Interest Payment Amount**") payable as interest on each Senior Note in respect of the immediately following Interest Period calculated by applying the Rate of Interest to the Principal Amount Outstanding of each Senior Note on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by the actual number of days in the relevant calendar year, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.7 *Notification of Interest Payment Amount and Payment Date*

As soon as practicable (and in any event not later than the close of business on the relevant Determination Date), the Issuer will cause:

7.7.1 the Interest Payment Amount for each Senior Note for the related Interest Period; and

7.7.2 the Payment Date in respect of each such Interest Payment Amount,

to be notified to the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, Monte Titoli, Euroclear, Clearstream and the Luxembourg Stock Exchange and will cause the same to be published in accordance with Condition 16.1 (*Notices Given Through Monte Titoli*) on or as soon as possible after the relevant Determination Date.

7.8 *Amendments to publications*

The Interest Payment Amount for each Senior Note and the Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

7.9 *Determination by the Representative of the Noteholders*

If the Issuer does not at any time for any reason determine (or cause to be determined) the Interest Payment Amount for any Senior Note in accordance with Senior Notes Condition 7.6 (*Determination of Rate of Interest and calculation of Interest Payment Amounts*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall determine (or cause to be determined) the Interest Payment Amount for each Senior Note in the manner specified in Senior Notes Condition 7.6 (*Calculation of Interest Payment Amounts*), and any such determination shall be deemed to have been made by the Issuer.

7.10 *Notifications to be final*

Each notification, calculation and quotation given, expressed, made or obtained for the purposes of this Senior Notes Condition 7 (*Interest*), whether by the Principal Paying Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on all persons.

7.11 *Principal Paying Agent*

The Issuer shall ensure that, so long as any of the Senior Notes remain outstanding, there shall at all times be a Principal Paying Agent. The Principal Paying Agent may not resign until a successor approved in writing by the Representative of the Noteholders has been appointed. If a new Principal Paying Agent is appointed notice of its appointment will be published in accordance with Senior Notes Condition 16 (*Notices*).

7.12 *Unpaid interest with respect to the Senior Notes*

Unpaid interest on the Senior Notes shall accrue no interest.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 *Final redemption*

8.1.1 Unless previously redeemed in full or cancelled as provided in this Senior Notes Condition, the Issuer shall redeem the Senior Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Senior Notes in whole or in part prior to the Final Maturity Date except as provided below in Senior Notes Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption for taxation reasons*), but without prejudice to Senior Notes Condition 12 (*Trigger Events*) and Senior Notes Condition 13 (*Enforcement*).

8.1.3 If the Issuer has insufficient Issuer Available Funds to repay the Senior Notes in full on the Final Maturity Date, then the Senior Notes shall be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Senior Notes shall (unless payment of such amounts is being improperly withheld or refused) be finally and definitively cancelled.

8.2 *Mandatory redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Senior Notes in accordance with the Priority of Payments set out in Senior Notes Condition 6 (*Priority of Payments*), the Issuer will cause each Senior Note to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Senior Note determined on the related Calculation Date.

8.3 *Optional redemption*

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date, the Issuer may redeem the Senior Notes (in whole but not in part) and the Junior Notes (in whole or in part, the Junior Noteholders' having consented to such partial redemption) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the following:

8.3.1 that the Issuer has given not more than 60 and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) of its intention to redeem the Notes of each Class which are to be redeemed; and

8.3.2 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders a certificate signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will on the relevant Payment Date have the funds, not subject to the interests of any person, required to redeem (a) all the Senior Notes in accordance with this Senior Notes Condition, (b) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with the Senior Notes, (c) all 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 (d) any amount required to be paid under the Post Trigger Notice Priority of Payments in priority to or *pari passu* with the Junior Notes.

8.4 *Optional redemption for taxation reasons*

Provided that no Trigger Notice has been served on the Issuer, the Issuer may redeem in whole (but not in part) the Senior Notes and the Junior Notes (in whole or in part, the Junior Noteholders' having consented to such partial redemption) at their Principal Amount Outstanding, in accordance with the Post Trigger Notice Priority of Payments, on any Payment Date:

8.4.1 after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer or any other person would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction); or

8.4.2 after the date of a change in the Tax law of Italy (or 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 Debtors being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

8.4.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

8.4.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by an authorised representative of the Issuer on its behalf 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

(b) a certificate duly signed by an authorised representative of the Issuer on its behalf confirming that the Issuer will, on the relevant Payment Date, have the funds, not subject to the interests of any other person, 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 Trigger Notice 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 Trigger Notice Priority of Payments.

8.5 *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.6 *Calculation of Principal Payment Amount and Principal Amount Outstanding*

8.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Issuer Available Funds;

(b) the aggregate principal payment (if any) due on each Senior Note on the next following Payment Date and the Principal Payment Amount (if any) due on each Senior Note; and

(c) the Principal Amount Outstanding of each Senior Note on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each Senior Note).

8.6.2 The principal amount redeemable in respect of each Senior Note (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the principal payment due in respect of such Senior Note, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying the Issuer Available Funds available to make the principal payment in respect of the Senior Notes, in accordance with the relevant Priority of Payments, on such date by a fraction, the numerator of which is the then Principal Amount Outstanding of the Senior Notes and the denominator of which is the then Principal Amount Outstanding of all the Senior Notes, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of the Senior Notes.

8.7 *Calculation by the Representative of the Noteholders in case of Issuer default*

If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the amount thereof available for principal payments in respect of each Senior Note, the Principal Payment Amount in respect of each Senior Note or the Principal Amount Outstanding in relation to each Senior Note in accordance with this Senior Notes Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Senior Notes Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

8.8 *Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to each Senior Note to be notified immediately after calculation (through the Payments Report or the Trigger Event Report) to the Representative of the Noteholders, the Paying Agents and, for so long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to each Senior Note to be given in accordance with Senior Notes Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

8.9 *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date, a notice to this effect will be given to the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) not later than two Business Days prior to such Payment Date.

8.10 *Notice Irrevocable*

Any such notice as is referred to in Senior Notes Condition 8.3 (*Optional redemption*), Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*) and Senior Notes Condition 8.8 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Senior Notes at their Principal Amount Outstanding.

8.11 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.12 *Cancellation*

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1 *Noteholders not entitled to proceed directly against Issuer*

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 and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular,

9.1.1 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, provided however that this Condition 9.1.2 shall not prevent any Noteholder from taking any steps against the Issuer which do not amount to the commencement or to the threat of commencement of legal proceedings against the Issuer or to procuring the appointment of an administrative receiver for, or to making an administration order against, or to the winding up or liquidation of, the Issuer;

9.1.2 until the date falling on the later of (i) one year and one day (or, in the event of prepayment or early cancellation of the Notes, two years and one day) after the date on which the Notes have been redeemed in full or cancelled in accordance with the Conditions and (ii) one year and one day (or, in the event of prepayment or early cancellation of the notes, two years and one day) after the date on which any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of

their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer, unless a Trigger Notice has been served or an Insolvency Event 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 this Conditions and the Rules, provided further that this Condition 9.1.2 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; and

9.1.3 no Noteholder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priority of Payments not being complied with.

9.2 *Limited recourse obligations of 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:

9.2.1 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;

9.2.2 sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and

9.2.3 if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents or the Notes and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Senior Notes Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets 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 discharged in full.

10. **PAYMENTS**

10.1 *Payments through Monte Titoli*

Payment of principal, interest and Variable Return in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Principal Paying Agent on behalf of the Issuer to the accounts of the Monte Titoli Account Holders in whose accounts with Monte Titoli the Notes are held

and thereafter credited by such Monte Titoli Account Holders from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

10.2 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 *Payments on Business Days*

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4 *Change of Principal Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint additional or other Paying Agents provided that (for as long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and should the rules of the Luxembourg Stock Exchange so require) the Issuer will at all times maintain a paying agent with a Specified Office in Luxembourg. The Issuer will cause at least 10 (ten) days' prior notice of any change in or addition to the Paying Agents or their Specified Offices to be given in accordance with Senior Notes Condition 16 (*Notices*).

11. TAXATION

11.1 *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Principal Paying Agent or any paying agent, as the case may be, appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Principal Paying Agent or any paying agent (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

11.3 *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Senior Notes Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.4 *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agents or any paying agent are required to make a Tax Deduction this shall not constitute a Trigger Event.

12. TRIGGER EVENTS

12.1 *Trigger Events*

Each of the following events is a "**Trigger Event**":

12.1.1 *Non-payment:*

the Issuer defaults in the payment of the amount of interest and/or principal due and payable on the Most Senior Class of Notes and such default is not remedied within a period of five Business Days from the due date thereof; or

12.1.2 *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of interest and/or principal on the Most Senior Class of Notes) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.3 *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

12.1.4 *Unlawfulness:*

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.

12.2 *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Senior Notes Condition 13 (*Enforcement*) the Representative of the Noteholders may, in its absolute discretion, or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of the Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, shall, deliver a written notice (a "**Trigger Notice**") to the Issuer.

12.3 *Conditions to delivery of Trigger Notice*

Notwithstanding Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

12.3.1 in the case of the occurrence of any of the events mentioned in Senior Notes Condition 12.1.2 (*Breach of other obligations*) and Senior Notes Condition 12.1.4 (*Unlawfulness*) the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Senior Noteholders; and

12.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4 *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Variable Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

13. ENFORCEMENT

13.1 *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice, take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.2 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Senior Notes Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

13.2.1 to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

13.2.2 (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

13.3 *Sale of Portfolio*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holder of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby.

14. THE REPRESENTATIVE OF THE NOTEHOLDERS

14.1 *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. NOTICES

16.1 *Notices given through Monte Titoli*

Any notice regarding the Senior Notes, as long as the Senior Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2 *Notices in Luxembourg*

16.2.1 As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to Noteholders given by or on behalf of the Issuer shall also be published on the website of the Stock Exchange (www.bourse.lu). The website of the Stock Exchange does not form part of the information provided for the purposes of this Prospectus. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

16.2.2 In addition, as so long as the Senior Notes are listed on the Luxembourg Stock Exchange, any notice regarding the Senior Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

16.3 *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

17. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Senior Notes Conditions, whether by the Principal Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence, wilful default, bad faith or manifest error) be binding on the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Principal Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

18. GOVERNING LAW AND JURISDICTION

18.1 *Governing Law of Senior Notes*

The Senior Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2 *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3 *Jurisdiction of courts*

The Courts of Rome are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Senior Notes and any non-contractual obligations arising out thereof or in connection therewith.

18.4 *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Rome are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE NOTES
RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

1. **GENERAL**

1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the €477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035 (the "**Senior Notes**") and the €123,525,000 Class J Asset Backed Variable Return Notes due October 2035 (the "**Junior Notes**"), issued by Vela Consumer 2 S.r.l. and is governed by these Rules of the Organisation of the Noteholders set out herein (the "**Rules**").

1.2 These Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of these Rules are deemed to be an integral part of each Note issued by the Issuer.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

2.1.1 In these Rules the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal, interest or Variable Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Variable Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to change the quorum required at any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Variable Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1.3 (*Noteholders not entitled to proceed directly against Issuer*);

(h) to change the fixed or floating nature of the interest payable on the Senior Notes;

(i) to provide any consent or approval on the matter set out in Condition 5; or

(j) to change this definition.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Principal Paying Agent for the purpose of obtaining from the Principal Paying Agent a Block Voting Instruction or a Voting Certificate on terms

that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Principal Paying Agent:

(a) certifying that certain specified Notes are held to the order of the Principal Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Principal Paying Agent not less than 48 Hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Principal Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Principal Paying Agent that the votes attributable to such Notes 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 such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of these Rules.

"**Condition**" means, as applicable, a condition of the Senior Notes Conditions or of the Junior Notes Conditions.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Note means the ultimate owner of such Note.

"**Junior Notes Conditions**" means the terms and conditions of the Junior Notes as from time to time modified in accordance with the provisions herein contained and including any other document expressed to be supplemental thereto and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

"**Meeting**" means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

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

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream and Euroclear.

"**Most Senior Class of Notes**" means the Senior Notes while they remain outstanding and thereafter the Junior Notes.

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in these Rules by the majority of the vote cast.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Principal Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively.

"**Senior Notes Conditions**" means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto and any reference to a particular numbered Senior Notes Condition shall be construed in relation to the Senior Notes accordingly.

"**Specified Office**" means:

(a) with respect to the Principal Paying Agent (i) the office specified against its name in clause 20.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (ii) such other office as the Principal Paying Agent may specify in accordance with clause 15.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement; and

(b) with respect to any additional or other paying agent appointed pursuant to Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents)* and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents)* and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Transaction Party**" means any person who is a party to a Transaction Document.

"**Trigger Event**" means any of the events described in Condition 12 (*Trigger Events*) of the Senior Notes Condition or Condition 12.1 (*Trigger Events*) of the Junior Notes Conditions.

"**Trigger Notice**" means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*) of the Senior Notes Condition or Condition 12.2 (*Delivery of Trigger Notice*) of the Junior Notes Conditions.

"**Voter**" means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Principal Paying Agent or a Proxy named in a Block Voting Instruction.

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time; or

(b) a certificate issued by the Principal Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Principal Paying Agent;

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Principal Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in these Rules shall have the meanings and the constructions ascribed to them in the Senior Notes Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. **PURPOSE OF THE ORGANISATION**

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II

MEETINGS OF THE NOTEHOLDERS

4. **VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS**

4.1 **Issue**

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Principal Paying Agent or require the Principal Paying Agent to issue a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Principal Paying Agent) held to its order or under its control or blocked in an

account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 **Expiry of validity**

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 **Deemed Holder**

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by a Principal Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Principal Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 **Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 **References to blocking or release**

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES**

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Principal Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 **Time and place of Meetings**

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

7. **NOTICE**

7.1 **Notice of meeting**

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Noteholders and the Principal Paying Agent and any other agent appointed under Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents)*, with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 **Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificates for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time and that for the purpose of obtaining Voting Certificates from the Principal Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Principal Paying Agent) be held to the order of or placed under the control of the Principal Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 **Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 **Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 **Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. **QUORUM**

The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes will be one or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or these Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or these Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class,

provided that if in respect of any Class of Notes the Principal Paying Agent has received evidence that all the Notes of that Class are held by a single Holder and the Voting Certificates and/or Block Voting Instructions so confirm then a single Voter appointed in relation thereto or being the Holder of the Notes thereby represented shall be deemed to be two Voters for the purpose of forming a quorum.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. **NOTICE FOLLOWING ADJOURNMENT**

12.1 **Notice required**

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. **PARTICIPATION**

13.1 The following categories of persons may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 the directors and the auditors of the Issuer;

13.1.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.1.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.1.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.1.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

13.2 Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

13.2.1 the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

13.2.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

13.2.3 each Voter attending via audio-conference or video-conference may follow and intervene in the dicussions and vote the items on the agenda in real time;

13.2.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

13.2.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

14. **VOTING BY SHOW OF HANDS**

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands. To the extent that there are Voters attending the Meeting via audio-conference, upon a vote being expressed by a show of hands such Voters shall vote through oral declaration.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. **VOTING BY POLL**

15.1 **Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. **VOTES**

16.1 **Voting**

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each €1,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 **Block Voting Instruction**

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for

want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. **ORDINARY RESOLUTIONS**

18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules, the Senior Notes Conditions or the Junior Notes Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking with or senior to such Class (to the extent that there are Notes outstanding ranking with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. **EXTRAORDINARY RESOLUTIONS**

19.1 A Meeting, in addition to any powers assigned to it in the Senior Notes Conditions or the Junior Notes Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Senior Notes Conditions, the Junior Notes Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto, provided that any modification, abrogation, variation or compromise of the provisions of the Priority of Payments shall not be effective unless an amendment, modification or improvement is required or deemed opportune and such amendment, modification or improvement is, in the sole opinion of the Representative of the Noteholders, in the interests of, or at least not materially prejudicial to the interests of the Other Issuer Creditors and in respect thereof the Representative of the Noteholders may consent with the relevant Other Issuer Creditor and may rely on the opinion of the relevant Other Issuer Creditor as to whether any act, matter or thing is or is not in the interests of, or not prejudicial to, the interests of the Other Issuer Creditor, provided in any case that the Rating Agencies have been notified in advance of any such alteration;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12;

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may

become liable pursuant or in relation to these Rules, the Senior Notes Conditions, the Junior Notes Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Senior Notes Conditions or the Junior Notes Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party (other than the Originator in any of its capacities under the Transaction Documents) of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

19.1.11 terminate the appointment of the Originator in its capacity as Servicer or of any other entity belonging to the same banking group of the Originator (in any of their capacities under the Transaction Documents);

19.1.12 direct the disposal of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event;

19.1.13 resolve on the enforcement of any of the Issuer's rights under the Transaction Documents against the Originator;

19.1.14 approve any amendment to the Transaction Documents which, in the reasonable opinion of the Representative of the Noteholders, would be prejudicial to, or have a negative impact on, the Senior Noteholders;

19.1.15 waive any breach or authorise any proposed breach by the Originator or other entity belonging to the same banking group of the Originator (in any of their capacities under the Transaction Documents) of their obligations under or in respect of the Transaction Documents to which each of them is a party;

19.1.16 resolve on any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders, there may be a conflict of interest between the Senior Noteholders and the Originator or other entity belonging to the same banking group of the Originator (in any of their capacities under the Transaction Documents) under the Securitisation.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking senior to such Class (to the extent that there are Notes outstanding ranking senior

to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking senior to with such Class would be materially prejudiced by the absence of such sanction.

20. EFFECT OF RESOLUTIONS

20.1 Binding Nature

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders and in each case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 Notice of Voting Results

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agents (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. CHALLENGE TO RESOLUTIONS

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

22. MINUTES

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

23. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. JOINT MEETINGS

Subject to the provisions of the Rules, the Senior Notes Conditions and the Junior Notes Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. INDIVIDUAL ACTIONS AND REMEDIES

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited recourse and non petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.3 The provisions of this Rule 26 shall not prejudice the right of any Noteholder, under Condition 9.1.2, to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party.

27. FURTHER REGULATIONS

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer or the Noteholders, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 Duration of appointment

The Representative of the Noteholders can be removed by Extraordinary Resolution of the Noteholders at any time. Unless the Representative of the Noteholders is removed pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders for its services as Representative of the Noteholders from the Issue Date, the fees agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation 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 new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28 (*Appointment, Removal and Remuneration*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 Judicial Proceedings

The Representative of the Noteholders is authorised to initiate or join and to represent the Organisation of the Noteholders in any judicial proceedings, including Insolvency Proceedings, concerning the Issuer and the Notes.

30.5 Consents given by Representative of Noteholders

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 (i) for so long as the Senior Notes have a rating by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) 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.

30.6 **Discretions**

The Representative of the Noteholders save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by 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*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the authorisation or directions by the Noteholders in respect of any action proposed to be taken by the Representative of the Noteholders. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify it and/or provide it with security as specified in Article 31.2 (*Specific limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole 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.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of 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 sole 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.

31. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other party to the Transaction Documents of the provisions of, and its obligations under, these Rules, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to

assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all such provisions and their respective obligations;

31.2.3 except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not 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, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or right created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Principal Paying Agent or any other person in respect of the Portfolio;

31.2.6 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;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure

was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the enforcement or realisation of the Portfolio or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Condition 12 (*Trigger Events*) on the basis of an opinion formed by it in good faith; and

31.2.17 shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders.

31.3 **Specific Permissions**

31.3.1 When in these Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities, duties or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regard to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, trusts, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 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 these 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.

31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 **Illegality**

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. **RELIANCE ON INFORMATION**

32.1 **Advice**

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written 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 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.

32.2 **Transmission of Advice**

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and, in the absence of 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 opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 **Certificates of Issuer**

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter prima facie within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers

responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 **Resolution or direction of Noteholders**

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 **Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time, which certificates are to be conclusive proof of the matters certified therein.

32.6 **Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agency**

The Representative of the Noteholder 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 interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and as ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Senior Notes or any Class thereof, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the

administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

33. **MODIFICATIONS**

33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any other securitisation referred to in Condition 5.11 and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the Holders of the Most Senior Class of Noteholders and the fact that the execution of the relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any

time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

34.5 **Professional advice**

In the exercise of its powers, the Representative of the Noteholders shall be entitled to seek any professional advice it might deem appropriate, at costs and expenses of the Issuer.

35. **INDEMNITY**

Pursuant to the Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

36. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

37. **POWERS**

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

38. **GOVERNING LAW**

These Rules and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

39. **JURISDICTION**

The Courts of Rome will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules and any non-contractual obligations arising out thereof or in connection therewith.

EXPECTED AVERAGE LIFE OF THE SENIOR NOTES

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. The weighted average life of the Senior Notes will be influenced by, *inter alia*, the actual rate of collection of the Receivables.

Calculations as to the weighted average life and the expected maturity of the Senior Notes can be made on the basis of certain assumptions, including the rate at which the Receivables are prepaid, the amount of the Defaulted Receivables and whether the Issuer exercises its option for an early redemption of the Notes.

The following table shows the weighted average life and the expected maturity of the Senior Notes and has been prepared based on the characteristics of the Receivables included in the Portfolio, on historical performance and on the following additional assumptions:

(i) no Trigger Event occurs in respect to the Notes;

(ii) no Class D Trigger Event occurs;

(iii) the right of optional redemption under Condition 8.3 *(Redemption, Purchase and Cancellation—Optional redemption)* is exercised on the Clean Up Option Date;

(iv) no event under Condition 8.4 *(Redemption, Purchase and Cancellation - Optional redemption for taxation reasons)* occurs.

The actual characteristics and performance of the Receivables are likely to differ from the assumptions used in constructing the table set forth below, 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 Receivables 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 following table.

Contstant prepayment rate	*Weighted Average Life (years)*	*Expected Maturity*
0%	2.45	Jul 2023
2%	2.28	Apr 2023
4%	2.13	Jan 2023
6%	1.99	Oct 2022
8%	1.86	Jul 2022
10%	1.74	Apr 2022
12%	1.64	Jan 2022
15%	1.50	Oct 2021
20%	1.29	Jul 2021

SELECTED ASPECTS OF ITALIAN LAW

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.

The Securitisation Law has been recently amended by: (i) the Italian law decree (*decreto-legge*) No. 145 of 23 December 2013, which has been converted into law by the Italian Parliament with law No. 9 of 21 February 2014 (the "**Decree 145**"); (ii) the Italian law decree (*decreto-legge*) No. 91 of 24 June 2014, which has been converted into law by the Italian Parliament with law No. 116 of 11 August 2014 (the "**Decree 91**"); (iii) the Italian law decree (decreto-legge) No. 18 of 14 February 2016, which has been converted into law by the Italian Parliament with law No. 49 of 8 April 2016 and (iv) the Italian law No. 96 of 21 June 2017.

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which performs the securitisation (including any other assets purchased by such company pursuant to the Securitisation Law). Prior to and on a winding up of such a company such receivables 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 of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Italian Law Decree number 91 of 24 June 2014 (as converted into law by Italian Law number 116 of 11 August 2014) and now provides that receivables relating to each securitisation transaction (meaning both the claims against the debtor or debtors and any other claim in favour of the securitisation company in the context of the relevant transaction), the cashflows deriving therefrom and any financial assets purchased with them constitute assets segregated in all respects from those of the securitisation company and those relating to other securitisation transactions. No actions against such segregated assets may be taken by creditors other than the holders of the securities issued to finance the purchase of the relevant receivables.

In addition, Italian Law Decree number 91 of 24 June 2014 (as converted into law by Italian Law number 116 of 11 August 2014) has introduced the new paragraphs 2-*bis* and 2-*ter* to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited.

Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

The assignment

The assignment of the receivables is governed by the Securitisation Law.

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. 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 of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration in the companies register, so avoiding the need for individual notification to be served on each debtor.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which relating to the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

   (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

   (a) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Italian 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.

Notice of the assignment of the Receivables comprised in the Initial Portfolio pursuant to the Receivables Purchase Agreement was published in the *Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*, number 124 of 21 October 2017 and was registered in the companies register of Treviso - Belluno on 19 October 2017.

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.

Consumer credit provisions

(i) *Consumer credit provisions and enactment of Law Decree 141* – The Portfolio includes Loans which qualify as "consumer loans", i.e. loans extended to individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities. In Italy consumer loans are regulated by, amongst others: (i) articles 121 to 126 of the Consolidated Banking Act and (ii) some provisions of the Consumer Code. Consumer protection legislation has been subject to a full revision by the enactment of law decree 13 August 2010 number 141 (as subsequently amended "**Law Decree 141**") which transposed in the Italian legal system EC Directive 2008/48 on credit agreements for consumers. Law Decree 141 has become enforceable on 19 September 2010.

(ii) *Law Decree 141 and existing credit consumer agreements* - Even if Law Decree 141 does not provide anything on the matter, on the basis of both article 30 of the Directive and the implementing measures of Law Decree 141, it can be stated that the provisions set by Law Decree 141 do not apply to agreements existing on the date on which latter entered into force, except for some provisions, applicable to open-end credit agreements only.

(iii) *Scope of application* - Prior to the entry into force of Law Decree 141, consumer loans were only those granted for amounts respectively lower and higher than the maximum and minimum levels set by the *Comitato Interministeriale per il Credito e il Risparmi*o ("**CICR**") (the inter-ministerial committee for credit and savings), such levels being fixed at €30,987.41 and €154.94 respectively. Current article 122 of the Consolidated Banking Act rules that provisions concerning consumer loans apply to loans granted for amounts from €200 (included) to €75,000 (included); moreover, the same article 122 sets a list of other deeds and agreement which shall not be considered as consumer loans.

(iv) *Right of withdrawal* - Pursuant to article 125-*ter* of the Consolidated Banking Act, consumers have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason. That period of withdrawal shall begin (a) either from the day of the conclusion of the credit agreement, or (b) from the day on which the consumer receives the contractual terms and conditions and information to be provided to it pursuant to paragraph 1 of article 125-*bis* of the Consolidated Banking Act, if that day is later than the date referred to under point (a). In case the consumer enforces its right of withdrawal, within thirty days following the date of enforcement the consumer shall pay to the lender any amount outstanding under the relevant consumer loan, plus matured interest and non recoverable expenses paid by the lender to the public administration in connection with the granting of the relevant consumer loan. If the credit agreement has been negotiated by distance marketing, withdrawal periods as calculated under article 67-*duodecies* of the Consumer Code will apply. Pursuant to article 125 *quater* of the Consolidated Banking Act, a consumer may always withdraw from an open-end credit agreement without paying any penalty or expense to the lender. Before the enactment of Law Decree 141, rights of withdrawal in favour of consumers under consumer loan agreements were limited to specific cases, such as in case of consumer credit agreement concluded to finance acquisition of goods or services pursuant to a distance contract.

The Issuer

According to the Securitisation Law, the Issuer shall be a *società di capitali*.

The enforcement proceedings in general

The enforcement proceedings can be carried out on the basis of final judgments or other legal instruments known collectively as *titoli esecutivi*.

Save where the law provides otherwise, the enforcement must be preceded by service of the order for the execution (*formula esecutiva*) and the notice to comply (*atto di precetto*).

On the other hand, theThe notice to comply (*atto di precetto*) is a formal notice by a creditor to his debtor advising that the enforcement proceedings will be initiated if the obligation specified in the title is not fulfilled within a given period (not less than ten days but not more than 90 days from the date on which the notice to comply (*atto di precetto*) is served). If delay would be prejudicial, the court may reduce or eliminate this period upon a justified request of the creditor.

Enforcement of an obligation to pay an amount of money is performed in different ways, according to the kind of the debtor's assets the creditor wants to seize. Therefore and mentioning the most important only, the Italian code of civil procedure provides for different rules concerning respectively:

- distraint and forced liquidation of mobile goods in possession of the debtor;
- distraint and forced liquidation of debtor's receivables or mobile goods in possession of third parties; and
- distraint and forced liquidation of real estate properties.

The Italian code of civil procedure provides for some common provisions applicable to any form of enforcement of an obligation to pay an amount of money and specific rules applicable to each form of enforcement.

Distraint and forced liquidation of assets are carried out in the following steps:

- first, the debtor's goods are seized;
- second, other creditors may intervene;
- third, the debtor's assets are liquidated; and
- fourth, the creditor is paid, or the proceeds from the liquidation of the debtor's assets are distributed amongst the creditors.

Seizure of assets is the necessary first step in forcing the liquidation of a property, when it is not already held in pledge.

Enforcement proceedings of mobile goods in possession of the debtor

With reference to the seizure and forced liquidation of mobile goods in possession of the debtor, seizure begins with the application of the lawyer to the bailiff to proceed at the debtor's house/office or other place and to seize all the debtor's movable assets he will find there. The bailiff may look for the movables assets to seize in the debtor's house or in other places related to him and he is free to evaluate assets found and keep them seized. However, certain items of personal property cannot be seized.

Normally the debtor is named as custodian of the assets since any interference by causing the destruction, deterioration, or removal of seized property is a criminal offence.

must deposit the record and the title executed and the notice to comply in the chancery of the execution judge. In this moment the chancellor will open the file of the execution.

After the deposit of the written petition above, the judge fixes the hearing to define the formalities of the sale. At that hearing the parties can pass their proposals about the formalities of the sale. This hearing is also the last possibility for the parties to raise remedies against the enforcement procedure. If there are no oppositions to the procedure or if the parties reach an agreement about the oppositions, the judge fixes the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge fixes the lowest price of the sale and the total amount who must be obtained from the sale. Otherwise the judge may choose to realise the sale by auction.

After the sale, if there is only one secured creditor without others creditors intervened in the execution, the judge will pay the secured creditor's principal debt and the interests and also the costs of the enforcement proceedings with the sale's proceeds. If there are more than one secured creditor or if there are intervened creditors, they may prepare a project of distribution and propose it to the judge. If the judge is agrees, he provides consequently to the distribution. If there is no agreement between the creditors the judge provides to the distribution on the basis of the ranking of the creditors.

In addition to securing the creditor's rights, seizure serves the purpose of identifying the property to be liquidated. When movables in the possession of the debtor are seized, the bailiff must draw up a protocol describing the seized assets and indicating their value. When real estates are seized, distraint is recorded in the land registry, and the value should be set by a special technician appointed by the judge.

The seized assets are entrusted to a custodian. Although the debtor himself may be appointed custodian, he normally may neither use seized property nor keep rents, profits, interest, and similar revenues. Seizure also covers rents, profits, interest, and other revenues of the seized property.

should he prove that the enforcement procedure was wrongfully instituted.

If the value of seized property exceeds the amount of the debt and costs, the judge, after hearing the creditor and any creditors who have intervened, may order that part of the properties are released.

The creditor may select the property that is to be liquidated. He may select various types of property and may bring proceedings in more than one district. However, if he selects more properties than necessary to satisfy his right, the debtor may apply to have this selection restricted. The creditor who requested the seizure must apply for the sale by auction of the seized assets within a deadline of ninety days, otherwise the seizure lapses.

Normally, the debtor's distrained property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors in lieu of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distraint, but within 90 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

(a) money received upon the sale or assignment of the debtor's assets;

(b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and

(c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

- costs and expenses of the proceeding are paid first;
- preferred creditors are paid in the order of their degree of priority;
- unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;
- creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and
- any surplus is returned to the debtor.

If there is any dispute concerning the distribution of proceeds, the judge hears the parties and he will decide. In this case distribution of the proceeds is suspended except to the extent to which it can be effected without prejudicing the rights of the claimants.

Subrogation

Legislative Decree 141 has introduced in the Consolidated Banking Act article 120 *quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian mortgage loan market. Legislative Decree 141 repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of the Bersani Decree, replicating though, with some additions, such repealed provisions. The purpose of article 120 *quater* of the Consolidated Banking Act is to facilitate the exercise by the borrowers of their right of subrogation of a new bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code (the "**Subrogation**"), providing in particular that, in case of a loan, overdraft facility or any other financing granted by a bank, the relevant borrower can exercise the Subrogation, even if the borrower's debt towards the lending bank is not due and payable or a term for repayment has been agreed for the benefit of the creditor. If the Subrogation is exercised by the borrower, a new lender will succeed to the former lender also as beneficiary of all existing ancillary security interests and guarantees. Any provision of the relevant agreement which may prevent the borrower from exercising such Subrogation or render the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any notarial or administrative cost connected to the Subrogation.

Furthermore, paragraph 7 of article 120-*quater* of the Consolidated Banking Act provides that, in case the Subrogation is not perfected within 30 days from the date on which the original lender has been requested to

cooperate for the conclusion of the Subrogation, the original lender shall indemnify the borrower for an amount equal to 1% of the loan or facility granted, for each month or fraction of month of delay. The original lender has the right to ask for indemnification from the subrogating lender, in case the latter is to be held liable for the delay in the conclusion of the Subrogation.

Accounting treatment of the Receivables

Pursuant to Bank of Italy's regulations of 29 March 2000 ("**Schemi di bilancio delle società di cartolarizzazione dei crediti**"), and on 14 February 2006 (*istruzioni per la redazione dei bilanci degli intermediari finanziari iscritti nell'"elenco speciale", degli IMEL delle SGR e delle SIM*) the accounting information relating to the securitisation of the Receivables will be contained in the Issuer's *nota integrativa*, which, together with the balance sheet and the profit and loss statements form part of the financial statements of Italian companies.

TAXATION

The statements herein regarding taxation are based on the relevant practice and the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary 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.

The following overview does not discuss the treatment of the Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in the Republic of Italy.

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

Pursuant to Article 6, paragraph 1, of the Securitisation Law, the Notes will be subject to the same tax regime provided for bonds and similar securities issued by listed companies, including the tax regime provided for by the Legislative Decree No. 239 of 1 April 1996, as subsequently amended and supplemented (the "**Decree 239**").

Italian resident Noteholders

Where an Italian resident Noteholder is (i) an individual resident in the Republic of Italy for tax purposes, holding the Notes not in connection with entrepreneurial activities; (ii) a non-commercial partnership (other than *società in nome collettivo*, *società in accomandita semplice* or a similar partnership); (iii) a public and private entity (other than a company) and trust not carrying out commercial activities; or (iv) an investor exempt from Italian corporate income taxation (in each case, the relevant Noteholder has entrusted the management of their financial assets, including the Notes, to an authorised intermediary and has opted for the so-called "*risparmio gestito*" regime according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997 (the "**Decree 461**") (the "**Asset Management Option**") - see under "*Capital gains tax*" below), interest premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a final tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent.

If the Noteholders described under (i) or (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. In such case, interest, premium and other income relating to the Notes (a) will be subject to the *imposta sostitutiva* on account of income tax due and (b) will be included in the relevant Noteholder's annual corporate taxable income to be reported in the income tax return. As a consequence, such income will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Where an Italian resident Noteholder, who is the beneficial owner of the Notes, 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 timely deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to ordinary Italian corporate taxation ("IRES"), currently applying at 24 per cent rate and, in certain circumstances, depending on the "status" of the Noteholder, also to *imposta regionale sulle attività produttive*, the regional tax on productive activities ("IRAP").

Payments of interests, premiums or other proceeds in respect of the Notes made to Italian real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994 (the "**Italian Real Estate Fund**") or to real estate SICAFs (to which the provision of Article 9 of Legislative Decree No. 44 of 4 March 2014 apply), are neither subject to substitute tax nor to any other income tax in the hands of the real estate investment fund, provided that the Notes are timely deposited with an Intermediary. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent on distributions made by Italian Real Estate Funds and real estate SICAFs..

If the Noteholder is resident in Italy and is an open-ended or a closed-ended investment fund ("**Fund**") or a *società d'investimento a capitale variabile* ("**SICAV**") and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes are subject neither to substitute tax nor to any other income tax in the hands of the Fund or SICAV. A 26 per cent withholding tax is levied on proceeds received by certain categories of Noteholders upon (i) distribution by Fund or SICAV; or (ii) redemption or disposal of the units or liquidation of the Fund or SICAV.

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, "**Italian Pension Fund**") and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an *ad hoc* 20 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**"), who (i) are resident in Italy or a permanent establishment in Italy of a non-Italian resident financial intermediary; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the intermediary that intervenes in the payment of interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident beneficial owner is either (i) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the "**White List States**"); (ii) an international body or entity set up in accordance with international agreements which has entered into force in Italy; (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is incorporated in a White List State, even if it is not subject to income tax therein.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. or at the reduced or nil rate provided for by the applicable double tax treaty (if any, and in any case subject to compliance with relevant subjective and procedural requirements) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

The White List States which allow for a satisfactory exchange of information for the purposes of Decree 239 are currently listed in the Ministerial Decree dated 4 September 1996, as amended or supplemented from

time to time. Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis. The Ministry of Economy and Finance issued the decree dated 23 March 2017 broadening the list of countries and territories that allow an adequate exchange of information with the Italian Tax Authorities contained in the white-list; the decree was published in the Official Journal on 3 April 2017.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (i) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or a SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and (ii) timely file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked and in which the Noteholder declares itself to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is requested neither for the international bodies or entities set up in accordance with international agreements which have entered into force in Italy, nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by the Ministerial Decree dated 12 December 2001.

Capital gains tax

Any capital gains realised upon the sale for consideration or redemption of the Notes will be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of the Noteholders (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by (a) Italian resident companies; (b) Italian resident commercial partnerships; (c) permanent establishments in Italy of foreign corporations 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.

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, Noteholders may set-off capital losses with gains of the same nature.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the standard regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato regime*). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being made punctually in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss, 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 *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent substitute tax to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by Real Estate Funds or Real Estate SICAFs on the Notes are not taxable at the level of Real Estate Funds or Real Estate SICAFs. Please refer to paragraph *Tax treatment of Notes – Italian resident Noteholder* above.

Any capital gains on Notes held by a Noteholder who is a Fund or a SICAV is subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Funds. Please refer to paragraph *Tax treatment of Notes – Italian resident Noteholder* above.

Any capital gains on Notes held by a Noteholder who is a Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent substitute tax.

The 26 per cent final *imposta sostitutiva* on capital gains may be payable on capital gains realised upon sale for consideration 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, 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, provided that the Notes are traded on a regulated market in Italy or abroad, regardless of whether the Notes are held in Italy.

In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *Risparmio Gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree 21 November 1997, No. 461, may be required to produce in due time

to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian or non-Italian resident Issuer not traded on regulated markets may in certain circumstances be taxable in Italy if the Notes are held in Italy. However, a non-Italian resident beneficial owners of the Notes without a permanent establishment in Italy to which the Notes are effectively connected is not subject to the *imposta sostitutiva* in Italy on any capital gains realised, upon sale for consideration or redemption of the Notes. In order to benefit from this tax exemption, the Noteholder must be (i) resident in a country which allows for a satisfactory exchange of information with Italy; or (ii) an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (iii) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (iv) an institutional investor which is resident or established in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. In such case, such non-Italian residents may be required to timely file with the authorised financial intermediary an appropriate self-declaration stating they are resident for tax purposes in a White List State.

The White List States which allow for a satisfactory exchange of information for the purposes of Decree 239 are currently listed in the Ministerial Decree dated 4 September 1996, as amended or supplemented from time to time. Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis. The Ministry of Economy and Finance issued the decree dated 23 March 2017 broadening the list of countries and territories that allow an adequate exchange of information with the Italian Tax Authorities contained in the white-list; the decree was published in the Official Journal on 3 April 2017.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident Noteholders retain the right to waive this regime. Such waiver 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.

Tax Monitoring

Pursuant to Italian Law Decree 28 June 1990, No. 167, converted by Law 4 August 1990, No. 227, as amended ("**Decree No. 167**"), individuals, non-commercial institutions and non-commercial partnerships resident in Italy who, at the end of the fiscal year, hold investments abroad or have foreign financial assets (including Notes held abroad and/or Notes issued by a non-Italian resident Issuer) must, in certain circumstances, disclose the aforesaid and related transfers to, from and occurred abroad, to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return). This obligation does not exist (i) in cases where each of the overall value of the foreign investments or financial assets at the end of the fiscal year, and the overall value of the related transfers to, from and occurred abroad carried out during the relevant fiscal year, does not exceed €15,000, as well as (ii) in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Italian inheritance and gift tax

Transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation of Italian residents and of non-Italian residents, but in such latter case limited to assets held within the Italian territory (which, for presumption of law, includes bonds issued by Italian resident issuers), are generally taxed in Italy as follows:

a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000 for each beneficiary;

b) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding €100,000 for each beneficiary;

c) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift.; and

d) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding €1,500,000.00.

Transfer tax

Article 37 of Law Decree No. 248 of 31 December 2007, converted into Law 28 February 2008, No. 31 abolished the Italian transfer tax previously applicable on certain transfers of securities, provided for by Royal Decree 30 December 1923, No. 3278 as amended and supplemented by the Legislative Decree 21 November 1997, No. 435.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to fixed registration tax at rate of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax at rate of €200 only in case of use or voluntary registration.

Wealth tax

According to Article 19 of Decree of 6 December 2011, No. 201 ("**Decree No. 201/2011**"), converted with Law of 22 December 2011, No. 214 and amended by Law No. 161 of 30 October 2014, Italian resident individuals holding "financial products" – including the Notes – outside of the Italian territory are required to pay a wealth tax at the rate of 0.2 per cent (*IVAFE*). The tax applies on the market value at the end of the relevant year or – in the lack of the market value – on the nominal value or redemption value of such "financial products" held outside of the Italian territory. Taxpayers are enabled to deduct from the tax a tax credit equal to any wealth taxes paid in the State where the "financial products" are held (up to the amount of the Italian wealth tax due).

Stamp duty

According to Article 19 of Decree No. 201/2011, a proportional stamp duty applies on a yearly basis at the rate of 0.2 per cent on the market value or – in the lack of a market value – on the nominal value or the redemption amount of any financial product or financial instruments.

For investors other than individuals, the annual stamp duty cannot exceed the amount of Euro 14.000,00. Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance on 24 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 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

The Banca Nazionale del Lavoro S.p.A. (the "**Underwriter**") has, pursuant to the Subscription Agreement dated on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Underwriter, agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent of their principal amount.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Underwriter in certain circumstances prior to payment for the Notes to the Issuer.

The Junior Notes Conditions

Save for the Variable Return payable on the Junior Notes, the denomination and Junior Notes Condition 8.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), the Junior Notes Conditions are the same, *mutatis mutandis*, as the Senior Notes Conditions.

Under the Senior Notes Conditions and the Junior Notes Conditions the obligations of the Issuer to make payment in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

General Restrictions

Each of the Issuer, the Underwriter and the Noteholders shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell Notes. Furthermore, they will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, prospectus (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken by them to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), under the Subscription Agreement it is represented and agreed that there has not been and there will not be an offer of the Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

1. to any legal entity which is a qualified investor as defined in the Prospectus Directive;

2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

3. in any other circumstances falling within article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of the Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "*Prospectus Directive*" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression "*2010 PD Amending Directive*" means Directive 2010/73/EU.

Republic of Italy

The Issuer and the Underwriter, under the Subscription Agreement, has acknowledged that no action has been or will be taken by it, its affiliates or any other person acting on its behalf which would allow an offering (or an "*offerta al pubblico di prodotti finanziari*") 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. Individual sales of the Notes to any person in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Pursuant to the Subscription Agreement, each of the Underwriter and the Issuer has acknowledged that no application has been made by the Issuer to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Issuer and the Underwriter under the Subscription Agreement, has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the Notes, this Prospectus nor any other offering material relating to Notes other than to professional investors ("*investitori qualificati*"), as defined on the basis of the Directive 2003/71/EC (Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading), pursuant to article 100, paragraph 1, letter (a), of the Financial Laws Consolidation Act or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Financial Laws Consolidation Act or CONSOB regulation number 11971/1999, and in accordance with applicable Italian laws and regulations. In any case the Class J Notes may not be offered to individuals or entities not being professional investors in accordance with the Securitisation Law. Additionally the Class J Notes may not be offered to any investor qualifying as "*cliente al dettaglio*" pursuant to CONSOB regulation number 16190/2007.

Each of the Issuer and the Underwriter, under the Subscription Agreement, has represented and agreed that any offer by it of the Notes in the Republic of Italy shall be made only by banks, investment firms or financial companies permitted to conduct such activities in Italy in accordance with the Consolidated Banking Act, the Financial Laws Consolidation Act, CONSOB Regulation number 16190 of 31 October 2007 and any other applicable laws and regulations and in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

In connection with the subsequent distribution of the Notes in the Republic of Italy, article 100-*bis* of the Financial Laws Consolidation Act requires to comply also on the secondary market with the public offering rules and disclosure requirements set forth under the Financial Laws Consolidation Act and relevant CONSOB implementing regulations, unless the above subsequent distribution is exempted from those rules and requirements according to the Financial Laws Consolidation Act and relevant CONSOB implementing regulations.

Republic of France

Each of the Issuer and the Underwriter, under the Subscription Agreement, has represented and agreed that this Prospectus has not been prepared in the context of a public offering in France within the meaning of article L.411-1 of the *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the "**AMF**") and therefore has not been approved by, or registered or filed with the AMF. Consequently, neither this Prospectus nor any other offering material relating to the Notes has been and will be released, issued or distributed or caused to be released, issued or distributed by it to the public in France or used in connection with any offer for subscription or sale of notes to the public in France.

Each of the Issuer and the Underwriter, under the Subscription Agreement, has also represented and agreed in connection with the initial distribution of the Notes by it that:

(i) there has not been and there will be no offer or sale, directly or indirectly, of the Notes by it to the public in the Republic of France (*an appel public à l'épargne* as defined in article L. 411-1 of the French *Code monétaire et financier*);

(ii) offers and sales of Notes in the Republic of France will be made in compliance with applicable laws and regulations and only to (i) qualified investors (*investisseurs qualifiés*) as defined in articles L. 411-2 and D. 411-1 of the French *Code monétaire et financier*; or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) as defined in article L. 411-2 acting for their own account; or (iii) providers of investment services relating to portfolio management for the account of third parties as mentioned in article L. 411-2, L. 533-16 and L. 533-20 of the *Code monétaire et financier* (together, the "**Investors**").

Offers and sales of the Notes in the Republic of France will be made on the condition that (i) this Prospectus shall not be circulated or reproduced (in whole or in part) by the Investors and (ii) the Investors undertake not to transfer the Notes, directly or indirectly, to the public in France, other than in compliance with applicable laws and regulations pertaining to a public offering (and in particular articles L.411-1, L.411-2, L.412-1 and L.621-8 of the *Code monétaire et financier*).

United Kingdom

Each of the Issuer and the Underwriter, under the Subscription Agreement, has also represented and agreed that:

(i) *financial promotion*: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) *general compliance*: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act.

The Issuer and the Underwriter has represented and agreed that it has not offered or sold the Notes, and will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Notes except in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. The Underwriter, its Affiliates or any persons acting respectively on behalf of the Underwriter or on behalf of its Affiliates, have not engaged nor will they engage in any directed selling efforts with respect to the Notes, and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of the Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> *The Notes covered hereby have not been 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, U.S. persons by any person referred to in Rule 903(b)(2)(iii), (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Underwriter, except in either case in accordance with Regulation S under the Securities Act.*

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

GENERAL INFORMATION

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Quotaholder of the Issuer passed on 13 October 2017.

(2) Application has been made to list the Senior Notes on the official list of the Luxembourg Stock Exchange and to have the Senior Notes admitted to trading on the Regulated Market. In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon request.

(3) The Issuer is not (and was not since the date of its incorporation) involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), since the date of its incorporation, which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

(4) Save as disclosed in section entitled "*The Issuer*", 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.

(5) Since 31 May 2017 (being the date of its incorporation), the only operations carried out by the Issuer have been the purchase of the Portfolio, authorising the issue of the Notes and the entering into the Transaction Documents referred to in this Prospectus and matters which are incidental or ancillary to the foregoing and, as at the date of this Prospectus, no financial statements have been made.

(6) The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) Since the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy) for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Euroclear and Clearstream. The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream as follows:

Class of Notes	*ISIN code*	*Common code*
Class A	IT0005316432	173214375
Class J	IT0005316440	173239815

(8) As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, the Prospectus will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies of the following documents may be inspected and obtained free of charge during usual business hours at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Principal Paying Agent at any time after the date of this Prospectus:

(i) the *statuto* and *atto costitutivo* of the Issuer;

(ii) the financial statements of the Issuer and the relevant auditors' reports;

(iii) the following agreements:

Receivables Purchase Agreement;
Servicing Agreement;
Warranty and Indemnity Agreement;
Intercreditor Agreement;
Cash Allocation, Management and Payments Agreement;
Mandate Agreement;
Quotaholder's Agreement;
Corporate Services Agreement;
Stichting Corporate Services Agreement; and
Master Definitions Agreement.

(9) So long as any Senior Note remains outstanding, copies of the Payments Reports and of the Investors Reports shall be made available for collection at the registered office of the Issuer and the Representative of the Noteholders, respectively, on each Calculation Date and on each date on which it is produced. The first Payments Report will be available at the registered office of the Issuer and the Representative of the Noteholders on or about the Calculation Date falling in April 2018. The Payments Reports will be produced quarterly and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Senior Note.

The Calculation Agent is authorised to make available each Investors Report to Noteholders on a quarterly basis via the Calculation Agent's internet website currently located at www.securitisation-services.com. It is not intended that Investors Report will be made available in any other format. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

(10) The estimated annual fees and expenses payable by the Issuer to the Other Issuer Creditors in connection with the Securitisation herein amount to approximately €144,000.00 (excluding servicing fees and any VAT, if applicable) and will be paid *pro rata temporis* on each Payment Date in accordance with the Priority of Payments.

(11) The total expenses payable in connection with the admission of the Senior Notes to trading on the Regulated Market, in an amount approximately of €22,000.00, will be borne by the Originator.

(12) So far as the Issuer is aware there are no interests, including conflicting ones, of any natural and legal persons involved in the issue of the Senior Notes that are material to the issue of the Senior Notes.

(13) Considering that the Issue Price is 100% of the Principal Amount Outstanding of the Notes upon issue, the yield of an investment in the Notes corresponds to the Rate of Interest specified under Condition 7.5 (*Rate of interest*).

GLOSSARY

These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

"**Account Bank**" means Banca Nazionale del Lavoro S.p.A., or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Accounts**" means, collectively, the Payments Account, the Collection Account, the Interest Reserve Account and the Cash Reserve Account and "**Account**" means any of them.

"**Accrued Interest**" means, as at the Valuation Date, the portion of Interest Instalments accrued on the Portfolio or, as the context may require, on a Receivable on such date but not due yet.

"**Adjustment Purchase Price**" means, in relation to any Receivables erroneously excluded from the Portfolio pursuant to clause 4.1.2 of the Receivables Purchase Agreement, an amount calculated in accordance with clause 4.3 of the Receivables Purchase Agreement.

"**AIFMR**" means Regulation (EU) no. 231/2013.

"**Annual Default Level**" means, as at any Collection Date, the ratio expressed as a percentage between: (a) the aggregate outstanding principal amount of any Defaulted Receivables classified as such within the four preceding Quarterly Collection Periods; and (b) the average of the Collateral Portfolio Outstanding Principal as at the beginning of each of such four Quarterly Collection Periods.

"**Article 254**" means article 254 of the Solvency II Regulation.

"**Article 256**" means article 256 of the Solvency II Regulation.

"**Article 405**" means article 405 of the CRR.

"**Back-up Servicer Facilitator**" means Securitisation Services S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Cash Allocation, Management and Payments Agreement.

"**Bankruptcy Law**" means Italian Royal Decree number 267 of 16 March 1942, as amended and supplemented from time to time.

"**BNL**" means Banca Nazionale del Lavoro S.p.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at at Viale Altiero Spinelli, 30, 00157 Rome, Italy, fiscal code and enrolment with the companies register of Rome number 09339391006, share capital of euro 2,076,940,000.00 fully paid up, enrolled under number 1005 in the register of banks held by Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the direction and coordination activities (*soggetta all'attività di direzione e coordinamento*) activities of its sole shareholder BNP Paribas S.A.

"**BRRD**" means Directive 2014/59/EC of the European Union.

"**Business Day**" means, with reference to and for the purposes of any payment obligation provided for under the Transaction Documents, any day on which TARGET2 (or any successor thereto) is open and, with reference to any other provision specified under the Transaction Documents, any day on which banks are generally opened to the public for business in Milan, Rome, Paris and Luxembourg.

"**Calculation Agent**" means Securitisation Services S.p.A., or any other person for the time being acting as Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Calculation Date**" means the date falling four Business Days before each Payment Date.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Servicer, the Back-up Servicer Facilitator, the Originator, the Representative of the Noteholders, the Account Bank, the Corporate Servicer, the Calculation Agent and the Principal Paying Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Cash Reserve**" means a reserve created with a portion the proceeds of the issue of the Junior Notes to be applied in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT56C0100503200000000016810, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Amount**" means, at any time, the aggregate of the balance of the amounts standing to the credit of the Cash Reserve Account, net of any interest accrued and paid thereon.

"**Cash Reserve Available Amount**" means, in respect of any Payment Date, the amount to be drawn from the Cash Reserve Account equal to the absolute value of the difference, if negative, between the Interest Available Funds (net of any Cash Reserve Available Amount) available to pay items from *First* to *Sixth* of the Interest Priority of Payments and the amounts due under items from *First* to *Sixth* of the Interest Priority of Payments on such Payment Date.

"**Cash Reserve Excess Amount**" means: (A) on any Payment Date on which the Cash Reserve Amount on the immediately preceding Payment Date is equal to or higher than the Required Cash Reserve Amount as at such immediately preceding Payment Date and on which no Cash Reserve Available Amount is to be applied in accordance with the Priority of Payments, an amount equal to the difference, if positive, between (i) the Cash Reserve Amount; and (ii) the Required Cash Reserve Amount on such Payment Date; or (B) on any other Payment Date, zero.

"**Cash Reserve Initial Amount**" means €9,544,000.00.

"**Class**" shall be a reference to a Class of Notes being the Senior Notes or the Junior Notes and "**Classes**" shall be construed accordingly.

"**Class J Trigger Event**" means the event occurring when any of the following events have occurred:

(a) the ratio between (x) the aggregate Outstanding Principal Due of the Receivables which have been classified as Defaulted Receivables (at the time they have been so classified) since the Valuation Date and the Collateral Portfolio as at the Valuation Date, is higher than 13.0%;

(b) the Unpaid Principal Deficiency has exceeded 2.0%;

(c) the Delinquency Level has exceeded 8.0%.

"**Clean Up Option Date**" means the Payment Date falling after 31 July 2020.

"**Clearstream**" means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

"**Collateral Portfolio**" means, on any given date, the aggregate of all Outstanding Principal of all the Receivables that are not classified as Defaulted Receivables, plus the sum of the unpaid Principal Instalments for all the Receivables in arrear that are not Delinquent Receivables or Defaulted Receivables.

"**Collateral Portfolio Outstanding Principal**" means at any date the Outstanding Principal of all Receivables comprised in the Collateral Portfolio.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT26M0100503200000000016809, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collection Date**" means the second Business Day of each month in each year.

"**Collection Period**" means the Monthly Collection Period and/or the Quarterly Collection Period, as the context requires.

"**Collections**" means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables and any other amounts whatsoever received by the Servicer or any other person in respect of the Receivables.

"**Conditions**" means, together, the Senior Notes Conditions and the Junior Notes Conditions and "**Condition**" means a condition of either of them or, where reference is made to a "**Condition**" with a number without indicating whether it is a reference to the Senior Notes Conditions or the Junior Notes Conditions, means that a Condition with that number appears in identical terms in both the Senior Notes Conditions and Junior Notes Conditions and the reference is to both.

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*.

"**Consolidated Banking Act**" means Italian Legislative Decree number 385 of 1 September 1993, as amended and supplemented from time to time.

"**Corporate Servicer**" means Securitisation Services S.p.A., or any other person for the time being acting as Corporate Servicer pursuant to the Corporate Services Agreement.

"**Corporate Services Agreement**" means the corporate services agreement executed on or about the Issue Date between the Issuer, the Corporate Servicer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**CRA Regulation**" means the Regulation (EC) No. 1060/2009, as amended by Regulation (EC) No. 513/2011 and Regulation (EC) No. 462/2013.

"**CRD IV**" means Directive 2013/36/EC.

"**Credit and Collection Policy**" means the procedures for the collection and recovery of Receivables attached as annex 3 to the Servicing Agreement.

"**Criteria**" means the criteria set out in the Receivables Purchase Agreement on the basis of which the Receivables and the Loan Agreements from which they arise, have been identified as a "block" (*in blocco*), pursuant to the articles 1 and 4 of the Securitisation Law.

"**CRR**" means the Regulation 575/2013/CE.

"**DBRS**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Senior Notes, DBRS Ratings Limited, and (ii) in any other case, any entity of DBRS Ratings Limited which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

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

DBRS	*Moody's*	*S&P*	*Fitch*
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means: (a) if a Fitch public rating, a Moody's public rating and an S&P public 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 by any two of Fitch, Moody's and S&P are available at such date, the

DBRS Equivalent Rating will be the lower of 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); and (c) if the DBRS Minimum Rating cannot be determined under (a) and (b) above, but Public Long Term Ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such Public Long Term Rating (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below). If at any time the DBRS Minimum Rating cannot be determined under subparagraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

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

"**Decree 91**" means Law Decree No. 91 of 24 June 2014, which has been converted into law by Law No. 116 of 11 August 2014.

"**Decree 145**" means Law Decree No. 145 of 23 December 2013, which has been converted into law by Law No. 9 of 21 February 2014

"**Decree 239**" means Legislative Decree number 239 of 1 April 1996, as amended and supplemented from time to time.

"**Decree 239 Deduction**" means any withholding, deduction, imposition or other payment of Taxes to be made under Decree 239.

"**Defaulted Receivables**" means any Receivable:

(a) in relation to which there are seven instalments due and unpaid or

(b) which has been classified as a "defaulted loan" (*credito in sofferenza*) pursuant to the Bank of Italy's supervisory regulations (*Circolare n. 272 del 30 luglio 2008 della Banca d'Italia*); or

(c) which has been classified as "*inadempienze probabili*" pursuant to the Bank of Italy's supervisory regulations (*Circolare n. 272 del 30 luglio 2008 della Banca d'Italia*).

"**Delinquency Level**" means, as at any Collection Date, the ratio expressed as a percentage between:

(a) the aggregate outstanding principal amount of any Delinquent Receivable that is not a Defaulted Receivable as at such Collection Date;

(b) the outstanding principal amount of the Loans as at such Collection Date.

"**Delinquent Receivables**" means, on each Collection Date, any Receivables having from 1 to 6 Instalments not paid.

"**Determination Date**" means:

(i) with respect to the Initial Interest Period, the day falling two Business Days prior to the Issue Date; and

(ii) with respect to each subsequent Interest Period, the date falling two Business Days prior to the Payment Date at the beginning of such Interest Period.

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

(a) whose unsecured and unsubordinated debt obligations have the following ratings:

(i) with respect to DBRS:

(x) a long-term public or private rating at least equal to "A"; or

(y) in the absence of a public or private rating by DBRS, a DBRS Minimum Rating of "A"; or

(z) such other rating as may from time to time comply with DBRS' criteria; and

(ii) with respect to Fitch:

(x) a long-term unsecured and unsubordinated rating at least equal to "BBB"; or

(y) a short-term unsecured and unsubordinated rating at least equal to "F2"; or

(b) whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee (followed by, if requested, a legal opinion rendered by a reputable firm in the relevant jurisdictions) issued 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 and have at least the ratings set out in paragraphs (a)(i) and (a)(ii) above, provided that such guarantee and the relating opinion have been notified to the Rating Agencies and comply with the Rating Agencies' criteria.

"**EU Insolvency Regulation**" means the Regulation (EU) No. 848 of 20 May 2015.

"**Euro**", "**cents**" and "**€**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union and as defined in article 2 of Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, with offices at 1 boulevard du Roi Albert II, B-1210 Brussels.

"**Euro-Zone**" means the region comprised of Member States of the European Union that adopted the single currency in accordance with Council Regulation (EC) No. 974 of 3 May 1998 on the introduction of the euro, as amended.

"**Expenses**" means:

(a) any and all documented fees, costs, expenses and taxes required to be paid to any third party creditors (other than the Noteholders and the Other Issuer Creditors) arising in connection with the Securitisation and/or required to be paid (as determined in accordance with the Corporate Services Agreement, by reference to the number of then outstanding securitisation transactions carried out by the Issuer) in order to preserve the existence of the Issuer, to maintain it in good standing or to comply with applicable laws; and

(b) any other documented costs, fees and expenses due to persons who are not parties to the Intercreditor Agreement which have been incurred in or in connection with the preservation or enforcement of the Issuer's Rights.

"**Expenses Account**" means the euro denominated account established in the name of the Issuer with Banca Finanziaria Internazionale S.p.A., IBAN: IT93Y0326661620000014009575, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Extraordinary Resolution**" shall have the meaning ascribed to it in the Rules of the Organisation of the Noteholders.

"**Final Maturity Date**" means the Payment Date falling on October 2035.

"**Financial Laws Consolidation Act**" means Italian Legislative Decree number 58 of 24 February 1998, as amended and supplemented from time to time.

"**First Payment Date**" means the Payment Date falling in April 2018.

"**Fitch**" means (i) for the purpose of identifying the entity which will assign the credit rating to the Senior Notes, Fitch Italia - Società Italiana per il Rating S.p.A. and (ii) in any other case, any entity of Fitch Rating Ltd which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Holder**" or "**holder**" means the ultimate owner of a Note.

"**Individual Purchase Price**" means, in respect of each Receivable and as at the Valuation Date, an amount equal to the aggregate of any Principal Instalments not yet due and the Accrued Interest in respect of such Receivable.

"**Initial Expenses Amount**" means an amount equal to the Retention Amount.

"**Initial Interest Period**" means the first Interest Period, which shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date.

"**Initial Principal Amount of the Loans**" means Euro 587,383,160.90.

"**Insolvency Event**" means in respect of any company or corporation that:

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the 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 not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the 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 or corporation takes any action for a re-adjustment of 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 Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

(d) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under article 2484 of the Italian civil code occurs with respect to such company or corporation (except a winding-up for the purposes of, or pursuant to, a solvent amalgamation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

(e) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Instalment**" means, with respect to each Loan Agreement, each instalment due from the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

"**Insurance Policy**" means each of the insurance policies taken out in relation to each Loan.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Interest Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all amounts collected by the Servicer in respect of the Receivables on account of interest, fees and pre-payment penalties during the immediately preceding Quarterly Collection Period and credited into the Collection Account (excluding, in the case of the first Quarterly Collection Period, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and the Initial Expenses Amount) and, if such Payment Date is a Variable Return Payment Date, the portion of Variable Return retained on the Payment Date immediately preceding such Variable Return Payment Date;

(ii) all Recoveries collected by the Servicer during the immediately preceding Quarterly Collection Period and credited into the Collection Account;

(iii) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Accounts during the immediately preceding Quarterly Collection Period;

(iv) all other items and payments received by the Issuer which do not qualify as Principal Available Funds and which have been credited to the Payments Account during the immediately preceding Quarterly Collection Period;

(v) all amounts standing to the credit of the Interest Reserve Account on such Payment Date;

(vi) the Cash Reserve Available Amount (if any), on such Payment Date; and

(vii) any amount allocated on such Payment Date under items *First* and *Seventh* of the Principal Priority of Payments.

"**Interest Instalment**" means the interest component of each Instalment.

"**Interest Payment Amount**" has the meaning ascribed to that term in Condition 7.6 (*Calculation of Interest Payment Amounts*).

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

"**Interest Priority of Payments**" means the Priority of Payments under Condition 6.1.1 (*Priority of Payments - Priority of Payments prior to the delivery of a Trigger Notice - Interest Priority of Payments*).

"**Interest Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN: IT33D0100503200000000016811, as redesignated or renumbered from time to time or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Interest Reserve**" means (i) on any Payment Date prior to the service of a Trigger Notice until the Payment Date (excluded) on which the Senior Notes are redeemed in full, Euro 2,000,000.00; and (ii) on each Payment Date thereafter (including following the service of a Trigger Notice), zero.

"**Investors Report**" means the report to be prepared and delivered by the Calculation Agent on the second Business Day following each Payment Date in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 6 December 2017, or such other date on which the Notes are issued.

"**Issue Price**" means 100% of the Principal Amount Outstanding of the Notes upon issue.

"**Issuer**" means Vela Consumer 2 S.r.l., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata* with sole quotaholder, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000 fully paid up, fiscal code, VAT number and enrolment with the companies register of Treviso - Belluno number 04883780266, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017, having as its sole corporate object the performance of securitisation transactions under the Securitisation Law.

"**Issuer Available Funds**" means, together, the Interest Available Funds and the Principal Available Funds. For the avoidance of doubt, following the delivery of a Trigger Notice, the Issuer Available Funds, in respect of any Payment Date, shall also comprise any other amount standing to the credit of the Accounts.

"**Issuer's Rights**" means the Issuer's rights under the Transaction Documents.

"**Joint Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008 and published on the Official Gazette number 54 of 4 March 2008.

"**Junior Notes**" means the €123,525,000 Class J Asset Backed Variable Return Notes due October 2035 issued by the Issuer on the Issue Date.

"**Junior Noteholders**" means the holders of the Junior Notes.

"**Junior Notes Conditions**" means the terms and conditions of the Junior Notes.

"**Junior Notes Retained Amount**" means an amount equal to 10% of the Principal Amount Outstanding of the Junior Notes upon issue.

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

"**Liquidator**" means the liquidator (*curatore fallimentare*) of the insolvency proceeding commenced, or to be commenced, against any Debtor and/or Guarantor.

"**Listing Agent**" means BNP Paribas Securities Services, Luxembourg branch, or any other person for the time being acting as Listing Agent.

"**Loan**" means each of loan granted to a Debtor, on the basis of a Loan Agreement pursuant to which the Issuer has title to enforce a Receivable (or portion thereof) against the relevant Debtor.

"**Loan Agreement**" means each of loan agreement entered into between the Originator and a Debtor from which each Receivable included in the Portfolio arises.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Master Definitions Agreement**" means the master definitions agreement entered into on or about the Issue Date between all the parties to each of the Transaction Documents, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Monte Titoli**" means Monte Titoli S.p.A., a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy.

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

"**Monthly Collection Period**" means:

(a) each period commencing on (but excluding) a Collection Date and ending on (and including) the following Collection Date; and

(b) in the case of the first Monthly Collection Period, the period commencing on (and including) the Transfer Date and ending on (and including) the Collection Date falling in February 2018.

"**Monthly Servicer's Report**" means the monthly report from time to time delivered by the Servicer in accordance with clause 5.1 of the Servicing Agreement.

"**Monthly Servicer's Report Date**" means, starting from and including February 2018, the fourteenth calendar day of each month or, if such day is not a Business Day, the immediately following Business Day.

"**Moody's**" means any entity belonging to the group of Moody's Investors Service, Inc which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Most Senior Class of Notes**" means (i) the Senior Notes; and (ii) following the full repayment of all the Senior Notes, the Junior Notes.

"**Noteholders**" means, together, the Senior Noteholders and the Junior Noteholders.

"**Notes**" means, together, the Senior Notes and the Junior Notes.

"**Obligations**" means all the obligations of the Issuer created by or arising under the Notes and the Transaction Documents.

"**Official Gazette**" means the *Gazzetta Ufficiale della Repubblica Italiana*.

"**Organisation of the Noteholders**" means the association of the Noteholders, organized pursuant to the Rules of the Organisation of the Noteholders.

"**Originator**" means BNL.

"**Other Issuer Creditors**" means the Originator, the Servicer, the Back-up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Account Bank, the Stichting Corporate Services Provider and the Underwriter.

"**Outstanding Principal**" means, on any relevant date, in relation to any Receivable, the aggregate of the Principal Instalments not yet due.

"**Outstanding Principal Due**" means, on any relevant date, in relation to any Receivable, the aggregate of (i) all Principal Instalments due but not paid on such relevant date, and (ii) the Principal Instalments not due yet.

"**Paying Agents**" means the Principal Paying Agent together with any successor or additional paying agents appointed from time to time pursuant to Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means (a) prior to the delivery of a Trigger Notice, the 26th day of January, April, July and October in each year or, if such day is not a Business Day, the immediately following Business Day or, if the immediately following Business Day falls in another month, the immediately preceding Business Day, and (b) following the delivery of a Trigger Notice, any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Trigger Event Priority of Payment, the Conditions and the Intercreditor Agreement, provided that the First Payment Date will fall on 26 April 2018.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Principal Paying Agent with IBAN: IT 59 F 03479 01600 000802156100, or such other substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payments Report**" means the report setting out all the payments to be made on the following Payment Date under the applicable Priority of Payments, which shall be prepared and delivered by the Calculation

Agent in accordance with the Cash Allocation, Management and Payments Agreement before the delivery of a Trigger Notice.

"**Portfolio**" means the portfolio of Receivables purchased on 16 October 2017 by the Issuer pursuant to the terms and conditions of the Receivables Purchase Agreement.

"**Post Trigger Notice Priority of Payments**" means the Priority of Payments set out in Senior Notes Condition 6.2 (*Priority of Payments - Priority of Payments following the delivery of a Trigger Notice*).

"**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 Available Funds**" means, in respect of any Payment Date, the aggregate of:

(i) all amounts collected by the Servicer in respect of the Receivables on account of principal during the immediately preceding Quarterly Collection Period and credited to the Collection Account, including, in the case of the first Quarterly Collection Period, the amounts collected by the Servicer in respect of the Receivables on account of Accrued Interest and the Initial Expenses Amount;

(ii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement during the immediately preceding Quarterly Collection Period;

(iii) the Interest Available Funds, if any, to be credited to the Principal Deficiency Ledger on such Payment Date under item *Sixth* of the Interest Priority of Payments, pursuant to the Senior Notes Conditions;

(iv) all the proceeds deriving from the sale, if any, of the Portfolio;

(v) any amounts (other than the amounts already allocated under other items of the Principal Available Funds and the Interest Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Quarterly Collection Period (excluding any amount received from the sale, if any, of the Portfolio but including any proceeds deriving from the enforcement of the Issuer's Rights);

(vi) amounts under item *Eighth* of the Interest Priority of Payments on such Payment Date;

(vii) any amount allocated on such Payment Date under item *Fifth* of the Interest Priority of Payments;

(viii) any amount set aside on the Payments Account on the immediately preceding Payment Date under item *Fifth* of the Principal Priority of Payments; and

(ix) after full redemption of the Senior Notes or the delivery of a Trigger Notice, any amount standing to the credit of the Expenses Account and, after the delivery of a Trigger Notice, any amount standing to the credit of the Cash Reserve Account.

"**Principal Deficiency Ledger**" means the ledger maintained by the Calculation Agent, which shall be established by or on behalf of the Issuer in order to record, *inter alia*, any Defaulted Receivable, any Principal Instalment unpaid under any Delinquent Receivable and, in the case of the first Quarterly Collection Period only, the amounts not collected by the Servicer in respect of the Receivables on account of Accrued Interest, in accordance with the provisions of the Intercreditor Agreement and the Cash Allocation, Management and Payments Agreement.

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

"**Principal Paying Agent**" means BNP Paribas Securities Services, Milan branch, or any other person for the time being acting as Principal Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Principal Payment Amount**" shall have the meaning ascribed to it in Condition 8.6 (*Calculation of Principal Payment Amount and Principal Amount Outstanding*).

"**Principal Priority of Payments**" means the Priority of Payments under Condition 6.1.2 (*Priority of Payments - Priority of Payments prior to the delivery of a Trigger Notice - Principal Priority of Payments*).

"**Priority of Payments**" means the order of priority pursuant to which the Issuer Available Funds shall be applied on each Payment Date prior to and/or following the service of a Trigger Notice in accordance with the Senior Notes Conditions, the Junior Notes Conditions and the Intercreditor Agreement.

"**Privacy Law**" means Legislative Decree number 196 of 30 June 2003 and, to the extent applicable, Law number 675 of 31 December 1996, inclusive of any regulations for the implementation thereof, as supplemented by any regulations as the Italian Privacy Protection Authority (*Autorità Garante per la Protezione dei Dati Personali*) may issue from time to time.

"**Prospectus**" means this prospectus.

"**Prospectus Directive**" means Directive 2003/71/EC, as amended and supplemented from time to time.

"**Purchase Price**" means Euro 589,150,948.18.

"**Quarterly Collection Period**" means:

(a) prior to the service of a Trigger Notice, each period commencing on (but excluding) the Collection Date of January, April, July and October and ending on (and including) respectively, the Collection Date of April, July, October and January;

(b) following the service of a Trigger Notice, each period commencing on (but excluding) the last day of the preceding Quarterly Collection Period and ending on (and including) the day falling 10 calendar days prior to the next following Payment Date; and

(c) in the case of the first Quarterly Collection Period, the period commencing on (and including) the Transfer Date and ending on (and including) the Collection Date falling in April 2018.

"**Quarterly Servicer's Report**" means the report to be delivered by the Servicer to the Account Bank, the Issuer, the Calculation Agent, the Representative of the Noteholders, the Principal Paying Agent, the Corporate Servicer and the Rating Agencies on each Quarterly Servicer's Report Date and containing details of the performance of the Receivables during a specified Quarterly Collection Period prepared in accordance with clause 5.2 of the Servicing Agreement.

"**Quarterly Servicer's Report Date**" means the date falling seven Business Days before each Payment Date.

"**Quotaholder**" means Stichting Baryshnikov.

"**Quotaholder's Agreement**" means the agreement executed on or about the Issue Date between, the Issuer, the Quotaholder and the Representative of the Noteholders, as from time to time modified in accordance

with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Rate of Interest**" has the meaning ascribed to that term in Condition 7.5 (*Rate of Interest*).

"**Rating Agencies**" means DBRS and Fitch.

"**Receivables**" means all rights and claims of the Issuer arising out from any Loan Agreement existing or arising from (and excluding) the Valuation Date, including without limitation:

(a) all rights and claims in respect of the repayment of the outstanding principal;

(b) all rights and claims in respect of the payment of interest (including default interest) accrued on the Loans and not collected up to (but excluding) the Valuation Date;

(c) all rights and claims in respect of the payment of interest (including the default interest) accruing on the Loans from (and including) the Valuation Date;

(d) all rights and claims in respect of payments of any amount deriving from damages suffered, costs, expenses, taxes and ancillary amounts incurred;

(e) all rights and claims in respect of each Loan and any guarantee and security relating to the relevant Loan Agreement;

(f) all rights and claims under and in respect of the Insurance Policies; and

(g) the privileges and priority rights (*diritti di prelazione*) transferable pursuant to the Securitisation Law supporting the aforesaid rights and claims, as well as any other right, claim and action (including any legal proceeding for the recovery of suffered damages), substantial and procedural action and defence inherent or otherwise ancillary to the aforesaid rights and claims, including, without limitation, the remedy of termination (*risoluzione contrattuale per inadempimento*) and the declaration of acceleration of the Debtors (*decadenza dal beneficio del termine*).

"**Receivables Purchase Agreement**" means the receivables purchase agreement entered into on 16 October 2017 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Recoveries**" means any amounts received or recovered by the Servicer in relation to any Defaulted Receivables and any amounts received or recovered by the Servicer in relation to any Delinquent Receivable.

"**Regulated Market**" means the Luxembourg Stock Exchange's Regulated Market which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC.

"**Representative of the Noteholders**" means Securitisation Services S.p.A., or any other person for the time being acting as representative of the Noteholders.

"**Required Cash Reserve Amount**" means: (i) on any Payment Date for as long as the Principal Amount Outstanding of the Senior Notes is higher than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date and, thereafter, until the first Payment Date (excluded) on which the conditions set out below are met for the first time, an amount equal to the Cash Reserve Initial Amount; and (ii) on the first Payment Date on which the Principal Amount Outstanding of the Senior Notes (after payment of principal, if any, has been made on such Payment Date) is equal to or less than 50% of the Principal Amount Outstanding of the Senior Notes as at the Issue Date and the following conditions are met:

(a) the Outstanding Principal Due of the Receivables in respect of which there are Instalments due and unpaid for more than 90 days which are not classified yet as Defaulted Receivables is less than 2.5% of the Collateral Portfolio as at the end of the immediately preceding Quarterly Collection Period;

(b) the then available Cash Reserve Amount is equal to the Required Cash Reserve Amount as at the immediately preceding Payment Date;

(c) there is no Unpaid of PDL; and

(d) the ratio between (x) the aggregate Outstanding Principal Due of the Receivables which have been classified as Defaulted Receivables (at the time they have been so classified) since the Valuation Date and (y) the Collateral Portfolio as at the Valuation Date, is lower than 9.0%,

and on each Payment Date thereafter, 4.0% of the Principal Amount Outstanding of the Senior Notes on such Payment Date, provided that the Required Cash Reserve Amount shall never be less than Euro 2,386,000.00 until the Senior Notes have been redeemed in full or cancelled in which case the Required Cash Reserve Amount shall be equal to zero.

"**Retention Amount**" means an amount equal to €30,000.00.

"**Rules of the Organisation of the Noteholders**" or "**Rules**" means the rules of the organisation of the Noteholders attached as Exhibit to the Senior Notes Conditions and the Junior Notes Conditions, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereof.

"**Scheduled Instalment Date**" means any date on which an Instalment is due pursuant to a Loan Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securitisation**" means the securitisation of the Receivables made by the Issuer through the issuance of the Notes, pursuant to articles 1 and 5 of the Securitisation Law.

"**Securitisation Law**" means Italian Law number 130 of 30 April 1999, as amended and supplemented from time to time.

"**Security Interest**" means:

(a) any mortgage, charge, pledge, lien, privilege (*privilegio speciale*) or other security interest securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set-off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of preferential arrangement having a similar effect.

"**Segregated Assets**" means the Portfolio, any monetary claim of the Issuer under the Transaction Documents and all cash-flows deriving from both of them.

"**Senior Noteholders**" means the holders of the Senior Notes.

"**Senior Notes**" means the €477,200,000 Class A Asset Backed Fixed Rate Notes due October 2035.

"**Senior Notes Conditions**" means the terms and conditions of the Senior Notes.

"**S&P**" means any entity belonging to the group of Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies Inc which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Servicer**" means BNL, or any other person for the time being acting as Servicer pursuant to the Servicing Agreement.

"**Servicing Agreement**" means the agreement entered into on 16 October 2017 between the Issuer and the Servicer, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

"**Sole Arranger**" means BNL.

"**Solvency II Directive**" means Directive 2009/138/EU.

"**Solvency II Regulation**" means the Delegated Act adopted by European Commission on 10 October 2014 implementing the Solvency II Directive.

"**Specified Office**" means with respect to the Principal Paying Agent, Piazza Lina Bo Bardi, 3, 20124 Milan, Italy or, with respect to any additional or other Paying Agent appointed pursuant to Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such Paying Agent in accordance with Senior Notes Condition 10.4 (*Change of Principal Paying Agent and appointment of additional paying agents*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Stichting Corporate Services Provider**" means Wilmington Trust SP Services (London) Limited.

"**Subscription Agreement**" means the subscription agreement in relation to the Notes entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Underwriter.

"**TARGET System**" means the TARGET2 system.

"**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 the TARGET2 is open.

"**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, together, the Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement, the Subscription Agreement, the Intercreditor Agreement, the Cash Allocation, Management and Payments Agreement, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder's Agreement, the Stichting Corporate Services Agreement, the Master

Definitions Agreement and this Prospectus and any other document which may be deemed to be necessary in relation to the Securitisation.

"**Transfer Date**" means 16 October 2017.

"**Trigger Event**" means any of the events described in Senior Notes Condition 12 (*Trigger Events*). For the avoidance of doubt, a Class J Trigger Event shall not constitute a Trigger Event.

"**Trigger Event Report**" means the report setting out all the payments to be made on the following Payment Date under the Post Trigger Notice Priority of Payments which, following the occurrence of a Trigger Event and the delivery of a Trigger Notice, shall be prepared and delivered by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

"**Trigger Notice**" means the notice served by the Representative of the Noteholders on the Issuer declaring the Notes to be due and payable in full following the occurrence of a Trigger Event as described in Senior Notes Condition 12 (*Trigger Events*).

"**UCITS**" means Undertakings for Collective Investment in Transferable Securities.

"**Underwriter**" means Banca Nazionale del Lavoro S.p.A.

"**Unpaid of PDL**" means, as at any Collection Date, the absolute value of the negative sum, if any, between the debit entries and the credit entries of the Principal Deficiency Ledger.

"**Unpaid Principal Deficiency**" means, as at any Calculation Date, the ratio, expressed as a percentage, between: (i) the Unpaid of PDL on the immediately preceding Collection Date; and (ii) the Initial Principal Amount of the Loans.

"**Usury Law**" means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

"**Valuation Date**" means 14 October 2017 (included).

"**Variable Return**" means the amount, which may or may not be payable on the Junior Notes on each Variable Return Payment Date subject to the Junior Notes Conditions, determined by reference to the residual Interest Available Funds after satisfaction of the items ranking in priority pursuant to the Interest Priority of Payments or the Post Trigger Notice Priority of Payments, as the case may be.

"**Variable Return Payment Date**" means the Payment Dates falling in April and October in each year or the Payment Date on which the Junior Notes are to be redeemed in full or cancelled.

"**VAT**" means *Imposta sul Valore Aggiunto* (*IVA*) as defined in Italian D.P.R. number 633 of 26 October 1972, as amended and implemented from time to time and any other tax of a similar fiscal nature whether imposed in Italy (in place of or in addition to *IVA*) or elsewhere.

"**Warranty and Indemnity Agreement**" means the agreement entered into on 16 October 2017 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

ISSUER

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