

**Brignole CQ 2019-1 S.r.l.**

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

**Euro 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036**

*Issue Price: 100.211 per cent*

**Euro 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036**

*Issue Price: 100 per cent*

**Euro 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036**

*Issue Price: 100 per cent*

**Euro 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036**

*Issue Price: 100 per cent*

**Euro 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036**

*Issue Price: 100 per cent*

*and*

**Euro 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036**

*Issue Price: 100 per cent*

This document (the "**Prospectus**") constitutes a prospectus for the Listed Notes (as defined below) for the purposes of article 6(3) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and the relevant implementing measures in Luxembourg as well as a Prospetto Informativo for the Notes (as defined below) for the purposes of article 2, paragraph 3, of Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time (the "**Securitisation Law**"). On 9 October 2019 (the "**Issue Date**") Brignole CQ 2019-1 S.r.l., a limited liability company (società a responsabilità limitata) organised under the laws of the Republic of Italy (the "**Issuer**") will issue the Euro 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036 (the "**Class A Notes**" or the "**Senior Notes**"), the Euro 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036 (the "**Class B Notes**"), the Euro 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036 (the "**Class C Notes**"), the Euro 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036 (the "**Class D Notes**" and, together with the Class B Notes and the Class C Notes, the "**Mezzanine Notes**"), the Euro 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036 (the "**Class E Notes**" and, together with the Senior Notes and the Mezzanine Notes, the "**Rated Notes**") and the Euro 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036 (the "**Class X Notes**" and, together with the Class E Notes, the "**Junior Notes**"; the Class X Notes together with the Rated Notes, the "**Listed Notes**"). In addition, the Issuer has issued the Euro 20,000 Class R Asset Backed Variable Return Notes due March 2036 (the "**Class R Notes**" or the "**Residual Notes**" and together with the Listed Notes, the "**Notes**" and each of them a "**Note**").

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation provided that such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus (i.e. the Listed Notes). Any such approval of the Prospectus by the CSSF should not be considered as an endorsement of the Issuer and the CSSF shall give no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer, in accordance with loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières (the "**Prospectus Law**").

Application has been made to the Luxembourg Stock Exchange for the Listed Notes issued under the Securitisation to be listed on the Official List of the Luxembourg Stock Exchange (the "**Stock Exchange**") and to be admitted to trading on the professional segment of the regulated market of the Luxembourg Stock Exchange in accordance with EC Directive 2014/65 (the "**Regulated Market**"). Such approval should not be considered as an endorsement of the quality of the securities which are the subject of this prospectus (i.e. the Listed Notes). Prospective investors should make their own assessment as to the suitability of investing in the Listed Notes.

No application has been made to list the Class R Notes on any stock exchange nor will this Prospectus be approved by the CSSF in relation to the Class R Notes.

**This Prospectus is valid for 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.**

The principal source of payment of interest and of repayment of principal on the Notes will be the collections and recoveries made in respect of a portfolio of monetary claims and connected rights (the "**Receivables**") arising out of consumer loan agreements collateralized by the Payment Delegation and/or Salary Assignment (the "**Loan Agreements**") entered into by Creditis Servizi Finanziari S.p.A. (the "**Originator**" or "**Creditis**") and the relevant debtors (the "**Debtors**"), and purchased and to be purchased from time to time by the Issuer from the Originator pursuant to a master receivables purchase agreement executed on 17 September 2019 (the "**Master Receivables Purchase Agreement**") and separate receivables purchase agreements to be entered into from time to time between the Issuer and the Originator pursuant to the Master Receivables Purchase Agreement (each, a "**Receivables Purchase Agreement**"). Pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement, the Originator has transferred without recourse (pro soluto) and in block (in blocco) to the Issuer pursuant to the provisions of articles 1 and 4 of the Securitisation Law an initial portfolio of Receivables (the "**Initial Portfolio**"), the purchase price of which will be paid by the Issuer out of part of the proceeds from the issuance of the Notes (see the section entitled "The Aggregate Portfolio" below). In addition, pursuant to the Master Receivables Purchase Agreement and the Receivable Purchase Agreements, the Originator may, during the Revolving Period (as defined below), sell without recourse (pro soluto) and in block (in blocco) and subject to certain conditions being met, to the Issuer additional portfolios of Receivables (each an "**Additional Portfolio**" and together with the Initial Portfolio, the "**Portfolio**" or the "**Aggregate Portfolio**").

The Aggregate Portfolio does not consist, in whole or in part, actually or potentially, of (a) tranches of other asset-backed securities; or (b) credit-linked notes, swaps or other derivatives instruments, or synthetic securities.

By operation of Italian law, the Issuer's right, title and interest in and to the Aggregate Portfolio and the other Issuer's Rights (as defined in the Conditions) are segregated from all other assets of the Issuer and amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's accounts under this Transaction and not commingled with other sums) will only 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 pay any costs, fees and expenses payable, or other amounts due, to the Other Issuer Creditors (as defined below) and to any third party creditor in respect of any costs, fees or expenses payable by the Issuer to such third party creditors in relation to the securitisation of the Aggregate Portfolio (the “**Securitisation**” or the “**Transaction**”). Amounts derived from the Aggregate Portfolio will not be available to any such creditors of the Issuer in respect of any other amounts owed to them or to any other creditors of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined below) will be applied by the Issuer in accordance with the application of the orders of priority of payments of the Issuer Available Funds set forth in Condition 6 (Priority of Payments) and the Intercreditor Agreement (the “**Priority of Payments**”).

Interest on the Listed Notes will accrue from the Issue Date on a daily basis in Euro and will be payable on 24 October 2019 (the “**First Payment Date**”) and thereafter monthly in arrears on 24<sup>th</sup> calendar day of each month in each year (provided that, if such day is a Saturday or a Sunday or is not a day on which banks are generally open for business in Milan, Luxembourg and London and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open (a “**Business Day**”), then interest on such Listed Notes will be payable on the next Business Day) (each, a “**Payment Date**”, provided that following the delivery of a Trigger Notice, a Payment Date will be any day on which any payment is required to be made by the Representative of the Noteholders in accordance with the Post-Enforcement Priority of Payments, the Conditions and the Intercreditor Agreement). The rate of interest applicable to the Listed Notes for each period from (and including) a Payment Date to (but excluding) the following Payment Date (each, an “**Interest Period**”, provided that the first Interest Period (the “**Initial Interest Period**”) shall begin on (and include) the Issue Date and end on (and exclude) the First Payment Date) (the “**Interest Rate**”) shall be:

- (A) the rate per annum equal to the Euro-zone inter-bank offered rate (“**Euribor**”) for one-month deposits in Euro determined in accordance with Condition 7.5 (Rate of Interest), plus
- (B) the following respective margins (each, a “**Relevant Margin**”):
  - (i) from and including the Initial Interest Period to and including the Interest Period ending on the First Optional Redemption Date:
    - for the Class A Notes: 0.70 % (zero point seventy per cent.) per annum;
    - for the Class B Notes: 1.15 % (one point fifteen per cent.) per annum;
    - for the Class C Notes: 1.50 % (one point fifty per cent.) per annum;
    - for the Class D Notes: 1.85 % (one point eighty-five per cent.) per annum;
    - for the Class E Notes: 3.04 % (three point zero-four per cent.) per annum;
  - (ii) from and including the Interest Period commencing on the First Optional Redemption Date and any Interest Period thereafter:
    - for the Class A Notes: 1.40 % (one point forty per cent.) per annum;
    - for the Class B Notes: 2.15 % (two point fifteen per cent.) per annum;
    - for the Class C Notes: 2.50 % (two point fifty per cent.) per annum;
    - for the Class D Notes: 2.85 % (two point eighty-five per cent.) per annum;
    - for the Class E Notes: 4.04 % (four point zero-four per cent.) per annum;
  - (iii) with exclusive reference to the Class X Notes, from and including the Initial Interest Period and on any Interest Period thereafter:
    - 3.17 % (three point seventeen per cent.) per annum;

provided that, for the above purpose, if such rate of interest falls below 0 (zero), the applicable Rate of Interest on the Listed Notes will be equal to 0 (zero).

The holders of the Class R Notes will have the right to receive the Residual Payments in accordance with the applicable Priority of Payments. Calculations as to the estimated weighted average life of the Listed Notes can be made based on certain assumptions. See the section headed “Estimated Weighted Average Life of the Listed Notes and Certain Assumptions”. All payments of principal, interest and Residual Payments on the Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Legislative Decree No. 239 of 1 April 1996 as amended and supplemented from time to time, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on or Residual Payment on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence. For further details see the section entitled “Italian Taxation”.

The Class A Notes are expected to be rated, on the Issue Date, “Aa3 (sf)” by Moody’s Investors Services (“**Moody’s**”) and “AA (low) (sf)” by DBRS Ratings Limited (“**DBRS**” and, together with Moody’s, the “**Rating Agencies**”). The Class B Notes are expected to be rated, on the Issue Date, “A1 (sf)” by Moody’s and “A (high) (sf)” by DBRS. The Class C Notes are expected to be rated, on the Issue Date, “A2 (sf)” by Moody’s and “A (sf)” by DBRS. The Class D Notes are expected to be rated, on the Issue Date, “Baa2 (sf)” by Moody’s and “A (low) (sf)” by DBRS. The Class E Notes are expected to be rated, on the Issue Date, “Ba2 (sf)” by Moody’s and “BB (low)” by DBRS. As of the date of this Prospectus, each of Moody’s and DBRS is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the “**CRA Regulation**”) and Regulation (EU) No. 462/2013 of the European Parliament and of the Council of 11 May 2011 and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (currently located at the following website address <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, for the avoidance of doubt, such website does not constitute part of this Prospectus (the “**ESMA Website**”).

Moody’s general meaning of each relevant long-term debt single rating is as follows (data have been taken out from Moody’s website). Moody’s appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

**Aa** - Obligations rated **Aa** are judged to be of high quality and are subject to very low credit risk.

**A** - Obligations rated **A** are considered upper – medium – grade and are subject to low credit risk.

**Baa** - Obligations rated **Baa** are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

**Ba** - Obligations rated **Ba** are judged to have speculative elements and are subject to substantial credit risk.

DBRS’s general meaning of each relevant long-term debt single rating is as follows (data have been taken out from DBRS’s website). The below provide an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligations has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims.

Rating categories below may contain subcategories (high) and (low). The absence of either a (high) or (low) designation indicates the rating is in the middle of the category.

**AA** - Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from **AAA** only to a small degree. Unlikely to be significantly vulnerable to future events.

**A** - Good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than **AA**. May be vulnerable to future events, but qualifying negative factors are considered manageable.

**BB** - Speculative, non-investment-grade credit quality. The capacity for the payment of financial obligations is uncertain. Vulnerable to future events.

The Rating Agencies' ratings of the Rated Notes address the likelihood that the holders of the Rated Notes will receive all payments to which they are entitled, as described herein. Each rating takes into consideration mainly the characteristics of the Receivables and the structural, legal, tax and Issuer-related aspects associated with the Rated Notes.

However, the ratings assigned to the Rated Notes do not represent any assessment of the likelihood or level of principal payments and prepayments on such Rated Notes. The ratings do not address the possibility that the Noteholders might suffer a lower than expected yield due to prepayments or early amortisation or may fail to recoup their initial investments. In addition, faster than expected repayments on the Receivables may reduce the yield of the Rated Notes.

The ratings assigned to the Rated Notes should be evaluated independently against similar ratings of other types of securities.

The Issuer has not requested a rating of the Rated Notes by any rating agency other than the Rating Agencies. There can be no assurance as to whether any other rating agency will rate the Rated Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Rated Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies. No rating will be assigned to the Class X Notes and the Class R Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisations.

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, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Paying Agents, the Corporate Servicer, the Quotaholder, the Arranger and the Joint Lead Managers nor any Other Issuer Creditors. 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.

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

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

The Issuer has represented that it is (i) neither an "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") since it will be relying on an exemption contained in Section 3(c) (7) of the Investment Company Act nor (ii) a "covered fund" for purposes of the Volcker Rule under the Dodd-Frank Act (both as defined in this Prospectus).

The Notes will be subject to mandatory redemption, in whole or in part, from time to time on each Payment Date falling during the Amortisation Period. The aggregate amount to be applied in mandatory pro rata redemption in whole or in part will be calculated in accordance with the provisions set forth in Condition 8.2 (Mandatory Redemption). In addition, on the First Optional Redemption Date (included) and on any Payment Date thereafter, upon exercise by the Originator of its call option on the Portfolio, as set out in the Intercreditor Agreement, the Issuer shall be bound to redeem the Notes of all Classes in full (other than the Class R Notes) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon) and to pay any amount to be paid in priority to or pari passu with such Notes to be redeemed in accordance with the Pre-Enforcement Priority of Payments and in accordance with the provisions set forth in Condition 8.3 (Early redemption upon exercise of the Originator Call Option). The Issuer may, on the third Payment Date immediately following the First Optional Redemption Date and on any Payment Date thereafter, redeem in full the Notes of all Classes (other than the Class R Notes) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon) and pay any amount to be paid in priority to or pari passu with such Notes to be redeemed in accordance with the Pre-Enforcement Priority of Payments and in accordance with the provisions set forth in Condition 8.4 (Optional Redemption). Unless previously redeemed in full in accordance with the Conditions, the Notes will be redeemed on the Payment Date falling in March 2036 (the "**Legal Final Maturity Date**"). If any amounts remain outstanding in respect of the Notes upon expiry of the Cancellation Date (as defined below), such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled.

Creditis, in its capacity as originator, has undertaken to the Issuer and the Representative of the Noteholders that it will retain, on an on-going basis until the Notes are redeemed or repaid in full, a material net economic interest of not less than 5 (five) per cent. in the nominal value of the Securitisation, in accordance with article 6 of Regulation (EU) no. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and the relevant applicable technical standards (the "**Securitisation Regulation**"). As at the Issue Date, such interest will be comprised of the retention of not less than 5 per cent of the nominal value of each of the tranches sold or transferred to investors as contemplated by paragraph 3(a) of article 6 in the form of the Notes subscribed for by the Originator on the Issue Date. Creditis in its capacity as originator has also undertaken to the Issuer to: (i) not change the manner in which the net economic interest is held until the Notes are redeemed or repaid in full, unless expressly permitted by the Securitisation Regulation; (ii) ensure that any change to the manner in which such retained interest is held in accordance with paragraph (i) above will be promptly disclosed in the Sec Reg Investors Report (as defined above); (iii) comply with the disclosure obligations imposed on originators under article 7, of the Securitisation Regulation; and (iv) ensure that the material net economic interest retained by it shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(1) of the Securitisation Regulation.

The Originator does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 246.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued)

of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

Each prospective Noteholder is required to independently assess and determine the sufficiency of the information described in this Prospectus for the purposes of complying with article 5 of the Securitisation Regulation, and none of the Issuer, the Originator, the Joint Lead Managers, nor the Arranger, makes any representation that the information described in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with any implementing provisions in respect of article 5 of the Securitisation Regulation. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

Please refer to the sections entitled “Compliance with STS Requirements” and “Regulatory Disclosure and Retention Undertaking” for further information.

**MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** - Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

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

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

Interest amounts payable in relation to the Listed Notes which bear a floating interest rate will be calculated by reference to the Euribor, which is provided and administered by the European Money Markets Institute (“**EMMI**”). As at the date of this Prospectus, EMMI is included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the benchmark regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”).

The Benchmark Regulation could have a material impact on the Listed Notes, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to the Listed Notes.

#### **STS Securitisation**

The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of Regulation (EU) no. 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 and its relevant technical standards (the “**Securitisation Regulation**”). Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation Regulation and will be notified prior to the Issue Date by the Originator to be included in the list published by ESMA referred to in article 27(5) of the Securitisation Regulation. The Originator has used the service of Prime Collateralised Securities (PCS) UK Limited (“**PCS**”), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the “**STS Verification**”) and to prepare verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the “**STS Assessments**”). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (<https://www.pcsmarket.org/sts-verification-transactions/>) together with a detailed explanation of its scope at <https://www.pcsmarket.org/disclaimer>. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation on the Issue Date or at any point in time in the future.** None of the Issuer, the Originator, the Arranger, the Representative of the Noteholders, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation on the Issue Date or at any point in time in the future.

Please refer to the sections entitled “Compliance with STS Requirements” and “Regulatory Disclosure and Retention Undertaking” for further information.

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

#### **Euro System Eligibility**

The Class A Notes are intended to be issued in a manner which will allow for participation in the Eurosystem liquidity scheme. However, there is no guarantee and neither the Issuer nor the Arranger, the Joint Lead Managers or the Originator nor any other person takes responsibility for the Class A Notes being 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 the Class A Notes satisfying the Eurosystem eligibility criteria (as amended from time to time).

In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance or to their rating and listing and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for Eurosystem monetary policy and intra-day credit operations rests with the relevant central bank.

*None of the Issuer, the Originator, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents gives any representation or warranty as to the eligibility of the Class A Notes for such purpose, nor do they accept any obligation or liability in relation to such eligibility or lack of it of the Class A Notes at any time.*

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

**ARRANGER**

**Citigroup Global Markets Limited**

**JOINT LEAD MANAGERS**

**Citigroup Global Markets Limited**

**and**

**Banca IMI S.p.A.**

**Prospectus dated 7 October 2019**

## **RESPONSIBILITY STATEMENTS**

*None of the Issuer, the Arranger, the Joint Lead Managers 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 Arranger, the Joint Lead Managers, 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 Debtors and/or Employer and/or Pension Authority and/or Guarantors and/or Insurance Company. 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 Salary Assignment, the Payment Delegation, the Debtors, the Loan Agreements, the Employers, the Pension Authorities, the Guarantors and the Insurance Companies.*

*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 does not omit anything likely to affect the import of such information, is true and accurate in all material respects and is not misleading and the opinions and intentions expressed in this Prospectus are honestly held and there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading.*

*Creditis accepts responsibility for the information included in this Prospectus in the sections entitled “The Aggregate Portfolio”, “The Originator and the Servicer”, “Regulatory Disclosure and Retention Undertaking” “Compliance with STS Requirements” and any other information contained in the Prospectus relating to itself, the Receivables, the Loan Agreements, the Salary Assignment, the Payment Delegation and/or the Debtors, the Employers, the Pension Authorities, the Pension Funds and/or the Guarantors and/or the Insurance Companies. To the best of the knowledge and belief of Creditis (which has taken all reasonable care to ensure that such is the case), such information is true, accurate and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility for the other information and assumptions contained in such section as described above.*

*Zenith Service S.p.A. accepts responsibility for the information included in this Prospectus in the sections entitled “The Corporate Servicer, the Representative of the Noteholders and the Back-up Servicer”. To the best of the knowledge and belief of Zenith Service 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.*

*Citibank, N.A., London Branch accepts responsibility for the information included in this Prospectus in the sections entitled “The Calculation Agent and the Principal Paying Agent”. To the best of the knowledge and belief of Citibank, N.A., London 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.*

*Citibank, N.A., Milan Branch accepts responsibility for the information included in this Prospectus in the sections entitled “The Account Bank and the Italian Paying Agent”. To the best of the knowledge and belief of Citibank, N.A., 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.*

*NATIXIS (“NATIXIS”) has provided the information relating to it under the section headed “Cap Counterparty and EMIR Reporting Agent” below and accepts responsibility for the information contained in that section. To the best of the knowledge and belief of NATIXIS, in its capacity as Cap Counterparty and EMIR Reporting Agent (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*No person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by, or on behalf of, the Arranger, the Joint Lead Managers, the Representative of the Noteholders, the Issuer, the Quotaholder, the Originator or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with*



*the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originator or the information contained herein since the date hereof, or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.*

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

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

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

#### **REPRESENTATIONS ABOUT THE NOTES**

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

#### **LIMITED RECOURSE**

*The Notes will be limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Aggregate Portfolio and the other Issuer's Rights (as defined in the Conditions) 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, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Paying Agents, the Agent Bank, the Account Bank, the EMIR Reporting Agent, the Cap Counterparty, the Custodian and the Cash Manager 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 derived from the Receivables will not be available to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as outlined in Condition 6 (Priority of Payments).*

#### **OTHER BUSINESS RELATIONS**

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

#### **SELLING RESTRICTIONS**

*The distribution of this Prospectus and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are*

*required by the Issuer, the Originator, the Arranger and the Joint Lead Managers to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part of it constitutes an offer, or may be used for the purpose of an offer to sell any of the Notes, or a solicitation of an offer to buy any of the Notes, by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.*

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

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

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

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

*Neither the Originator nor any other persons intends to retain a risk retention interest contemplated by the final rules promulgated under Section 15G of the Securities Exchange Act (the “**U.S. Risk Retention Rules**”), but rather the Originator intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Except with the prior written consent of the Originator and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any U.S. person (as defined in the U.S. Risk Retention Rules). Neither the Issuer, the Originator, the Arranger, the Joint Lead Managers nor the Representative of the Noteholders or any party of the Securitisation gives any representation or warranty as to whether the Securitisation complies with the U.S. Risk Retention Rules.*

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

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

*The Arranger, the Joint Lead Managers and the Representative of the Noteholders do not accept any responsibility for the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Arranger, the Joint Lead Managers and the Representative of*



*the Noteholders do not make any representation, warranty or undertaking, express or implied, to any prospective investor or purchaser of the Notes and does not accept responsibility regarding the legality of any investment in the Notes by any such prospective investor or purchaser under applicable investment or similar laws or regulations.*

### **HISTORICAL FINANCIAL INFORMATION**

*The historical financial and other information set forth in the sections headed “The Originator and the Servicer”, “The Aggregate Portfolio” and “Credit and Collection Policies” represents the historical experience of the Originator. There can be no assurance that the Originator’s future experience and performance as Servicer of the Aggregate Portfolio will remain constant.*

### **FORWARD-LOOKING STATEMENTS**

*This Prospectus contains statements that constitute forward-looking statements. Words such as “believes”, “anticipates”, “expects”, “estimates”, “intends”, “plans”, “will”, “may”, “should” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements include those regarding the intent, belief or current expectation of the Originator and its officers with respect to, among other things: (a) the financial condition of the Originator and the characteristics of its strategy, products or services; (b) the Originator’s plans, objectives or goals, including those related to products or services; (c) statements of future economic performance and (d) assumptions underlying those statements.*

*Forward-looking statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ from those in the forward-looking statements as a result of various factors. Accordingly, prospective purchasers of the Notes should not rely on such forward-looking statements. The information in this Prospectus, including the information set out in the section headed “Risk Factors”, “The Aggregate Portfolio” and “the Originator and the Servicer” identifies important factors that could cause such differences including, inter alia, a change in the overall economic conditions in Italy, change in the Originator’s financial condition and the effect of new legislation or government regulations (or new interpretation of existing legislation or government regulations) in Italy. Such forward-looking statements speak only as at the date of this Prospectus. Accordingly, no party to the Transaction Documents undertakes any obligation to update or revise any of them whether as a result of new information, future events or otherwise. No party to the Transaction Documents makes any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved and such forward-looking statements represent, in each case, only one of the many possible scenarios and should not be viewed as the most likely standard scenario. Moreover, no assurance can be given that any of the historical information, trends or practices mentioned and described in the Prospectus are indicative of future results or events.*

### **CHANGE OF LAW**

*The structure of the transaction and, inter alia, the issue of the Notes are based on Italian law (or English law, in the case of the Cap Agreement, the Deed of Charge and the Notes Subscription Agreements or French law, in the case of the EMIR Reporting Agreement), interpretation, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law (or English law or French law as applicable) or tax or administrative practice will not change after the date of this Prospectus or that such change will not adversely affect the structure of the transaction and the treatment of the Notes.*

### **REGULATORY INITIATIVES**

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

## **PRIIPS / EEA RETAIL INVESTORS**

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

## **MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

## **BENCHMARK REGULATION (REGULATION (EU) 2016/1011)**

Interest amounts payable in relation to the Listed Notes which bear a floating interest rate will be calculated by reference to the Euribor, which is provided and administered by the European Money Markets Institute (“**EMMI**”). As at the date of this Prospectus, EMMI is included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the benchmark regulation (Regulation (EU) 2016/1011) (the “**Benchmark Regulation**”).

The Benchmark Regulation could have a material impact on the Listed Notes, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to the Listed Notes.

## **INTERPRETATION**

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

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

In this Prospectus references to “Euro”, “EUR”, “€” and “cents” are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the

*Treaty of European Union of 7 February 1992 establishing the European Union and the European Council of Madrid of 16 December 1995.*

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

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## RISK FACTORS

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

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

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

The Notes constitute direct, secured limited recourse obligations solely of the Issuer. The assets available to the Issuer for the purpose of meeting its obligations under the Securitisation are the Receivables in the Initial Portfolio and any Additional Portfolios acquired by the Issuer from the Originator pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement, any amounts standing to the credit of the Issuer Accounts and the Issuer's rights under the Transaction Documents to which it is a party (including rights to receive payments made by the Cap Counterparty under the Cap Agreement). If the funds received by the Issuer from such assets are insufficient to meet the Issuer's payment obligations under the Notes (including in respect of interest, principal and Residual Amounts) and/or, if there is delay between the scheduled payment dates provided under the Loan Agreements and the actual receipt of payments from the Debtors and/or the Guarantors and/or the Insurance Companies, the Noteholders may not be repaid in full and/or on a timely basis. The limited recourse nature of the Notes also means that the Issuer shall not be required to pay, and the other assets of the Issuer will not be available for payment of, any shortfall in funds available for such purpose after the realisation of the Issuer's Rights in full by the Representative of the Noteholders following the occurrence of a Trigger Event or on the Legal Final Maturity Date, all claims in respect of which shall be extinguished. Please also see the section named "*Selected aspects of Italian law*" below.

The Aggregate Portfolio is exclusively comprised of Loans which were or will be "*performing*" as at the relevant Valuation Date (see section named "*The Aggregate Portfolio*"). However, there can be no guarantee that (i) the Debtors will continue to perform under the Loans and the Employers, the Pension Authorities and the Pension Funds will continue to perform under the Payment Delegations and/or Salary Assignments; (ii) the Guarantors will continue to perform under the Collateral Security or (iii) the Insurance Companies will perform their obligations under the Insurance Policies.

The recovery of amounts due in relation to any defaulted claims will also be subject to the effectiveness of enforcement proceedings in respect of the Aggregate Portfolio which, in the Republic of Italy, can take a considerable time depending on the type of action required, particularly if it is necessary to obtain a payment injunction ("*decreto ingiuntivo*") or if the Debtor raises a defence or counterclaim to the proceedings. Please also see the section named "*Selected aspects of Italian law*" below. Furthermore, in some circumstances (including following the delivery of a Trigger Notice), the Issuer could attempt to sell the Aggregate Portfolio to third parties. However, there is no assurance that a purchaser could be found nor that the net proceeds of the sale of the Aggregate Portfolio would be sufficient to pay in full all amounts due to the Noteholders. Please see "*The Aggregate Portfolio*" and "*Description of the Transaction Documents - Master Receivables Purchase Agreement and Receivables Purchase Agreement*", below.

Such credit and liquidity risks are however mitigated by the liquidity and/or credit support provided: (a) in respect of any particular Class of Notes, by the credit enhancement provided by any subordinate Class of Notes subordinate thereto in the Priorities of Payment; (b) in respect of each of the Class A Notes, Class B Notes, Class C Notes and Class D Notes, by the Cash Reserve which will be funded on the Issue Date in an amount equal to the Cash Reserve Initial Amount and from Interest Available Funds on an ongoing basis in accordance with the Pre-Enforcement Interest Priority of Payments up to the Cash Reserve Target Amount, such amounts being available to be used by the Issuer, *inter alia*, in order to cover certain interest shortfall under the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes in accordance with the provisions of the Conditions and (c) in respect of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes by excess support made available through the application of Interest Available Funds in accordance with the Pre-

Enforcement Interest Priority of Payments to cure amounts credited to the Principal Deficiency Ledger. There can be no assurance that the levels of credit support and the liquidity support provided by the subordination of the Notes and by the funds of the Cash Reserve will be adequate to ensure punctual and full receipt of amounts due under the Notes. Please see the section of the prospectus entitled “*Terms and Conditions of the Notes – Status, Segregation and Ranking*” for details of the subordination provisions.

### **Counterparty risk**

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

The Issuer’s ability to make payments in respect of the Notes may depend to a certain extent upon the Originator’s performance under the Transaction Documents. In particular, in the event that the Originator becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its obligations under the Transaction Documents including *inter alia* the relevant obligations (i) to be performed in its capacity as the Servicer, (ii) to indemnify the Issuer under the Warranty and Indemnity Agreement, and (iii) to make any payments due to the Issuer in order to adjust the Receivables purchase price (i.e. to take into account the additional payment or the reimbursement to be made for any such Receivable) in the event that, following the entering into of the Master Receivables Purchase Agreement and each Receivables Purchase Agreement, it appears that one or more Receivables do not meet the relevant eligibility criteria as at the relevant Valuation Date (or the specific date referred to in the relevant criterion) and therefore do not fall within the scope of the assignment under the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement or in case it is discovered that Receivables included in any Portfolio do not meet the Purchase Conditions. In such case, any payments made by the Originator by way of indemnity under the Warranty and Indemnity Agreement, or by way of repurchase price for the Receivables under the relevant Warranty and Indemnity Agreement, may be subject to the ordinary claw back regime under Italian Law (other than the shorter claw back period that applies to the transfer of the Receivables to the Issuer – please see the section named “*Selected Aspects of Italian Law*” and, in particular, the relevant subsection “*Italian consumer protection legislation*”).

The timely payment of amounts due on the Notes will also depend, in particular, on the ability of the Servicer to service the Aggregate Portfolio and to recover the amounts relating to Defaulted Receivables (if any). Finally, the Issuer is party to contracts with a number of third parties in addition to the Servicer, who have agreed to perform services in relation to the Transaction. In particular, but without limitation, the Account Bank has agreed to hold and manage the Issuer’s Accounts pursuant to the Cash Allocation, Management and Payments Agreement; the Corporate Servicer has agreed to provide certain corporate and administrative services to the Issuer pursuant to the Corporate Services Agreement; the Paying Agents have agreed to provide services with respect to the Notes pursuant to the Cash Allocation, Management and Payments Agreement; and the Cap Counterparty has agreed to provide hedging to the Issuer pursuant to the Cap Agreement.

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

### **Replacement of the Servicer**

Following the occurrence of a Servicer Termination Event under the Servicing Agreement, the performance of the Servicer’s obligations under the Servicing Agreement will be carried out by the Back-Up Servicer in accordance with the terms of the Back-Up Servicing Agreement. There can be no assurance that the Back-Up Servicer will be able to provide the servicing of the Aggregate Portfolio in the same manner or at the same standard as the Servicer which could affect the proceeds of the Aggregate Portfolio available to the Issuer to make payments under the Notes.

The failure to appoint a replacement servicer in the event that the Servicer can no longer perform its agreed function in relation to the Aggregate Portfolio may also result in less funds being available to make payments on the Notes. In addition, any substitute servicer may be entitled to receive a servicing fee greater than that charged by the Servicer.



### **Replacement of the Back-Up Servicer**

If the appointment of the Back-Up Servicer under the Back-Up Servicing Agreement is terminated, there can be no assurance that a replacement Back-Up Servicer would be found who would be willing and able to service the Receivables. The ability of any entity acting as replacement Back-Up Servicer to fully perform the required services would depend, among other things, on the information, software and records available to them at the time of the appointment. Any delay or inability to appoint a replacement Back-Up Servicer may affect collections in relation to the Receivables and therefore payments being made on the Notes.

The failure of the Back-Up Servicer to assume performance of the Servicer's duties following the termination of the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Back-Up Servicing Agreement could result in the failure of or delay in the processing of payments on the Receivables and ultimately could adversely affect payments of interest and principal on the Notes.

### **Commingling Risk**

The Issuer may be subject to the risk that, in the event of insolvency of the Originator, acting as Servicer, the Collections held by the Servicer would be lost or be temporarily unavailable to the Issuer.

This risk is mitigated in a number of ways. First, the Law Decree No. 91/2014, as converted into law by Law No. 116/2014 (the "**Law Decree Competitività**") has amended the Securitisation Law which, therefore, provides that, should any insolvency procedure be opened against the relevant servicer as account-holder, any positive balance standing to the credit of the relevant bank account/s, as well as any amounts credited to such account/s during such procedure, shall be immediately returned to the Issuer regardless of the ordinary procedural rules about the filing of claims and distribution of payments out of the insolvency estate. Secondly, the Servicer has undertaken to transfer Collections received by it into the Collection Account held by the Account Bank within 2 (two) Business Days from the relevant reconciliation date, which limits the amount of Collections that may be held by the Servicer at any given time. Thirdly, in case of termination of its appointment pursuant to the Servicing Agreement, the Servicer has undertaken to notify the Debtors, the Employers, the Pension Authorities and the Pension Funds to pay any amount due in respect of the Receivables directly into the Collection Account and in the event the Servicer fails to do so such steps may be taken by the substitute servicer (including the Back-Up Servicer).

### **Net Cashflows of the Aggregate Portfolio affected by decisions and actions of the Servicer**

The net cash flows from the Aggregate Portfolio and therefore the funds available to the Issuer to make payments under the Notes may be affected by decisions made and actions taken by the Servicer pursuant to the Servicing Agreement including (without limitation) the power of the Servicer to renegotiate certain terms and conditions of the Receivables (see the section named "*Description of the Transaction Documents - Servicing Agreement*" for further details) and/or propose changes to the Credit and Collection Policies over time. However, the Servicer is required to seek the prior consent of the Issuer and Representative of the Noteholders in connection with any change to the Credit and Collection Policies, except for amendments: (i) necessary to comply with amendments to the applicable laws and regulations from time to time in force and/or decisions of the competent supervisory authorities applicable to the Servicer, and (ii) any amendments, however normal in the best practice of the relevant market, which are necessary or appropriate for the purpose of timely collection and recovery of the Receivables and which the Servicer deems to be in the interest of the Issuer and the Noteholders or, in any case, not such as to prejudice the interests of the Issuer and the Noteholders.

In addition, no assurance can be given that the Servicer will promptly forward all amounts collected from Debtors in respect of the Receivables to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement (however, it should be noted that the Issuer may in such case terminate the Servicer's appointment – see for further details the section named "*Description of the Transaction Documents - Servicing Agreement*").

In addition, under the Servicing Agreement, the Servicer has the power to renegotiate certain terms and conditions of the Receivables. See for further details the section named "*Description of the Transaction Documents - Servicing Agreement*".

### **Payment Delegations**

The Payment Delegations relating to each Portfolio have been and will be issued, as the case may be, in favour of Credis. The termination of the appointment of Credis as Servicer pursuant to the Servicing Agreement could give rise to the termination of the Payment Delegations.

As a result, in order for the Issuer to be entitled to receive the relevant quotas of salaries or pensions from the Employers or Pension Authorities, as the case may be, in discharge of the payment obligations under the Receivables, it would be necessary that (i) the Debtors issue new Payment Delegations in favour of the Issuer or the new Servicer and (ii) the Employers accept such new Payment Delegations, in accordance with the applicable laws and regulations.

In this respect, it should be noted that the Debtors and the Employers are under no obligation to execute a new Payment Delegation and accept it, respectively, so this could result in the failure of or delay in the processing of payments on the Receivables and ultimately could adversely affect payments of interest and principal on the Notes.

### **Eligible Investments**

Funds on deposit in the Investment Account and Security Account (as and when opened) may be invested in Eligible Investments by the Issuer through the Cash Manager, pursuant to the Cash Allocation Management and Payment Agreement. The investments must have appropriate ratings corresponding to the term of the investment, as provided by the Eligible Investment definition. However, it may be that, irrespective of any such rating, such investments will be irrecoverable due to the insolvency or default of the relevant debtor in respect of the investment. In the event any of the investments are irrecoverable the Issuer would have less funds available to it to make payments under the Notes which could affect whether or not Noteholders are repaid in full.

Please also see for further details the section named “*The Accounts*”.

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

### **Interest rate risk**

The Receivables have and will have, in relation to the Additional Portfolios, interest payments calculated on a fixed rate basis, whilst the Listed Notes will bear interest at a rate based on one-month EURIBOR determined on each Determination Date, subject to and in accordance with the Conditions. As a result, there could be a rate mismatch between interest accruing on the Listed Notes and on the Aggregate Portfolio.

As a result of such mismatch, an increase in the level of one-month EURIBOR could adversely affect the ability of the Issuer to make payments on the Listed Notes. To minimise the effect of such interest rate mismatch, the Issuer has entered into the Cap Agreement whereby the Cap Counterparty is obliged to make payments to the Issuer if one-month EURIBOR exceeds the strike price specified in the Cap Transaction. In addition, it should be noted that under Condition 7.5 (*Rate of Interest*) it is provided that in any case the Rate of Interest applicable to the Listed Notes may not become negative.

The notional amount with respect to the Cap Transaction will be the notional amount set out in the Cap Agreement for the relevant period. Entry into the Cap Agreement and the Cap Transaction does not completely eliminate the interest rate risk related to the Listed Notes. The Class X Notes will not benefit from the protection under the Cap Agreement. See for further details “*Description of the Transaction Documents*” – “*Cap Agreement*” – “*Intercreditor Agreement*”.

### **Italian consumer protection legislation**

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

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

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

The same risk might exist with reference to insurance policies financed by the lenders (where the

premium is paid up-front by the lenders to the insurance companies and then reimbursed to the lenders by the borrowers as a part of the loan instalments), as it is uncertain whether they may qualify as linked contracts and, as such, what the claim by the Debtor may be in case of default by the insurance company. In this regard, it should be noted that, as at the date of this Prospectus, no decision has been made by any Italian court in respect of this issue.

For further information kindly see the section entitled “*Selected aspects of Italian law – Italian consumer protection legislation - (A) Linked contracts (contratti collegati)*”.

Prospective Noteholders should note that, pursuant to the Warranty and Indemnity Agreement, Creditis, has represented and warranted, *inter alia*, that Debtors have not entered into any linked contract and there is no right of the Debtors to set-off any amount due in relation to the Receivables for the failure by the Insurance Companies to their respective duties pursuant to the Insurance Policies and/or the early repayment of the Loan Agreement or for any other reason. However, in the event that any of these representations and warranties were found to be untrue, the Issuer could receive less collections on the Receivables than expected and, therefore may have insufficient amounts to repay in full principal and pay interest on the Notes. This would be particularly true if the Originator would default under its payments obligations under the Warranty and Indemnity Agreement (please also see in this respect the section “*Counterparty risk*”).

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

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

For further information kindly see the section entitled “*Selected aspects of Italian law – Italian consumer protection legislation - (B) Set-off*”.

However, prospective Noteholders should note that Creditis has represented to the Issuer, pursuant to the Warranty and Indemnity Agreement that, as at the date of this Prospectus, none of the Debtors benefits from a contractual right to off-set any amount due to Creditis by it with any amount due to it by Creditis. In addition, pursuant to the Warranty and Indemnity Agreement, Creditis has undertaken to indemnify and keep the Issuer harmless from any damage, loss, claim, cost and/or expense that the Issuer has incurred or may incur as a result of: (i) any representation or warranty issued by the Originator under the Master Receivables Purchase Agreement (included the relevant schedules) being untrue, incomplete or incorrect; and (ii) the inability of the Issuer to collect or recover any Receivables due to the exercise by the Debtors of any claim or counterclaim (including by way of set-off) against Creditis. However, in the event that any of these representations and warranties were found to be untrue and/or any of such claims or counterclaim would be raised by the Debtors, the Issuer could receive less collections on the Receivables than expected and, therefore may have insufficient amounts to repay in full principal and pay interest on the Notes. This would be particularly true if the Originator would default under its payments obligations under the Warranty and Indemnity Agreement (please also see in this respect the section “*Counterparty risk*”).

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

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

For further information kindly see the section entitled “*Selected aspects of Italian law – Italian consumer protection legislation - (C) Consumer Code's protection*”.

Pursuant to the Warranty and Indemnity Agreement, the Originator has undertaken to indemnify and keep the Issuer harmless from any damage, loss, claim, cost and/or expense that the Issuer has incurred or may incur as a result of the inability of the Issuer to collect or recover any Receivables due to the Debtors or any third party raising any claim or counterclaim (including a demand for invalidity) against the Originator. Therefore, in the event that any of such claims or counterclaim would be raised by the Debtors, the Issuer could receive less collections on the Receivables than expected and, therefore may have insufficient amounts to repay in full principal and pay interest on the Notes. This would be particularly true if the Originator would default under its payments obligations under the Warranty and

Indemnity Agreement (please also see in this respect the section “Counterparty risk”).

*(D) Notice of Assignment*

Pursuant to the Consolidated Banking Act, there is no obligation to inform the consumer of the assignment of the rights of the lender under a *consumer* loan agreement when the original lender maintains the servicing of the relevant claims. In addition, pursuant to the regulation of the Bank of Italy, notices of assignment shall be made in accordance with, respectively, article 58 of the Consolidated Banking Act with respect to the assignment of claims required to be carried out thereunder and the Securitisation Law with respect to the securitisation transaction of claims. For further information kindly see the section entitled “*Selected aspects of Italian law – Italian consumer protection legislation - (D) Notice of Assignment*”. Prior individual notice of the purchase of the Receivables under the Master Transfer Receivables Agreement was not, and will not be, given to the Debtors as the Originator will continue to service the relevant Receivables and the Debtors’ payment procedure will not be subject to change. Since no notice of the assignment of the Receivables to the Issuer is being given there is a risk that Debtors who qualify as a “consumer” pursuant to the Consolidated Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Loan Agreement qualifying as “consumer loans” extended to them that the assignment of the Receivables cannot be enforced against them if the Originator does not continue to service the relevant Receivables and the Debtors’ payment procedure are subject to change, until they receive formal notice of the assignment. In this respect, pursuant to the Master Receivables Purchase Agreement, however, the Originator has undertaken to notify to the Debtors, the Employer, the Pension Authorities, the Pension Funds and the Guarantors, at the earliest opportunity, the transfer of each Portfolio as provided for by the applicable regulations and to furnish to the Debtors, the Employer, the Pension Authorities, the Pension Funds and the Guarantors information as referred to in articles 13, paragraphs 1 and 2 of the Privacy Law and 13 and 14 of the GDPR (as applicable).

**Changes or uncertainty in respect of EURIBOR and/or other interest rate benchmarks may affect the value or payment of interest under the Listed Notes**

The Listed Notes are linked to EURIBOR. EURIBOR and other benchmark rates are the subject of recent national and international regulatory guidance and proposals for reform including, without limitation, the Benchmark Regulation and certain other international and national reforms. In addition, on 13 February 2019, the Italian Government approved the Legislative Decree no. 19 dated 13 February 2019 with the aim of harmonizing the Italian legislation to the Benchmark Regulation. According to a press release issued on 25 February 2019, the EU institutions agreed to grant providers of “critical benchmark” – interest rates such as Euribor or EONIA – an extension until 31 December 2021 to comply with the new Benchmark Regulation.

It cannot be predicted what changes may be required to be made to the rules and methodologies relating to EURIBOR to comply with such reform or what may be the consequences thereof. However, such consequences could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark or result in it disappearing entirely.

The proposed reforms and general increased regulatory scrutiny of “benchmarks” could also increase the costs and risks of administering or otherwise participating in the setting of EURIBOR which may discourage market participants from continuing to administer or contribute to the EURIBOR “benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Listed Notes.

While (i) an amendment may be made under Condition 7.6 (*Fallback provisions*) to change the base rate on the Listed Notes from EURIBOR to an Alternative Base Rate under certain circumstances broadly related to EURIBOR dysfunction or discontinuation and subject to certain conditions being satisfied, (ii) the Issuer (or the Servicer on its behalf) is under an obligation to appoint a Rate Determination Agent which must be the investment banking division of a bank of international repute and which is not an affiliate of the Originator to determine an Alternative Base Rate in accordance with Condition 7.6 (*Fallback provisions*), and (iii) an amendment may also be made to change the base rate that then applies in respect of the Cap Agreement (as to which please see further below under the heading “*Future discontinuance of EURIBOR may adversely affect the Cap Agreement*”), there can be no assurance that any such amendments will be made or, if made, that they (a) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest

rates on the Listed Notes and the Cap Agreement or (b) will be made prior to any date on which any of the risks described in this risk factor may become relevant.

**Yield and payment considerations: performance of the underlying Loans**

The yield to maturity, the amortisation plan and the weighted average life of the Notes cannot be predicted. Calculated, *inter alia*, based on assumptions on various rates of prepayment, the approximate average lives of the Listed Notes are set out in the section entitled “*Estimated Weighted Average Life of the Listed Notes and certain assumptions*”. However, the actual characteristics and performance of the Loans will differ from such assumptions and any difference will affect the amount outstanding of the Notes over time and, therefore, the weighted average lives of the Notes.

The yield, amortisation plan and weighted average life of the Notes may be adversely affected by a higher or lower rate of prepayment, delinquency and default on the Loans and the timing of the receipt of any proceeds of enforcement or any insurance policy assisting the Receivables. Prepayments may also arise in connection with refinancing, repurchases and sales of properties by Debtors voluntarily. There is often little disincentive for borrowers to prepay early as lender’s have a limited ability to charge early prepayment fees (as to which see the risk factor entitled “*Italian consumer protection legislation-prepayment right*” below.)

The yield, amortisation plan and weighted average life of the Notes may also be adversely affected by any decision by the Originator to exercise its faculty to repurchase the Receivables in lieu of indemnifying the Issuer under the Master Receivables Purchase Agreement.

**Yield and payment consideration: risks related to early redemption of the Notes**

The Issuer has the option to redeem the Notes of each Class (other than the Class R Notes) at their Principal Amount Outstanding prematurely in full, on the third Payment Date immediately following the First Optional Redemption Date (included) and on any Payment Date thereafter subject to and in compliance with Condition 8.4 (*Optional Redemption*). If the Issuer exercises this option the Notes of each Class (other than the Class R Notes) will be redeemed prior to their Legal Final Maturity Date.

Notwithstanding the increase in the margin applicable to the Listed Notes (other than the Class X Notes) from and including the Interest Period commencing on the First Optional Redemption Date and any Interest Period thereafter, no guarantee can be given that the Issuer will exercise this option. The exercise of this option will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem the Notes of each Class (other than the Class R Notes) by selling the Aggregate Portfolio still outstanding at that time to a third party (which may be the Originator).

In addition, the Issuer can redeem the Notes of each Class (other than the Class R Notes), for certain tax reasons. It is also envisaged that, if the Originator exercises the Originator Call Option, the Issuer has the obligation to redeem the Notes of each Class (other than the Class R Notes) at their Principal Amount Outstanding prematurely subject to and in accordance with Condition 8.3 (*Early Redemption upon exercise of the Originator Call Option*). Should any of the cases under Condition 8.3 (*Early Redemption upon exercise of the Originator Call Option*) or 8.5 (*Optional Redemption in whole for taxation reasons*) occur, the Notes of each Class (other than the Class R Notes) will be redeemed prior to their Legal Final Maturity Date.

Noteholders may not be able to invest the amounts received as a result of the premature redemption of the Notes (other than the Class R Notes) on conditions similar to or better than those of the Notes.

**Issuer an unsecured creditor of the Originator**

The only remedies available to 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 any damages arising therefrom or the Originator repurchases the relevant Receivable in accordance with, and subject to, the terms and conditions of the Warranty and Indemnity Agreement. Please see the section headed “*Description of the Transaction Documents*”.

The indemnification obligations undertaken by the Originator under the Warranty and Indemnity Agreement are unsecured claims of the Issuer and no assurance can be given that the Originator can or will pay the relevant amounts if and when due.

**Subordination**

The rights of the Noteholders to receive payments of interest and repayment of principal are subordinated to the payment of certain costs, expenses, fees, taxes and other amounts and to the rights

of the Representative of the Noteholders and other parties to receive certain amounts due under the Transaction Documents. This includes in respect of any proceeds of enforcement and collection of the security created by the Issuer which will be applied in accordance with the Post-Enforcement Priority of Payment.

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

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

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

### **Noteholders’ directions and resolutions following delivery of a Trigger Notice**

Following the delivery of a Trigger Notice and in accordance with the Terms and Conditions, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) direct the Issuer to dispose of the Portfolio (in whole or in part), it being understood that no provisions shall require the automatic liquidation of the Aggregate Portfolio as stated in article 21(4) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

In addition, at any time after a Trigger Notice has been delivered, the Representative of the Noteholders may or shall (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) take such steps and/or institute such proceedings against the Issuer as it may think fit to ensure repayment of the Notes and payment of accrued but unpaid interest thereon in accordance with the Post-Acceleration Priority of Payments. The directions of the Most Senior Class of Noteholders in such circumstances may adversely affect the interests of the other Classes of Noteholders. Individual Noteholders may not, without breaching the Conditions, be able to commence proceedings or take other individual remedies against the Issuer unless the Meeting has approved such action in accordance with the provisions of the Rules of the Organisation of the Noteholders.

### **Resolutions of Noteholders**

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

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

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

In addition, there is a risk that it may not be possible to implement certain modifications approved by the Noteholders in accordance with the Rules of Organisation where the consent of other Issuer Secured Creditors are required including (without limitation) the Cap Counterparty, who has certain consent



rights to any modifications or supplements that are Basic Terms Modifications, or that relate to payments or deliveries due to be made by or to the ap Counterparty, the ranking of the Cap Counterparty in the Priority of Payments, the Cap Counterparty's rights in relation to any security and status as a Secured Creditor and any amendments to the Issuer's redemption rights in respect of the Notes.

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

There is not at present an active and liquid secondary market for the Notes. The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Although an application has been made to the Official List of the Luxembourg Stock Exchange and to admit such Listed Notes to trading on the Regulated Market, there can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop in respect of any of the Notes, that it will provide the holders of such Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Notes. Consequently, any purchaser of any of the Notes must be prepared to hold such Notes to maturity.

In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at a price that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes and cause significant fluctuations in market value which could result in significant losses to an investor. Any sale of the Notes by the Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes. In addition, whilst these market conditions persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily.

#### **Euro System Eligibility**

The Class A Notes are intended to be issued in a manner which will allow for participation in the Eurosystem liquidity scheme. However, there is no guarantee the Class A 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 the Class A Notes satisfying the Eurosystem eligibility criteria (as amended from time to time).

In this respect, it should be noted that in accordance with their policies, neither the ECB nor the central banks of the Eurozone will confirm the eligibility of the Class A Notes for the above purpose prior to their issuance or to their rating and listing and if the Class A Notes are accepted for such purpose, the relevant central bank may amend or withdraw any such approval in relation to the Class A Notes at any time. The assessment and/or decision as to whether the Class A Notes qualify as eligible collateral for Eurosystem monetary policy and intra-day credit operations rests with the relevant central bank.

#### **Risks connected with the political and economic uncertainty in Italy**

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

### **CATEGORY OF RISK FACTORS 3: RISK FACTORS RELATING TO HEDGING ARRANGEMENTS**

#### **Future discontinuance of EURIBOR may adversely affect the Cap Agreement**

The payment obligations of the Cap Counterparty under the Cap Transaction are determined by reference to a floating rate which references one-month EURIBOR (as defined in the Cap Agreement and references to EURIBOR below are to EURIBOR so defined).

In the event that EURIBOR ceases to exist, a replacement floating rate would have to be determined. In this regard, the Cap Agreement incorporates the 2018 ISDA Benchmarks Supplement, published by the International Swaps and Derivatives Association, Inc. on 19 September 2018 (the "**Benchmarks Supplement**") which sets out a number of alternative continuation fallbacks which, broadly speaking, are intended to apply an alternative floating rate for the Cap Transaction following the occurrence of a Benchmark Trigger Event (as defined in the Benchmarks Supplement) in respect of EURIBOR. Those continuation fallbacks are, in the following order of priority: (i) agreement between the parties; (ii)

application of an alternative pre-nominated rate (if applicable, and no such alternative pre-nominated rate has been designated in respect of the Cap Transaction); (iii) application of alternative post-nominated rate; and (iv) application of calculation agent nominated replacement rate.

If a replacement rate is implemented in accordance with the Benchmarks Supplement, an adjustment payment or spread may be agreed between the Issuer and the Cap Counterparty or determined by the Cap Counterparty to account for the economic effect on the Cap Transaction. Any such adjustment payment may be an amount due by the Issuer to the Cap Counterparty. There is a risk that the Issuer may not be able to make such a payment or that insufficient amounts remain after any such payment has been made to make payments on the Notes. After the implementation of a replacement floating rate in respect of the Cap Transaction (including any applicable adjustment payment or adjustment spread), there is a risk that the Issuer will receive less under the Cap Transaction and/or that the floating rate applicable to the Cap Transaction does not match the floating rate applicable to the Notes. Any such reduction or mismatch may result in the Issuer having insufficient funds to make payments due on the Notes. In addition, it is possible that implementation of a replacement floating rate in respect of the Cap Transaction will not occur at the same time as any corresponding changes to the floating rate applicable to the Notes, which may result in the Notes effectively being unhedged. In such circumstances the Issuer may not have sufficient funds to make payments due on the Notes. If, after a Benchmark Trigger Event (as defined in the Benchmarks Supplement), no continuation amendment can be made or the Issuer and the Cap Counterparty fail to resolve a dispute, in each case, under the Benchmarks Supplement, either the Issuer or the Cap Counterparty may terminate the Cap Transaction. There is no assurance that a replacement interest rate cap could be found and, upon such termination, the Issuer may be liable to make a termination payment. If the Issuer does not enter into a replacement interest rate cap, or is required to make a termination payment, it may have may have insufficient funds to make payments due on the Notes.

### **Termination of the Cap Agreement**

The Issuer's ability to discharge its obligations, including its ability to make payments on the Notes, may be materially adversely affected in the event of the early termination of the Cap Transaction pursuant to the terms of the Cap Agreement. The Cap Agreement contains various termination events and events of default which, should the relevant event or circumstances occur, will entitle either or both the Issuer and the Cap Counterparty to terminate the Cap Transaction (see for further details the section named "*Description of the Transaction Documents- Cap Agreement*"). In case of an early termination of the Cap Transaction, unless one or more comparable interest rate caps are entered into shortly thereafter, the Issuer may have insufficient funds to make payment under the Notes and this may result in a downgrading of the rating of the Rated Notes.

An early termination of the Cap Agreement could result in either the Issuer or the Cap Counterparty being obliged to make a termination payment to the other. As described further below, the Issuer will be exposed to the credit risk of the Cap Counterparty in the event that any such payment is payable by the Cap Counterparty. Although the Cap Counterparty may (following a downgrade of the ratings of the Cap Counterparty) be required to post collateral to the Issuer in respect of its obligations under the Cap Agreement, the Issuer will not be a secured creditor of the Cap Counterparty and the Issuer will therefore be subject to the credit risk of the Cap Counterparty (in addition to the risk of the Debtors) to the extent that the Cap Counterparty's obligations under the Cap Agreement are not collateralised. See for further details the paragraph below titled "*Insolvency of the Cap Counterparty*" in relation to the potential impact of insolvency events affecting the Cap Counterparty.

Any collateral transferred to the Issuer by the Cap Counterparty pursuant to the Cap Agreement and any Replacement Cap Premium received by the Issuer from a replacement cap counterparty will not generally be available to the Issuer to make payments to the Noteholders and the Other Issuer Creditors and shall only be paid or transferred (as applicable) in accordance with the Collateral Account Priority of Payments.

Any termination payment due to the Cap Counterparty will rank ahead of payments of interest and/or principal on the Notes and may substantially reduce the funds available for payments to the Noteholders. See for further details the section named "*Description of the Transaction Documents - Cap Agreement*".

### **Insolvency of the Cap Counterparty**

This section refers to NATIXIS (acting through its London Branch) ("**NATIXIS**") as the initial Cap Counterparty. Similar risks may arise under the insolvency laws applicable to any replacement cap

counterparty. If NATIXIS were to be subject to a resolution process under Directive 2014/59/EU of the European Parliament and the Council providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms, as implemented in France, such process might have an impact on the liabilities owed (as the case may be) by NATIXIS to the Issuer under the Cap Agreement.

In addition, if a safeguard procedure (*procédure de sauvegarde*), an accelerated preservation procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*), or a liquidation procedure (*procédure de liquidation judiciaire*) were to be opened in France with respect to NATIXIS, such procedure might have an impact on the payment of the liabilities owed (as the case may be) by NATIXIS to the Issuer under the Cap Agreement.

In the circumstances described above, the Issuer may not receive some or all of any amount due to it from the Cap Counterparty under the Cap Agreement which would adversely affect the Issuer's ability to meet its payment obligations including those due to Noteholders.

### **Tax risks relating to the Cap Agreement**

The Cap Counterparty will be obliged to make payments under the Cap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Cap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required (unless the relevant withholding or deduction relates to a FATCA Withholding Tax (as defined in the Cap Agreement)). The Cap Agreement will provide, however, that in case of a Tax Event (as defined in the Cap Agreement), the Cap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If the Cap Counterparty is unable to transfer its rights and obligations under the Cap Agreement to another office, branch or affiliate, it will have the right to terminate the Cap Transaction. Upon such termination, the Issuer or the Cap Counterparty may be liable to make a termination payment to the other party. See the risk factor "*Termination of the Cap Agreement*" above.

### **Ratings downgrade of the Cap Counterparty**

In the event that the Cap Counterparty is downgraded below certain levels as set out in the Cap Agreement, the Issuer may terminate the Cap Transaction if the Cap Counterparty fails to take (or fails to make endeavours to take, as applicable in accordance with the terms of the Cap Agreement) certain remedial measures within the timeframes stipulated in the Cap Agreement. Such remedial measures may include providing collateral for its obligations under the Cap Agreement, arranging for its obligations under the Cap Agreement to be transferred to an entity with the required ratings (or guaranteed by an entity with the required ratings) or procuring another entity with the required ratings to become guarantor in respect of its obligations under the Cap Agreement. However, in the event the Cap Counterparty is downgraded there can be no assurance that a guarantor or replacement cap counterparty will be found or that the amount of collateral provided will be sufficient to meet the Cap Counterparty's obligations. Unless one or more comparable replacement interest rate caps are entered into, the Issuer may have insufficient funds to make payments due on the Notes, and the Rated Notes may also be downgraded.

### **Risks relating to replacement cap agreements**

If a replacement cap agreement is entered into following termination of the initial Cap Transaction, this may be on terms less favourable to the Issuer and therefore may mean that reduced amounts are available for distribution by the Issuer to the Secured Creditors (including, *inter alia*, the Noteholders). The Issuer may not be able to enter into a replacement interest rate cap with a replacement cap counterparty immediately or at a later date. If a replacement cap counterparty cannot be found, the risk of a difference between the rate of interest to be received by the Issuer on the Receivables and the rate of interest payable by the Issuer on the Listed Notes will not be hedged, and so the funds available to the Issuer to pay any interest on the Notes may be insufficient. In these circumstances, the holders of Notes may experience delays and/or reductions in the interest payments to be received by them, and the Rated Notes may also be downgraded.

## CATEGORY OF RISK FACTORS 4: RISK FACTORS RELATING TO THE AGGREGATE PORTFOLIO

### Claw-back of the sale of the Receivables

A transfer pursuant to the Securitisation Law may be subject to a claw-back action by a judicial liquidator of the transferor: (i) if the sale is not undervalued, within three months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the liquidator can prove that the transferee was, or ought to have been, aware of such insolvency; or (ii) if the sale is undervalued, within six months following the transfer if: (a) the transferor was insolvent at the time of the transfer; and (b) the transferee cannot prove that it was not, or ought not to have been, aware of such insolvency.

Accordingly, if the Originator was insolvent at the date of the execution of the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement with reference to the Initial Portfolio or at the time of the relevant Receivables Purchase Agreement with reference to each Additional Portfolio, and the Issuer was, or ought to have been, aware of such insolvency, the transfer may, in certain circumstances, be subject to claw-back by a liquidator of the Originator.

### Recoveries under the Loan Agreements

Following a default by a Debtor under a Loan Agreement, the Servicer will be required to take steps to recover the sums due under the relevant Loan in accordance with its Credit and Collection Policies and the Servicing Agreement. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the Debtor if the Servicer is of the view that the potential recovery would exceed the costs of the enforcement measures. In such event, due to the complexity of, and the time involved in carrying out, legal proceedings against the Debtor and the possibility for challenges, defences and appeals by the Debtor, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Loan Agreement and this may reduce the funds available to the Issuer to make payments under the Notes.

Such legal proceedings can also result in considerable delay in the receipt of enforcement proceeds in relation to the Loans which may, in turn, result in delayed payments being made by the Issuer in respect of the Notes. In the Republic of Italy, a lender which has received a judgment against a debtor in default may enforce the judgment through a forced sale of the debtor's (or guarantor's) goods (*pignoramento mobiliare*) or real estate assets (*pignoramento immobiliare*), if the lender has previously been granted a court order or injunction to pay amounts in respect of any outstanding debt or unperformed obligation. Forced sale proceedings are directed against the debtor's properties following notification of an *atto di precetto* to the relevant debtor together with a *titolo esecutivo*, i.e. an instrument evidencing the nature of the claims and having certain characteristics. The average length of time for a forced sale of a debtor's goods, from the court order or injunction of payment to the final sharing-out, is about three years. The average length of time for a forced sale of a debtor's real estate assets, from the court order or injunction of payment to the final sharing-out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less whereas in major cities or in southern Italy the duration of the procedure can significantly exceed the average. Attachment proceedings may also be commenced on due and payable claims of a borrower (such as bank accounts, salary *etc.*) or on a borrower's moveable property which is located on a third party's premises.

In addition, debtors that are not subject nor eligible to be subject to ordinary insolvency procedures in accordance with the Bankruptcy Law, are entitled to enter into a restructuring arrangement with his/her creditors pursuant to Law No. 3 of 27 January 2012. The Italian Parliament with *Legge Delega* No. 155/2017, on 12 January 2019, pursuant to the Legislative Decree no. 14 of 12 January 2019, has also approved a new code of business crisis and insolvency (the “**Code of Business Crisis and Insolvency**”) which sets out *inter alia* general rules applicable to the restructuring arrangements.

A favourable vote of creditors representing at least 70% of the relevant claims is required for the approval of the draft restructuring arrangement. Subject to certain conditions, the draft arrangement may provide for a moratorium on payments due to those creditors not adhering to such arrangement for a period of up to one year. A judge could also award an automatic stay of up to 120 days with respect to the enforcement actions over the assets of the relevant debtor. Any restructuring agreement entered into in connection with a Debtor could accordingly restrict the rights of the Originator or Issuer to enforce against the Debtor.

### **Compounding of interest**

There is a risk that the capitalisation of interest payable under the Loans on a quarterly basis may not comply with the requirements of article 1283 of the Italian Civil Code. There is inconsistent case law on this subject. However, if challenged by Debtors this could have a negative effect on the returns generated by the Issuer from the Loans and affect the ability of the Issuer to make payments under the Notes. Under the Warranty and Indemnity Agreement, the Originator has undertaken to indemnify and hold harmless the Issuer for any damage, loss, claim, cost, lost profit and expenses, duly documented and that the Issuer have incurred or suffered due to the failure by the Originator to comply with all the laws related to the compounding of interest with reference to the Receivables.

For further information kindly see the section entitled “*Selected aspects of Italian law – Compounding of interest*”.

Therefore, in the event that any of such damage, loss, claim, cost, lost profit and expenses arise, the Issuer could receive less collections on the Receivables than expected and, therefore may have insufficient amounts to repay in full principal and pay interest on the Notes. This would be particularly true if the Originator would default under its payments obligations under the Warranty and Indemnity Agreement (please also see in this respect the section “*Counterparty risk*”).

### **Italian Usury Law**

The interest payments and other remuneration paid by the Debtors under the Loans are subject to Italian law No. 108 of 7 March, 1996, as amended from time to time (the “Usury Law”), which introduced legislation preventing lenders from applying interest rates equal to or higher than certain rates. In addition, even where the applicable rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if certain circumstances arise. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the usury rates. If the Loans are found to contravene the Usury Law, the Debtors might be able to claim relief on any interest previously paid and oblige the Issuer to accept a reduced rate of interest, or potentially no interest on the relevant Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected. For further information kindly see the section entitled “*Selected aspects of Italian law – Italian usury law*”.

Pursuant to the Warranty and Indemnity Agreement, the Originator has represented that the rates of interest relating to the Loans, with reference to both the Initial Portfolio and each Additional Portfolio have been or will be applied, in accordance with the laws applicable from time to time including, but not limited to, the Usury Law. However, in the event that any of these representations and warranties were found to be untrue and/or any of such claims or counterclaim would be raised by the Debtors, the Issuer could receive less collections on the Receivables than expected and, therefore may have insufficient amounts to repay in full principal and pay interest on the Notes. This would be particularly true if the Originator would default under its payments obligations under the Warranty and Indemnity Agreement (please also see in this respect the section “*Counterparty risk*”).

## **CATEGORY OF RISK FACTORS 5: RISKS RELATING TO THE SECURITISATION REGULATION**

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

In the event that the Originator breaches its undertaking to retain on an ongoing basis a material net economic interest in the Securitisation of not less than 5% in accordance with the requirements of the Securitisation Regulation the transaction would cease to be compliant with the Securitisation Regulation which may result in penalties including fines, other administrative sanctions and possibly criminal sanctions being imposed and would also affect the liquidity of the Notes. In this regard, potential noteholders should note that it is expected that the Originator will use the Listed Notes retained by it as collateral for secured funding purposes in a manner permitted under the Securitisation Regulation. It is possible that the transaction may cease to satisfy the requirements of article 6 of the Securitisation Regulation should the enforcement of that security or any consequences arising from those dealings result in the Originator ceasing to retain the requisite level of material net economic interest in the Securitisation.

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

On 12 December 2017, the European Parliament adopted the Securitisation Regulation which applies from 1 January 2019. The Securitisation Regulation creates a single set of common rules for European

“institutional investors” (as defined in the Securitisation Regulation) as regards: (i) risk retention, (ii) due diligence, (iii) transparency, and (iv) underwriting criteria for loans to be comprised in securitisation pools. These requirements apply in respect of the Notes.

There is at present some uncertainty in relation to certain of the requirements of the Securitisation Regulation, including the risk retention requirements under article 6 of the Securitisation Regulation, the transparency obligations imposed under article 7 of the Securitisation Regulation (as to which see below) and the homogeneity criteria set out in article 20, paragraph 8 of the Securitisation Regulation. The regulatory technical standards relating to such requirements are not in final form or have not been adopted yet. Therefore, the final scope of application of such regulatory technical standards and the compliance of the Securitisation with the same is not assured. Non-compliance with final regulatory technical standards may adversely affect the value, liquidity of, and the amount payable under the Notes. Prospective investors in the Notes must make their own assessment in this regard.

The disclosure requirements of article 7 of the Securitisation Regulation apply to the Notes and replace the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019, including the requirements stemming from the CRA Regulation concerning SFI’s as a result of repealing article 8b of the CRA Regulation as set forth in article 40 of the Securitisation Regulation. On 22 August 2018, ESMA published its Final Report on securitisation disclosure technical standards (RTS/ITS) which included draft reporting templates, but on 31 January 2019, ESMA published a document headed “*Opinion regarding amendments to ESMA’s draft regulatory technical standards on disclosure requirements under the EU Securitisation Regulation which included revised draft reporting templates*”. As at the date of this Prospectus, such technical standards of disclosure are still subject to review by the European Commission and not yet adopted in the form of a binding delegated regulation of the European Commission. The transitional provision of article 43(8) of the Securitisation Regulation applies and, consequently, disclosures in respect of the Notes must be made in accordance with the requirements of Annexes I to VIII of Commission Delegated Regulation (EU) no. 2015/3 of 30 September 2014 (“CRA3”). Under the terms of the Transaction Documents, Creditis as the designated Reporting Entity undertakes to comply with the disclosure requirements of article 7 of the Securitisation Regulation and accordingly will provide disclosures in accordance with Annexes I to VIII of CRA3 during the transitional period and the Transaction Documents contain provisions for the parties to agree any amendments required to be made to the forms of the reports to comply with the new technical standards once introduced. In a joint statement of the European Supervisory Authorities published on 30 November 2018, the European Supervisory Authorities confirmed that with the repealing of article 8b of the CRA Regulation effective since 1 January 2019 and until the ESMA reporting templates to be used to meet the reporting requirements under article 7 of the Securitisation Regulation become available, the national competent authority will be required to make a case-by-case assessment when examining the compliance with the disclosure requirements of the Securitisation Regulation, taking into account the type and extent of information being disclosed by the reporting entity. As at the date of this Prospectus, no national competent authority has been designated in some European countries, including Italy. In addition, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Originator with the reporting obligations.

### **Risks relating to qualifying as an STS Securitisation under the Securitisation Regulation**

The Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (the “**STS-securitisations**”). The Securitisation is intended to qualify as a STS-securitisation within the meaning of article 18 of the Securitisation Regulation. However, the Securitisation may not qualify or continue to qualify as a STS-securitisation under the Securitisation Regulation at any point in time in the future. Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessments, the STS notification or other disclosed information.

Non-compliance with the status of an STS-securitisation may result in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Originator. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

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



## Securitisation Regulation

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

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

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

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

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

## CATEGORY OF RISK FACTORS 6: RISKS RELATING TO OTHER LEGAL AND REGULATORY CONCERNS

### Risks relating to EMIR

The European Market Infrastructure Regulation EU no. 648/2012 (**EMIR**) entered into force on 16 August 2012. Certain changes to EMIR are introduced pursuant to Regulation (EU) 2019/834 and references to "EMIR" below are construed accordingly.

Among other things, EMIR imposes on "financial counterparties" a general obligation (the **Clearing Obligation**) to clear through a duly authorised or recognised central counterparty all "eligible" OTC derivative contracts entered into with other counterparties subject to the Clearing Obligation. They must also report the details of all derivative contracts to a trade repository (the **Reporting Obligation**) and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the **Risk Mitigation Obligations**). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged.

Non-financial counterparties are excluded from the Clearing Obligation and certain Risk Mitigation Obligations provided that the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its “group” (as defined in EMIR), excluding eligible hedging transactions, do not exceed certain thresholds. If the Issuer is considered to be a member of such a “group” (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. Whilst the Cap Agreement entered into by the Issuer is expected to be treated as a hedging transaction and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its “group”, the regulator may take a different view.

If the Issuer exceeds the applicable clearing thresholds, it would also be subject to the relevant risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. The Issuer may be unable to comply with such requirements, which could result in the termination of the Cap Agreement. Any termination of the Cap Agreement as a result of non-compliance with such requirements or as a result of the Issuer becoming a financial counterparty as described above or otherwise could expose the Issuer to costs and increased interest rate risk.

It should also be noted that the Securitisation Regulation (which applied in general from 1 January 2019), among other things, makes provisions for the development of technical standards in connection with the EMIR regime specifying (i) an exemption from clearing obligations and (ii) a partial exemption from the collateral exchange obligations for non-cleared OTC derivatives, in each case for “simple, transparent and standardised” (STS) securitisation swaps (subject to the satisfaction of the relevant conditions). The final draft technical standards have been prepared by the European Supervisory Authorities and submitted to the European Commission in December 2018 and these are now subject to the EU political negotiation process. As a result, the time of entry into force and the date of application of the new technical standards is unknown at this point.

Prior to the Issue Date, the Originator intends to make the STS notification. However, until the final new technical standards referred to above are in force, no assurance can be given that the Issuer will meet the applicable exemption criteria provided therein. Notwithstanding the STS designation and the ability, as a result, to rely on the exemptions from clearing and collateral exchange obligations under the EMIR regime, the expectation is that the Issuer should not be required to comply with the EMIR collateral exchange obligations and clearing requirements for the reasons outlined above (as the Issuer is expected to be a non-financial counterparty below the “clearing threshold”). The STS designation and the related forthcoming exemptions from collateral exchange obligations and clearing requirements are only likely to become relevant should the status under the EMIR of the Issuer change from non-financial counterparty below the “clearing threshold” to non-financial counterparty above the “clearing threshold” or financial counterparty and, if applicable, should the Issuer be regarded as a type that is subject to EMIR clearing requirement.

### **Recharacterisation of English Law fixed security interests**

There is a possibility that an English court could find that the fixed security interests expressed to be created by the Deed of Charge governed by English law could take effect as floating charges as the description given to them as fixed charges is not determinative. If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors (if any) of the Issuer in respect of that part of the net property of the Issuer which is ring fenced as a result of the Enterprise Act 2002 and (ii) certain statutorily defined preferential creditors of the Issuer may have priority over the rights of the Representative of the Noteholders (acting as security trustee) to the proceeds of enforcement of such security. In addition, the expenses of any administration would also rank ahead of the claims of the Representative of the Noteholders (acting as security trustee) as floating charge holder and any administrator would be free to dispose of floating charge (and fixed charge) assets without the leave of the court.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, amongst other things, on whether the Representative of the Noteholders (acting as security trustee) has the requisite degree of control over the Issuer’s ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Representative of the Noteholders (acting as security trustee) in practice. Where the Issuer is free to deal with the secured assets, or any proceeds received on realisation of the secured assets, without the consent of the chargee,

the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

## **CATEGORY OF RISK FACTORS 7: RISKS RELATING TO TAX CONSIDERATIONS**

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

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

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

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

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

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

### **Indirect Tax Treatment of the Transfer of Claims**

The transfer of the Receivables in the Aggregate Portfolio is expected to qualify as a supply of services which is “*operazione esente*” for VAT purposes *i.e.* VAT exempt subject to VAT at the zero per cent. rate. However, there is a risk that the transfer of Receivables could instead be treated as “*operazione fuori campo*” for VAT purposes *i.e.* out of the scope of VAT. If a transaction does not fall within the scope of VAT, VAT is not due but a proportional registration tax will be applicable. Accordingly, should the Master Receivables Purchase Agreement be subject, either voluntarily or in case of use or enunciation, for any reason to registration, a registration tax of 0.5% will be payable by the relevant parties thereto on the nominal value of the transferred claims.

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

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

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

(“*mantenute nel proprio attivo dello stato patrimoniale*”), the Issuer maybe required to register with the IRS and comply with any Italian legislation that would be implemented to give effect to such IGA.

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

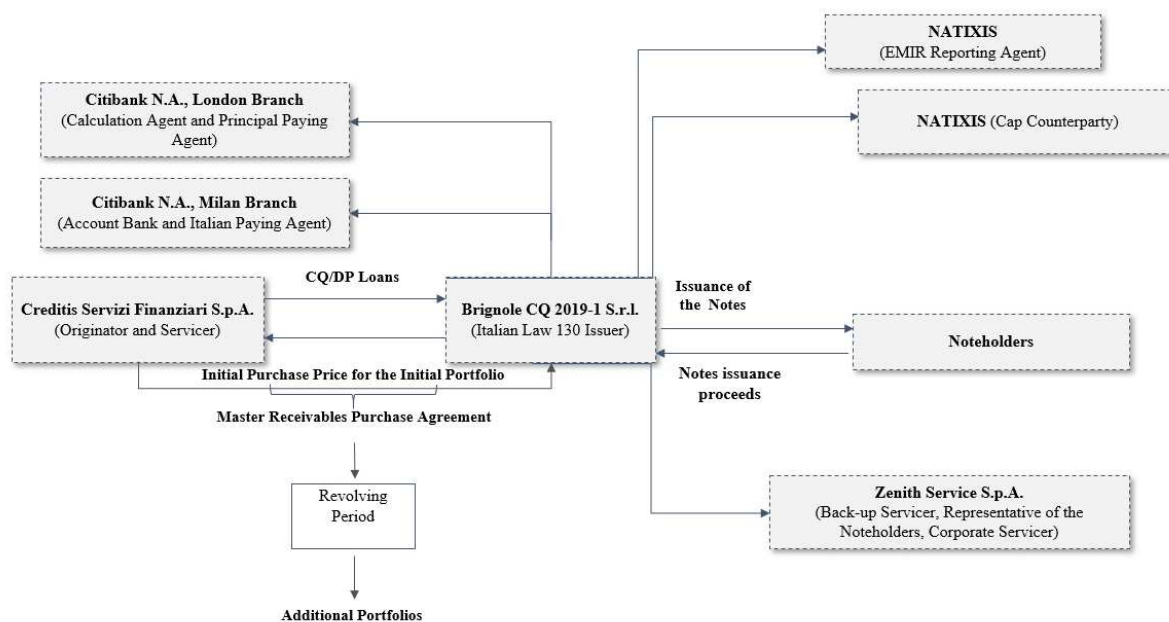
If an amount in respect of U.S. withholding tax (including under FATCA) were to be deducted or withheld from interest or principal on the Notes or other payments from a Party to this Transaction as a result of a holder’s failure to comply with these rules, none of the Issuer, any paying agent or any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

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

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

## TRANSACTION DIAGRAM

*The following is a diagram showing the structure of the 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 a description 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.*

### 1. PRINCIPAL PARTIES

#### Issuer

**Brignole CQ 2019-1 S.r.l.**, a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at via V. Betteloni No. 2, Milan, Italy, fiscal code and enrolment with the companies register of Milano Monza Brianza Lodi number 10858340960, enrolled in the *elenco delle società veicolo* held by the Bank of Italy pursuant to article 4 of the regulation of the Bank of Italy dated 7 June 2017 with n. 35601.4 and having as its sole corporate object the realisation of securitisation transactions under Italian law no. 130 of 30 April 1999, as subsequently amended and supplemented (the “**Securitisation Law**”).

#### Originator

**Creditis Servizi Finanziari S.p.A.**, a financial intermediary incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), having its registered office at Via G. D’Annunzio 101 - 16121, Genoa, Italy, share-capital of Euro 40,000,000 (fully paid-up), fiscal code and enrolment with the companies register of Genoa number 01670790995, enrolled in the *albo unico degli intermediari finanziari* held by the Bank of Italy pursuant to article 106 of the Legislative Decree no. 385 of 1 September 1993 as subsequently amended and supplemented (the “**Consolidated Banking Act**”) under No. 33318 (“**Creditis**”).

#### Servicer

**Creditis** or any other entity who shall act as Servicer from time to time under the Servicing Agreement.

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

#### Back-up Servicer

**Zenith Service S.p.A.**, a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Vittorio Betteloni 2, 20131 Milan, Italy, fully paid share capital of Euro 2.000.000, fiscal code and enrolment with the companies register of Milan - Monza - Brianza - Lodi number 02200990980, enrolled in the register of financial intermediaries (“*Albo Unico*”) held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act, registered under the number 30, ABI Code 32590.2. (“**Zenith**”) or any other entity who shall act as Back-up Servicer from time to time under the Back-up Servicing Agreement.

The Back-up Servicer will act as such pursuant to the Back-up Servicing Agreement which shall be executed on or about the Issue Date.



<b>Representative of the Noteholders</b>	<p><b>Zenith</b> or any other entity who shall act as Representative of the Noteholders from time to time pursuant to the Intercreditor Agreement and the Conditions.</p> <p>The Representative of the Noteholders will act as such pursuant to the Notes Subscription Agreements, the Intercreditor Agreement, the Mandate Agreement and the Conditions.</p>
<b>Calculation Agent</b>	<p><b>Citibank N.A., London Branch</b>, a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at 33 Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018 or any other entity who shall act as Calculation Agent from time to time under the Cash Allocation, Management and Payments Agreement.</p> <p>The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.</p>
<b>Account Bank</b>	<p><b>Citibank N.A., Milan Branch</b>, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies' register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy or any other entity who shall act as Account Bank from time to time under the Cash Allocation, Management and Payments Agreement.</p> <p>The Account Bank will act as such pursuant to the Cash Allocation Management and Payments Agreement.</p>
<b>Principal Paying Agent</b>	<p><b>Citibank N.A., London Branch</b> or any other entity who shall act as Principal Paying Agent from time to time under the Cash Allocation, Management and Payments Agreement.</p> <p>The Principal Paying Agent will act as such pursuant to the Cash Allocation Management and Payments Agreement.</p>
<b>Italian Paying Agent</b>	<p><b>Citibank N.A., Milan Branch</b> or any other entity who shall act as Italian Paying Agent from time to time under the Cash Allocation, Management and Payments Agreement.</p> <p>The Italian Paying Agent will act as such pursuant to the Cash Allocation Management and Payments Agreement</p>
<b>Corporate Servicer</b>	<p><b>Zenith</b> or any other entity who shall act as Corporate Servicer from time to time under the Corporate Services Agreement.</p>

The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.

**Quotaholder**

**Special Purpose Entity Management S.r.l.**, a company with a sole quotaholder organised as a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Republic of Italy, having its registered office at Milan, via V. Betteloni n. 2, Italy, fiscal code and enrolment with the companies register of Milan number 09262340962, quota capital Euro 20,000, fully paid-up, which holds 100% of the quotas of the Issuer (the “**Quotaholder**”).

**Cap Counterparty**

**NATIXIS** (acting through its London branch) a French limited liability company (*société anonyme à conseil d’administration*) registered with the Registre du Commerce et des Sociétés de Paris under No. 542 044 524, having its registered office at 30 Avenue Pierre Mendès-France, 75013, Paris or any other person from time to time acting as cap counterparty under the Cap Agreement (“**Cap Counterparty**”).

**EMIR Reporting Agent**

**NATIXIS** or any other person from time to time acting as EMIR reporting agent pursuant to EMIR Reporting Agreement (“**EMIR Reporting Agent**”).

**Listing Agent**

**Banque Internationale à Luxembourg**, a public company with limited liability incorporated as a “société anonyme” under the laws of the Grand Duchy of Luxembourg having its registered office at 69, route d’Esch, L-2953 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 6307.

**Arranger and Joint Lead Manager**

**Citigroup Global Markets Limited**, a company incorporated in England and Wales with registered office at Citigroup Center, Canada Square, London E14 5LB, United Kingdom and Registered N. 1763297 and authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA), acting in its capacity as arranger and joint lead manager (the “**Arranger**” and a “**Joint Lead Manager**”).

**Joint Lead Manager**

**Banca IMI S.p.A.**, a bank incorporated under the laws of the Republic of Italy, with registered office at Largo Mattioli, 3, 20121 Milan, share capital of euro 962,464,000.00 fully paid up, fiscal code and enrolment with the companies’ register of Milan no. 04377700150, enrolled under no. 5570 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, subject to the activity of direction and coordination (*attività di direzione e coordinamento*) pursuant to article 2497 of the Italian Civil Code of its sole shareholder Intesa Sanpaolo S.p.A. (a “**Joint Lead Manager**” and together with Citigroup Global Markets Limited, the “**Joint Lead Managers**”).

## Retention holder and retention requirements

Creditis in its capacity as originator shall act as retention holder for purposes of satisfying the retention requirements under article 6 of the Securitisation Regulation and its relevant implementing provisions (in particular pursuant to article 6(3), option (a) of the Securitisation Regulation and the corresponding provision of the applicable technical standards). The Originator does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the Credit Risk Retention regulations implemented by U.S. Federal regulatory agencies including the SEC pursuant to Section 15G of the Exchange Act of 1934 (as amended), as added by section 941 of the Dodd-Frank Act (the “**U.S. Risk Retention Rules**”), but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules, regarding non-U.S. transactions. Except with the prior written consent of the Originator and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Person.

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

## 2. PRINCIPAL FEATURES OF THE NOTES

<b>The Notes</b>	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
<b>Senior Notes</b>	- Euro 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036 (the “ <b>Class A Notes</b> ” or the “ <b>Senior Notes</b> ”).
<b>Mezzanine Notes</b>	- Euro 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036 (the “ <b>Class B Notes</b> ”); - Euro 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036 (the “ <b>Class C Notes</b> ”); - Euro 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036 (the “ <b>Class D Notes</b> ” and together with the Class B Notes and the Class C Notes, the “ <b>Mezzanine Notes</b> ”).
<b>Junior Notes</b>	- Euro 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036 (the “ <b>Class E Notes</b> ” and, together with the Senior Notes and the Mezzanine Notes, the “ <b>Rated Notes</b> ”); - Euro 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036 (the “ <b>Class X Notes</b> ”, and together with the Class E Notes, the “ <b>Junior Notes</b> ”; the Class X Notes, together with the Rated Notes, the “ <b>Listed Notes</b> ”).
<b>Residual Notes</b>	Euro 20,000 Class R Asset Backed Variable Return Notes due March 2036 (the “ <b>Class R Notes</b> ” or the “ <b>Residual Notes</b> ”; the Class R Notes together with the Listed Notes, are, collectively, referred to as the “ <b>Notes</b> ” and each of them a “ <b>Note</b> ”).
<b>Issue Price</b>	The Notes will be issued at the following percentages of their Principal Amount Outstanding as of the Issue Date:

<i>Class</i>	<i>Issue Price</i>
Class A	100.211 per cent.
Class B	100 per cent.
Class C	100 per cent.
Class D	100 per cent.
Class E	100 per cent.
Class X	100 per cent.
Class R	100 per cent.

### **Interest on the Notes**

The Listed Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at an interest rate equal to the one-month Euribor plus the following respective margins:

- (i) from and including the Initial Interest Period to and including the Interest Period ending on the First Optional Redemption Date,
  - for the Class A Notes: 0.70 % (zero point seventy per cent.) per annum;
  - for the Class B Notes: 1.15 % (one point fifteen per cent.) per annum;
  - for the Class C Notes: 1.50% (one point fifty per cent.) per annum;
  - for the Class D Notes: 1.85% (one point eighty-five per cent.) per annum;
  - for the Class E Notes: 3.04 % (three point zero-four per cent.) per annum;
- (ii) from and including the Interest Period commencing on the First Optional Redemption Date and any Interest Period thereafter,
  - for the Class A Notes: 1.40 % (one point forty per cent.) per annum;
  - for the Class B Notes: 2.15 % (two point fifteen per cent.) per annum;
  - for the Class C Notes: 2.50% (two point fifty per cent.) per annum;
  - for the Class D Notes: 2.85% (twopoint eighty-five per cent.) per annum;
  - for the Class E Notes: 4.04 % (fourpoint zero-four per cent.) per annum;
- (iii) with exclusive reference to the Class X Notes, from and including the Initial Interest Period and on any Interest Period thereafter:
  - 3.17 % (three point seventeen per cent.) per annum;

provided that, for the above purpose, if such rate of interest falls below 0 (zero), the applicable Rate of Interest on the Listed

Notes will be equal to 0 (zero).

A remuneration amount may or may not be payable on the Class R Notes on each Payment Date in an amount equal to the Residual Payments (if any) calculated on the Calculation Date immediately preceding such Payment Date.

### **Unpaid Interest**

Without prejudice to Condition 12.1 (*Trigger Events*), payments of Interest Payment Amount on the Listed Notes then outstanding will be subject to deferral to the extent that there are insufficient Interest Available Funds on any Payment Date in accordance with the applicable Priority of Payments to pay in full the relevant Interest Payment Amount which would otherwise be payable on the Listed Notes then outstanding. The amount by which the aggregate amount of interest paid on each Class of Listed Notes on any Payment Date in accordance with Condition 7.13 (*Interest deferral*) falls short of the aggregate amount of Interest Payment Amount which otherwise would be payable on the relevant Class of Listed Notes on that date shall be aggregated with the amount of, and treated for the purposes of, Condition 7.13 (*Interest deferral*), as if it were interest due on each such Class of Listed Notes and, subject as provided below, payable on the next succeeding Payment Date. Any such unpaid amount shall not accrue additional interest

### **Interest Accrual on the Notes**

Interest in respect of the Listed Notes 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, in accordance with the applicable Priority of Payments.

The first payment of interest in respect of the Listed Notes will be due on the Payment Date falling in October 2019 (the “**First Payment Date**”) in respect of the period from (and including) the Issue Date to (but excluding) the First Payment Date. The period from (and including) the Issue Date to (but excluding) the First Payment Date is referred to herein as the “**Initial Interest Period**” and each successive period from (and including) a Payment Date to (but excluding) the next Payment Date is referred to as an “**Interest Period**”.

### **Form and denomination**

The denomination of the Senior Notes, the Mezzanine Notes and the Junior Notes is Euro 100,000 and integral multiples of Euro 1,000 for the excess thereof. The denomination of the Class R Notes is Euro 1,000.

The Notes will be held by Monte Titoli S.p.A. (“**Monte Titoli**”) on behalf of the Noteholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder with effect from the Issue Date.

Monte Titoli's registered office and principal place of business is at Piazza degli Affari 6, 20123, Milan, Italy. Monte Titoli shall act as depository for Clearstream Banking S.A. (“**Clearstream**”) and Euroclear Bank S.A/N.V., as operator of Euroclear System (“**Euroclear**”). The Notes of each Class are issued in bearer form and held in 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 jointly issued by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

### **Ranking, status and subordination**

Both prior to and after the delivery of a Trigger Notice, in respect of the obligations of the Issuer to pay interest on the Listed Notes and Residual Payments on the Class R Notes, the Transaction Documents will provide that:

- the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class C Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and the Class B Notes and in priority to the Class D Notes, the Class E Notes the Class X Notes and the Class R Notes;
- the Class D Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes and in priority to the Class E Notes, the Class X Notes and the Class R Notes;
- the Class E Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and (after the delivery of a Trigger Notice), the Class X Notes but, prior to the delivery of a Trigger Notice, in priority to interest and principal payable on the Class X Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes.
- the Class X Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and, prior to the delivery of a Trigger Notice, the Class E Notes, but, after the delivery of a Trigger Notice, in priority to interest and principal payable on the Class E Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes.
- the Class R Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes.

Both prior to and after the delivery of a Trigger Notice, in respect of the obligations of the Issuer to repay principal on the Notes during the Amortisation Period, the Transaction Documents will provide that:

- the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class C Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and the Class B Notes and in priority to the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class D Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes and in priority to the Class E Notes the Class X Notes and the Class R Notes;
- the Class E Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and (after the delivery of a Trigger Notice), the Class X Notes but, prior to the delivery of a Trigger Notice, in priority to interest and principal payable on the Class X Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes;
- the Class X Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and, prior to the delivery of a Trigger Notice, the Class E Notes, but, after the delivery of a Trigger Notice, in priority to interest and principal payable on the Class E Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations. Therefore, each Noteholder and Other Issuer Creditor will have a claim against the Issuer only to the extent of the Issuer Available Funds available after taking into account any claims ranking in priority to or *pari passu* with such claims in accordance with the Priority of Payments. The Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. The Intercreditor

Agreement and 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:

- (a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the holders of the Most Senior Class of Notes, until the Most Senior Class of Notes has been redeemed in full; and
- (b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

#### **Withholding on the Notes**

Payments of interest and principal in respect to the Notes may be subject to deduction or withholding for or on account of taxes, duties and similar charges including, without limitation, a deduction provided for by the Italian Legislative Decree No. 239 of 1 April 1996 (“**Decree 239 Deduction**”). In such circumstances neither the Issuer, nor any other person will be obliged to pay any additional amount in respect to the Notes of any Class as a result of any Decree 239 Deduction or any other deduction or withholding for or on account of taxes to compensate a Noteholder of such Class for any reduction in the amounts received. Subject to the completion of certain requirements and procedures, non-Italian institutional investors established in States allowing for an adequate exchange of information with the Italian tax authority (as currently listed in the Italian Ministerial Decree of 4 September 1996 as amended and supplemented by the Italian Ministerial Decree dated 23 March 2017) are generally entitled to receive interest, premium and any difference between the redemption amount and the issue price under the Notes free from Decree 239 Deduction.

#### **Mandatory Redemption**

On each Payment Date during the Amortisation Period on which there are Issuer Available Funds available for payments of principal in respect of the Notes of each relevant Class in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*), the Issuer will cause each Note of each relevant Class to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Note as determined on the Calculation Date immediately preceding the relevant Payment Date.

In particular, the Class A Notes will be subject to mandatory redemption in full (or in part *pro rata*) on the first Payment Date of the Amortisation Period and on each Payment Date thereafter, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

The Class B Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date falling after the



repayment in full of the Senior Notes, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

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

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

The Class E Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date falling after the repayment in full of the Class D Notes and (only to the extent the Post-Enforcement Priority of Payments would apply as a consequence of a Trigger Notice having been served) of the Class X Notes, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

The Class X Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date (during the Revolving Period and Amortisation Period) after the Issue Date, on which there are sufficient Interest Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

The Class R Notes will be subject to mandatory redemption in full (or in part *pro rata*) after all the other Notes have been redeemed in full, on the Legal Final Maturity Date, in each case if on such date there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

However, in respect of each Payment Date, prior to the delivery of a Trigger Notice, if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no amount of principal will be due and payable in respect of the Notes on such Payment Date

**Early Redemption upon  
exercise of the Originator  
Call Option**

On the First Optional Redemption Date (included) and on any Payment Date thereafter on which the Originator has exercised the Originator Call Option, the Issuer will cause the proceeds received by it from the Originator (or from any third party appointed by the Originator at its sole discretion) deriving from the sale of the Portfolio to the Originator (or to any third party appointed by the Originator at its sole discretion) pursuant to the Originator Call Option, together with the other Issuer

Available Funds available to the Issuer for such purpose, to redeem all (but not some only) of the Notes of each Class (other than the Class R Notes) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to such Payment Date and any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed. It remains understood that the Originator Call Option can only be exercised by the Originator, should the relevant conditions described in the Intercreditor Agreement be met, to the extent that the purchase price paid by the Originator (or by any third party appointed by the Originator at its sole discretion) for the purchase of the Aggregate Portfolio together with the other Issuer Available Funds available for such purpose in compliance with the Pre-Enforcement Priority of Payments would allow the Issuer to discharge all of its outstanding liabilities (in whole but not in part) in respect of the Notes of each Class (other than the Class R Notes), at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed.

### **Optional redemption**

Prior to the delivery of a Trigger Notice, on the third Payment Date immediately following the First Optional Redemption Date and on any Payment Date thereafter, the Issuer may redeem (in whole but not in part) the Notes of each Class (other than the Class R Notes), at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed, subject to the Issuer:

- (i) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders, to the Cap Counterparty, to the Noteholders and the Rating Agencies of its intention to redeem the Notes 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 Notes to be redeemed and any other payment in priority to or *pari passu* with the Notes in accordance with the applicable Priority of Payments.

The Issuer may obtain the necessary funds in order to effect the early redemption of the Notes to be redeemed in accordance with Condition 8.4 (*Optional Redemption*) through the sale of the Aggregate Portfolio to a third party or third parties, which may be the Originator, and the relevant sale proceeds shall form part of the Issuer Available Funds. It remains understood that if the Issuer decides to exercise the

Optional Redemption, it shall first offer the Aggregate Portfolio to the Originator.

**Optional Redemption in whole for taxation reasons**

If, at any time prior to the delivery of a Trigger Notice, the Issuer:

- (A) provides the Representative of the Noteholders, prior to the delivery of the notice referred to below, with a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from an Italian counsel opining that on the next Payment Date: (i) as a result of legislative or regulatory changes (other than a change in a “relevant covered tax agreement” as such term is defined under article 2(1)(a) of the multilateral convention to implement a tax treaty) or official interpretations thereof by competent authorities, the Issuer (also through any Issuer’s agents) would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on the Notes of any Class (other than the Class R Notes) any amount for or on account of any present or future taxes, duties, assessments or governmental charges by the Republic of Italy or any political subdivision thereof or any authority thereof or therein or by any applicable authority having jurisdiction, or (ii) as a result of legislative or regulatory changes or official interpretations thereof by competent authorities, the Issuer (also through any Issuer’s agents) would incur increased costs or charges of a fiscal nature in respect of the Noteholders or the Issuer’s assets in respect of the Securitisation which would materially affect any Class of Notes (other than the Class R Notes); and
- (B) certifies to the Representative of the Noteholders that the Issuer will have the necessary funds, not subject to the interest of any other Person, to discharge all of its outstanding liabilities in respect of all of the Classes of Notes (other than the Class R Notes) and any amounts required under the Conditions to be paid in priority to or *pari passu* with such Notes to be redeemed,

then the Issuer may redeem, on the next Payment Date, all (but not some only) of the Notes (other than the Class R Notes) at their Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Payment Date and any amounts required under the Conditions to be paid in priority to or *pari passu* with the Notes (other than the Class R Notes), having given not more than 45 and not less than 15 days' prior written notice to the Representative of the Noteholders, to the Noteholders, the Cap Counterparty and the Rating Agencies.

**Legal Final Maturity Date and Cancellation Date**

Unless previously redeemed in full or cancelled as provided in Condition 8 (*Redemption, purchase and cancellation*), the Issuer shall redeem the Notes of each Class at their Principal Amount Outstanding, plus any accrued but unpaid interest or Residual Payments, as the case may be on the Legal Final Maturity Date.

The Issuer may not redeem the Notes in whole or in part prior to the Legal Final Maturity Date except as provided below in

Condition 8.2 (*Mandatory Redemption*), Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*), or but without prejudice to Condition 12 (*Trigger Events*) and Condition 13 (*Enforcement*).

“**Cancellation Date**” means the earlier of (i) following collection in full and/or the completion of any proceedings for the recovery of all Receivables, the date on which all such collections and recoveries are paid in accordance with the applicable Priority of Payments, (ii) following the sale in whole of the Aggregate Portfolio and the enforcement in full of the Issuer’s Rights, the date on which the proceeds of such sale and/or enforcement (if any) are paid in accordance with the applicable Priority of Payments, and (iii) the Payment Date falling on the first anniversary of the Legal Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Priority of Payments).

“**Legal Final Maturity Date**” means the Payment Date falling in March 2036.

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

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Issuer's right, title and interest in and to (i) the Receivables comprised in the Aggregate Portfolio, (ii) the Collections, (iii) any monetary claims accrued by the Issuer in the context of the Securitisation and arising under the Italian Law Transaction Documents, as well as (iv) any financial asset (including those constituting Eligible Investments) from time to time owned by the Issuer and held in an account located in Italy resulting from the investment of the cash referred to above is segregated from all other assets of the Issuer. Any amount deriving from the Receivables 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.

### **Trigger Events**

If any of the following events (each, a “**Trigger Event**”) occurs:

1. *Non-payment of principal:*

the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due or on the payment of principal on any Notes on the Legal Final Maturity Date, and such default is not remedied within a period of 5 (five) Business Days from the due date thereof (provided however that, for the avoidance of doubt, non-payment of any principal on the Most Senior Class of Notes, due to the Servicer not having provided the Servicer Report (as described in Condition 6.3 (*Pre-Enforcement Principal Priority of Payments*)) shall not constitute a Trigger Event); or

2. *Non-payment of interest:*

the Issuer defaults in the payment of the amount of interest on any Payment Date, as accrued on the Most Senior Class of Notes (other than the Class E Notes), and such default is not remedied within a period of 5 (five) Business Days of the due date thereof; or

3. *Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any “Non-payment of principal” referred to under (1)) above and/or any “Non-payment of interest” referred to under (2) above) and (except where, in the 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 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

4. *Misrepresentation:*

any of the representations and warranties made by the Issuer under any of the Transaction Documents proves to be untrue, incorrect or misleading when made or repeated in any respect which is material for the interests of the Most Senior Class of Noteholders, provided that such breach remains unremedied for 10 (ten) Business Days after the occurrence thereof (except where such breach is not capable of remedy, in which case no remedy period will apply); or

5. *Security Interest:*

any Security Interest granted by the Issuer under the Transaction Documents becomes invalid, unenforceable or unlawful;

6. *Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

7. *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,

- (1) in the case of a Trigger Event under item (1), (2) or (7) above, shall; and
- (2) in the case of a Trigger Event under items (3), (4), (5) or (6) above, may or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, shall,

in each subject to being indemnified and/or secured to its satisfaction against all liabilities, expenses, costs which it may incur by so doing, serve a Trigger Notice on the Issuer (with copy to each of the Other Issuer Creditors, the Rating Agencies and the Cap Counterparty) declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in Condition 6.3 (*Post-Enforcement Priority of Payments*).

Following the delivery of a Trigger Notice, the Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) direct the Issuer to dispose of the Portfolio (in whole or in part), provided, however, that a sufficient amount shall be realised to allow discharge in full of all amounts owing to the holders of the Listed Notes (including interests) and amounts ranking in priority thereto or *pari passu* therewith and provided further that the following certificates are delivered by the purchaser: (a) a certificate issued by the competent Register of Enterprises stating that no Insolvency Proceedings are pending against the purchaser as of a date not earlier than 10 Business Days before the date of the purchase; (b) a solvency certificate signed by the legal representative or a director of the purchaser dated the date of the purchase; and, except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court; and (c) a solvency certificate issued by the bankruptcy court (*tribunale fallimentare*) stating that no Insolvency Proceedings are pending against the purchaser (to the extent such certificate may be released by the relevant court).

#### **Servicer Termination Event**

The Issuer may, or shall, if so requested in writing by the Representative of the Noteholders, terminate the appointment of the Servicer if certain events take place, including, *inter alia*:

1. *Servicer Insolvency*  
an Insolvency Event occurs in respect of the Servicer; or
2. *Winding-up of the Servicer*  
a court order is made or an effective resolution is passed by the Servicer for the winding up or dissolution of the Servicer;
3. *Failure to Pay*  
failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited by it under the Servicing Agreement within 5 (five) Business Days after the due date thereof, except where such failure is attributable to strikes, technical delays, force majeure or any other justified reason, in which case the 5 (five) Business Days remedy period shall commence on the date on which the relevant strikes, technical delays, force majeure or other justified reason ceases to persist;

4. *Breach of Obligations*

failure by the Servicer to comply in any material respect with any other terms and conditions of the Servicing Agreement or any other Transaction Document to which it is a party (other than the obligation of paragraph 3 above and the obligation to prepare and deliver the Servicer Report) which failure to comply is not remedied, where a cure is possible, within a period of 20 (twenty) Business Days from the date on which the Servicer receives written notice of such non-compliance from the Issuer;

5. *Missing Servicer Report*

failure on the part of the Servicer to deliver the Servicer Report, within 5 (five) Business Days of each Servicer Report Date, or delivery by the Servicer of an incomplete Servicer Report, unless such failure is due to force majeure and/or technical delays not attributable to the Servicer, provided that it is delivered within 5 (five) Business Days after such events cease to persist;

6. *Breach of Representation and Warranties*

any of the representations and warranties given by the Servicer in the Servicing Agreement or in any other Transaction Document to which it is a party is incorrect or incomplete in any material respect when given or repeated, unless the Servicer, to the extent such breach is curable, provides a remedy within 25 (twenty-five) Business Days from the date on which such breach of representation or warranty is contested

7. *Other*

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 or the Servicer has been removed from the register of financial intermediaries held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act (unless the Servicer is simultaneously enrolled in the register of the banks held by Bank of Italy pursuant to article 13 of the Consolidated Banking Act) or the Servicer no longer meets the requirements set forth by the law or by the Bank of Italy for the entities that assume the tasks provided for under the Servicing Agreement in the context of a securitisation transaction or the Servicer is or will be unable to meet the current or future legal requirements required to entities acting as servicers in the context of a securitisation transaction by Bank of Italy or other competent authorities.

As a result of such termination, the appointment of the Back-Up Servicer pursuant to the Back-Up Servicing Agreement shall become effective.

### **Non petition**

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

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;
2. until the date falling two years and one day after the date on which the Notes and any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
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 applicable 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:

- 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 or property of the Issuer or any incorporator, Quotaholder(s), officer, director or any agent of the Issuer;
- 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 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
- 3) if the Servicer has certified to the Representative of the Noteholders, in a manner satisfactory to the latter, that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the Security (whether arising from judicial enforcement proceedings,



enforcement of the Security or otherwise) 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 or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and 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 of the Notes), 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 the 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 who has been appointed by the initial holders of the Notes at the time of the issue of the Notes, subject to and in accordance with the provisions of the Notes Subscription Agreements. Each Noteholder is deemed to accept such appointment.

### **Rating**

- The Class A Notes are expected, on issue, to be rated “Aa3 (sf)” by Moody’s Investors Services (“**Moody’s**”) and “AA (low) (sf)” by DBRS Ratings Limited (“**DBRS**”);
- The Class B Notes are expected, on issue, to be rated “A1 (sf)” by Moody’s and “A (high) (sf)” by DBRS;
- The Class C Notes are expected, on issue, to be rated “A2 (sf)” by Moody’s and “A (sf)” by DBRS;
- The Class D Notes are expected, on issue, to be rated “Baa2 (sf)” by Moody’s and “A (low) (sf)” by DBRS;
- The Class E Notes are expected, on issue, to be rated “Ba2 (sf)” by Moody’s and “BB(low)” by DBRS.

Moody’s and DBRS are established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 and 462/2013. The credit ratings assigned to the Rated Notes reflects the Rating Agencies’ assessment only of the likelihood of payment of interest in a timely manner, pursuant to the Conditions and the Transaction Documents, and the ultimate repayment of principal on or before the Legal Final Maturity Date, not that such repayment of principal will be paid when expected or scheduled. These ratings are based, among

other things, on the Rating Agencies' determination of the value of the Aggregate Portfolio, the reliability of the payments on the Aggregate Portfolio and the availability of credit enhancement.

The ratings do not address the following:

- (a) the likelihood that the principal will be redeemed on the Rated Notes, as expected, on the scheduled redemption dates;
- (b) possibility of the imposition of Italian or European withholding taxes;
- (c) the marketability of the Rated Notes, or any market price for the Rated Notes; or
- (d) whether an investment in the Rated Notes is a suitable investment for a Noteholder.

A rating is not a recommendation to purchase, hold or sell the Rated Notes. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in the sole judgement of the Rating Agencies, the credit quality of the Rated Notes has declined or is in question. A qualification, downgrade or withdrawal of any of the ratings mentioned above may affect the value of the Rated Notes.

The Issuer has not requested a rating of the Rated 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 Rated 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.

No rating will be assigned to the Class X Notes and the Class R Notes.

### **Listing and admission to trading**

Application has been made to the Luxembourg Stock Exchange for the Listed Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, in accordance with Directive 2014/65/EU of the European Parliament and of the Council of 14 May 2014, as amended from time to time.

No application has been made to list the Class R Notes on any stock exchange.

The Issuer will elect Luxembourg as its Home Member State for the purpose of the Transparency Directive.

### **STS Securitisation**

The Securitisation is intended to qualify as a simple, transparent and standardised ("**STS**") securitisation within the meaning of article 18 of the Securitisation Regulation. Consequently, the Securitisation meets, as at the date of this Prospectus, the requirements of articles 19 to 22 of the Securitisation

Regulation and will be notified prior to the Issue Date by the Originator to be included in the list published by ESMA referred to in article 27, paragraph 5, of the Securitisation Regulation by way of a STS notification. The STS notification will be available for download on the website of ESMA. ESMA has, in accordance with Articles 27(6) and (7) of the Securitisation Regulation developed and published on 16 July 2018 a final draft regulatory technical standard specifying the information that the originators, sponsors and SSPEs are required to provide in order to comply with their STS notification requirements. As of the date hereof, such regulatory technical standard still has to be adopted by the European Commission. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS requirements in accordance with Article 27(5) of the Securitisation Regulation. For this purpose, ESMA has set up a register on an interim basis under <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>. According to ESMA, a more established register is to be launched in due course and placed on the dedicated section of its website under <https://registers.esma.europa.eu/publication/>. The Originator has used the service of Prime Collateralised Securities (PCS) UK Limited (“PCS”), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the “**STS Verification**”) and to prepare verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the “**STS Assessments**”). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (<https://www.pcsmarket.org/sts-verification-transactions/>) together with a detailed explanation of its scope at <https://www.pcsmarket.org/disclaimer>. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation on the Issue Date nor at any point in time in the future.** None of the Issuer, the Originator, the Arranger, the Representative of the Noteholders, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation on the Issue Date nor at any point in time in the future.

**Euro-system eligibility:  
form and settlement  
systems of the Class A  
Notes**

The Class A Notes are intended to be held in a manner which would allow Euro-system eligibility pursuant to and for the purposes of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 (the “**Guideline**”). This means that the Class A Notes are intended upon issue to be held in dematerialized form, settled and evidenced as book entries with Monte Titoli S.p.A. (“**Monte Titoli**”) - acting as depository

for Euroclear and Clearstream - that constitutes a securities settlement system (“SSS”) which has been positively assessed as eligible pursuant to the Eurosystem User Assessment Framework. However, this does not necessarily mean that the Class A Notes will be recognised as eligible collateral for the purposes of the Guideline by the Euro-system either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of all the Euro-system eligibility criteria provided for by the Guideline. It is expected that the Mezzanine Notes and the Junior Notes will not satisfy the Euro-system eligibility criteria provided for by the Guideline.

#### **Governing law**

The Notes, the Conditions and the Rules of the Organisation of the Noteholders are governed by, and shall be construed in accordance with Italian law.

Any dispute which may arise in relation to the Notes, the Conditions or the Rules of the Organisation of the Noteholders, or any noncontractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

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

#### **Issuer Available Funds**

The Issuer Available Funds will comprise the Interest Available Funds and the Principal Available Funds.

#### **Interest Available Funds**

The Interest Available Funds will comprise, with reference to each Payment Date, the aggregate of:

- (a) all Interest Collections received by the Issuer in respect of the immediately preceding Collection Period;
- (b) all Recoveries received by the Issuer in respect of the immediately preceding Collection Period;
- (c) any Cap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (d) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than: (i) in respect of Collateral, (ii) any Replacement Cap Premium paid to the Issuer, (iii) any Cap Tax Credit Amounts and (iv) any termination payment received by the Issuer from the Cap Counterparty upon any early termination of the Cap Transaction, each of which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments
- (e) all amounts on account of interest, premium or other profit received, in respect of the immediately preceding Collection Period up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement;

- (f) the Cash Reserve Released Amount, provided that this amount shall only be available for covering any Interest Available Funds Shortfall;
- (g) on the earlier of (i) the Payment Date following the delivery of a Trigger Notice; (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (iii) the date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Amount as at such Payment Date;
- (h) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer's Accounts (other than the Expenses Account and the Collateral Accounts) during the immediately preceding Collection Period;
- (i) any Principal Available Funds Surplus;
- (j) on the Cancellation Date, the balance standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes;
- (k) the Interest Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer Report in a timely manner in accordance with the provisions of the Servicing Agreement;
- (l) any amount (other than any amount on account of Principal Collections and any amount received from the Cap Counterparty) received by the Issuer from any Transaction Party during the immediately preceding Collection Period and not already included in any of the other items of this definition of Interest Available Funds;
- (m) any Principal Available Funds applied in order to remedy a Remaining Interest Shortfall;
- (n) up to (but excluding) the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, an amount equal to the excess (if any) of the Prepayment Reserve Amount over the Prepayment Reserve Target Amount as at such Payment Date;
- (o) on the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is

equal to zero, the Prepayment Reserve Amount as at such Payment Date; and

- (p) exclusively on the Payment Date falling in December 2019 any remaining portion of the proceeds raised through issuance of the Class X Notes which (i) were credited to the Payments Account in order to finance certain upfront costs of the Securitisation and (ii) have remained unused as of such Payment Date;

provided that, prior to the delivery of a Trigger Notice if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), only a portion of the Interest Available Funds corresponding to the amounts necessary to make payments under items from (i) (*first*) to (vii) (*seventh*) (inclusive) and (ix) (*ninth*), (xi) (*eleventh*), (xiii) (*thirteenth*), (xvi) (*sixteenth*) and (xviii) (*eighteenth*) of the Pre-Enforcement Interest Priority of Payments will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Interest Priority of Payments.

#### **Principal Available Funds**

The Principal Available Funds will comprise, with reference to each Payment Date, the aggregate of:

- (a) all Principal Collections received by the Issuer in respect of the immediately preceding Collection Period (including, without double counting, all amounts on account of principal received, in respect of the immediately preceding Collection Period up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement);
- (b) any Principal Deficiency Ledger Amount to be credited to a Principal Deficiency Ledger in respect of such Payment Date;
- (c) the proceeds deriving from (a) the repurchase by the Originator of individual Receivables from the Issuer pursuant to (i) the Warranty and Indemnity Agreement and (ii) the Master Receivables Purchase Agreement during the immediately preceding Collection Period and (b) any Limited Recourse Loan advanced by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement during the immediately preceding Collection Period;
- (d) the proceeds deriving from any amount paid by the Originator to the Issuer as an adjustment to the Purchase Price pursuant to the Master Receivables Purchase Agreement during the immediately preceding Collection Period;
- (e) the proceeds deriving from the sale of the Portfolio in order for the Issuer to redeem the Notes early pursuant to Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), Condition 8.4 (*Optional Redemption*) or Condition 8.5 (*Optional Redemption in whole for taxation reasons*);

- (f) the Principal Available Funds relating to the immediately preceding Payment Date, to the extent not applied on that Payment Date: (a) due to the failure of the Servicer to deliver the Servicer Report in a timely manner in accordance with the provisions thereof or (b) to meet payments under item (ii) (*second*) of the Pre-Enforcement Principal Priority of Payments during the Revolving Period and, therefore, credited into the Collection Account pursuant to item (iii) (*third*) of the Pre-Enforcement Principal Priority of Payments;
- (g) any amount on account of principal received by the Issuer from any Transaction Party during the immediately preceding Collection Period and not already included in any of the other items of this definition of Principal Available Funds or the definition of Interest Available Funds,
- (h) any amounts (which would otherwise constitute Interest Available Funds) deemed to be Principal Available Funds in accordance with item (xxi) (*twenty-first*) of the Pre-Enforcement Interest Priority of Payments;

provided that, prior to the delivery of a Trigger Notice, if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no Principal Available Funds will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Principal Priority of Payments.

## Principal Deficiency Ledgers

The Calculation Agent has established six principal deficiency ledgers (the “**Principal Deficiency Ledgers**”), one in respect of each Class of Listed Notes (other than the Class X Notes) and namely: (i) a principal deficiency ledger in respect of the Class A Notes (the “**Class A Notes Principal Deficiency Ledger**”); (ii) a principal deficiency ledger in respect of the Class B Notes (the “**Class B Notes Principal Deficiency Ledger**”); (iii) a principal deficiency ledger in respect of the Class C Notes (the “**Class C Notes Principal Deficiency Ledger**”); (iv) a principal deficiency ledger in respect of the Class D Notes (the “**Class D Notes Principal Deficiency Ledger**”); (v) a principal deficiency ledger in respect of the Class E Notes (the “**Class E Notes Principal Deficiency Ledger**”). The Principal Deficiency Ledgers have been established by the Calculation Agent pursuant to the Cash Allocation Management and Payments Agreement and will be used by the Calculation Agent to record, as a debit entry, any Defaulted Amount in respect of the Receivables and any and Remaining Interest Shortfall Amount.

“**Class A Notes Principal Deficiency Ledger**” means the ledger established and maintained by the Calculation Agent in respect of the Class A Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be

recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class B Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class B Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class C Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class C Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class D Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class D Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class E Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class E Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

On each Calculation Date, the Calculation Agent will record the (i) Defaulted Amount arisen in connection with the immediately preceding Collection Period in the Principal Deficiency Ledgers by debiting any Defaulted Amount and (ii) the Remaining Interest Shortfall Amount to be used on the immediately following Payment Date in the Principal Deficiency Ledgers by debiting any Remaining Interest Shortfall Amount as follows:

- *first*, to the Class E Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class E Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class E Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class E Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
- *second*, to the Class D Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class D Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class D Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall



Amount previously debited to such Class D Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);

- *third*, to the Class C Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class C Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class C Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class C Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
- *fourth*, to the Class B Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class B Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class B Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class B Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
- *fifth*, to the Class A Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class A Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class A Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class A Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments).

**“Defaulted Amount”** means, as at the end of each Collection Period, in respect of a Receivable which has become a Defaulted Receivable during such Collection Period, the Outstanding Principal of such Defaulted Receivable.

**“Defaulted Receivables”** means (i) any Receivables arising from Loan Agreements in relation to which (i) as at the end of any Collection Period, there are at least 7 (seven) Late Instalments outstanding or (ii) any Receivables which has been qualified as “*sofferenza*” (“bad loans”) in accordance with the Bank of Italy Regulations; or (iii) in respect of which a Life Damage (*Sinistro Vita*) has occurred and the Servicer has notified the relevant Insurance Company of the occurrence thereof; or (iv) in respect of which a Job Damage (*Sinistro Impiego*) has occurred and the Servicer has notified the relevant Insurance Company of the occurrence thereof and 3 (three) months have elapsed from the date of notification of the relevant Job Damage without the Insurance Company having paid in full the Indemnity to the Issuer nor the Servicer having registered a change of Employer and/or Pension Authority by the relevant Debtor.

**“Remaining Interest Shortfall Amount”** means, on any Payment Date, the amount of Principal Available Funds which is applied to meet the relevant Remaining Interest Shortfall.

### **The Principal Deficiency Ledger Amount**

Provisions will be made by the Issuer against any Defaulted Amount and Remaining Interest Shortfall Amount in accordance with the Pre-Enforcement Interest Priority of Payments. The Principal Deficiency Ledger Amount will form part of the Principal Available Funds and will therefore be applied to make payments due in accordance with the Pre-Enforcement Principal Priority of Payments.

**“Principal Deficiency Ledger Amount”** means the amount of any Interest Available Funds determined by the Calculation Agent on each Calculation Date to be applied to credit a Principal Deficiency Ledger pursuant to items (viii) (*eighth*), (x) (*tenth*), (xii) (*twelfth*), (xiv) (*fourteenth*) and (xvii) (*seventeenth*) of the Pre-Enforcement Interest Priority of Payments on the immediately following Payment Date.

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

During the Revolving Period and the Amortisation Period prior to the delivery of a Trigger Notice, 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):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *second*, to credit to the Expenses Account the amount necessary to bring the balance standing to the credit of the Expenses Account up to (but not exceeding) the Retention Amount;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer, the Corporate Servicer, the Account Bank, the Cash Manager, the Custodian, the Calculation Agent, the Paying Agents, the Rating Agencies, the STS Verification Agent and the Listing Agent;
- (v) *fifth*, to pay all amounts due to the Cap Counterparty pursuant to the Cap Agreement including any interest amount due under the Credit Support Annex but excluding (i) Cap Premium Amounts, (ii) any other amounts in respect of Collateral (including any return thereof) and (iii) any Cap Tax Credit Amounts, each of which shall be payable to the Cap Counterparty outside the Priority of

Payments and in accordance with the Cap Agreement and the Intercreditor Agreement;

- (vi) *sixth*, to pay on any date on which such amount may be due, any Replacement Cap Premium due and payable to a replacement cap counterparty by the Issuer pursuant to a replacement cap agreement;
- (vii) *seventh*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class A Notes;
- (viii) *eighth*, in or towards reduction of the Class A Notes Principal Deficiency Ledger to zero;
- (ix) *ninth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class B Notes;
- (x) *tenth*, in or towards reduction of the Class B Notes Principal Deficiency Ledger to zero;
- (xi) *eleventh*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class C Notes;
- (xii) *twelfth*, in or towards reduction of the Class C Notes Principal Deficiency Ledger to zero;
- (xiii) *thirteenth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class D Notes;
- (xiv) *fourteenth*, in or towards reduction of the Class D Notes Principal Deficiency Ledger to zero;
- (xv) *fifteenth*, to credit to the Cash Reserve Account an amount necessary to bring the Cash Reserve Amount up to (but not exceeding) the Cash Reserve Target Amount;
- (xvi) *sixteenth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class E Notes;
- (xvii) *seventeenth*, in or towards reduction of the Class E Notes Principal Deficiency Ledger to zero;
- (xviii) *eighteenth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class X Notes;
- (xix) *nineteenth*, to repay, *pari passu* and *pro rata*, the Class X Notes up to the Class X Notes Target Amortisation Amount;
- (xx) *twentieth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (i) any indemnities due and payable by the Issuer to any party to the Transaction Documents not otherwise payable above and (ii) during the Revolving Period only, to the Originator any amount due as Interest Component of the Individual Purchase Price of any Additional Portfolio purchased by the Issuer on the Transfer Date falling immediately prior to such Payment Date or on any prior Transfer Date to the extent still due and unpaid (in full or in part);
- (xxi) *twenty-first*, from the third Payment Date immediately following the First Optional Redemption Date and on any Payment Date thereafter, an amount equal to the lesser of:

- (i) the remaining Interest Available Funds after making payments under items (i) (*first*) to (xx) (*twentieth*) (inclusive) (if any); and
- (ii) the amount required by the Issuer to pay in full all amounts payable under items (i) (*first*) to (viii) (*eighth*) (inclusive) of the Pre-Enforcement Principal Priority of Payments, less any Principal Available Funds (other than item (h) of the relevant definition) otherwise available to the Issuer,

will be applied as Principal Available Funds;

(xxii) *twenty-second*, to pay, *pari passu* and *pro rata*, any Residual Payments to the holders of the Class R Notes;

(xxiii) *twenty-third*, on the Legal Final Maturity Date, to pay, *pari passu* and *pro rata*, the principal due and payable on the Class R Notes.

On any Payment Date falling prior to the earlier of (i) the Payment Date following the delivery of a Trigger Notice; (ii) the Legal Final Maturity Date; and (iii) the date on which the Outstanding Principal of the Portfolio is equal to zero, if the Calculation Agent determines that (A) there will be an Interest Available Funds Shortfall following the application of the Interest Available Funds (other than amounts under item (f) of the relevant definition) on such Payment Date, the Issuer shall apply the Cash Reserve Released Amount (as item (f) of the Interest Available Funds) to cover any such Interest Available Funds Shortfall, up to the Cash Reserve Amount according to the Pre-Enforcement Interest Priority of Payments; and/or (B) there will be a Remaining Interest Shortfall notwithstanding the application of the Cash Reserve Released Amount under (A) above on such Payment Date, the Issuer shall apply the Principal Available Funds to pay any such Remaining Interest Shortfall

The Cash Reserve Released Amount shall only be applied in meeting such Interest Available Funds Shortfall and the Principal Available Funds will be applied in order to meet such Remaining Interest Shortfall.

**“Class X Notes Target Amortisation Amount”** means (i) for any Payment Date indicated in the table below, the corresponding amount indicated in the table below, provided that this item (i) will be equal to zero (0) after the Payment Date falling in April 2021 or (ii) in case there is a shortfall to any such amount on any Payment Date indicated below or thereafter, the cumulative unpaid balance until the Class X Notes are redeemed in full.

<b>Payment Date</b>	<b>Principal Amount Outstanding of the Class X Notes immediately prior to each relevant Payment Date</b>	<b>Principal Amount Outstanding of the Class X Notes redeemed on each relevant Payment Date</b>	<b>Remaining Principal Amount Outstanding of the Class X Notes immediately following each relevant Payment Date</b>
October 2019	€7,800,000	€0	€7,800,000
November 2019	€7,800,000	€500,000	€7,300,000
December 2019	€7,300,000	€500,000	€6,800,000
January 2020	€6,800,000	€500,000	€6,300,000
February 2020	€6,300,000	€500,000	€5,800,000
March 2020	€5,800,000	€500,000	€5,300,000
April 2020	€5,300,000	€500,000	€4,800,000
May 2020	€4,800,000	€400,000	€4,400,000
June 2020	€4,400,000	€400,000	€4,000,000
July 2020	€4,000,000	€400,000	€3,600,000
August 2020	€3,600,000	€400,000	€3,200,000
September 2020	€3,200,000	€400,000	€2,800,000
October 2020	€2,800,000	€400,000	€2,400,000
November 2020	€2,400,000	€400,000	€2,000,000
December 2020	€2,000,000	€400,000	€1,600,000
January 2021	€1,600,000	€400,000	€1,200,000
February 2021	€1,200,000	€400,000	€800,000
March 2021	€800,000	€400,000	€400,000
April 2021	€400,000	€400,000	€0

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

During the Revolving Period and the Amortisation Period prior to the delivery of a Trigger Notice, 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):

- (i) *first*, to meet any Remaining Interest Shortfall;
- (ii) *second*, during the Revolving Period, to pay to the Originator any amount due as Principal Components of the Individual Purchase Price of each Additional Portfolio purchased by the Issuer on the Transfer Date falling immediately prior to such Payment Date or on any prior Transfer Date to the extent still due and unpaid (in full or in part);

- (iii) *third*, during the Revolving Period, to credit any remaining Principal Available Funds to the Collection Account;
- (iv) *fourth*, during the Amortisation Period, to repay, *pari passu* and *pro rata*, principal due and payable on the Class A Notes;
- (v) *fifth*, during the Amortisation Period following redemption in full of the Class A Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class B Notes;
- (vi) *sixth*, during the Amortisation Period following redemption in full of the Class B Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class C Notes;
- (vii) *seventh*, during the Amortisation Period following redemption in full of the Class C Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class D Notes;
- (viii) *eighth*, during the Amortisation Period following redemption in full of the Class D Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class E Notes;
- (ix) *ninth*, to apply any Principal Available Funds Surplus as Interest Available Funds.

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

Following the delivery of a Trigger Notice, the Issuer 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):

- (i) *first*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *second*, if the relevant Trigger Event is not an Insolvency Event, to credit to the Expenses Account an amount necessary to bring the balance standing to the credit of the Expenses Account up to (but not exceeding) the Retention Amount;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer, the Corporate Servicer, the Account Bank, the Calculation Agent, the Cash Manager, the Custodian, the Rating Agencies, the STS Verification Agent and the Listing Agent;
- (v) *fifth*, to pay all amounts due to the Cap Counterparty pursuant to the Cap Agreement including any interest amount due under the Credit Support Annex but excluding (i) Cap Premium Amounts, (ii) any other amounts in respect of Collateral (including any return thereof) and (iii)

any Cap Tax Credit Amounts, each of which shall be payable to the Cap Counterparty outside the Priority of Payments and in accordance with the Cap Agreement and the Intercreditor Agreement;

- (vi) *sixth*, to pay on any date on which such amount may be due, any Replacement Cap Premium due and payable to a replacement cap counterparty by the Issuer pursuant to a replacement cap agreement;
- (vii) *seventh*, to pay and repay, *pari passu* and *pro rata*, respectively interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
- (viii) *eighth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;
- (ix) *ninth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class C Notes until the Class C Notes are redeemed in full;
- (x) *tenth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class D Notes until the Class D Notes are redeemed in full;
- (xi) *eleventh*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class X Notes until the Class X Notes are redeemed in full;
- (xii) *twelfth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class E Notes until the Class E Notes are redeemed in full;
- (xiii) *thirteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any indemnities due and payable by the Issuer any party under any of the Transaction Documents;
- (xiv) *fourteenth*, to pay, *pari passu* and *pro rata*, any Residual Payments to the holders of the Class R Notes;
- (xv) *fifteenth*, on the Legal Final Maturity Date, to repay, *pari passu* and *pro rata*, the principal due and payable on the Class R Notes.

## Cash Reserve

The Issuer will establish on the Issue Date a reserve fund in the Cash Reserve Account out of part of the proceeds of the Class X Notes for an amount equal to Euro 1,726,000 (the “**Cash Reserve Initial Amount**”).

On each Payment Date during the Revolving Period and the Amortisation Period, the Cash Reserve Released Amount will form part of the Interest Available Funds, provided that this amount shall only be available for covering any Interest Available Funds Shortfall.

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

“**Cash Reserve Released Amount**” means, on any Calculation Date, an amount equal to the lesser of:

- (i) the Cash Reserve Amount on such Calculation Date; and
- (ii) the amount of Interest Available Funds Shortfall on such Calculation Date.

**“Interest Available Funds Shortfall”** means, on any Payment Date, an amount equal to the excess, if any, of the amounts required to make payments under items (i) (*first*) to (xiv) (*fourteenth*) (inclusive), of the Pre-Enforcement Interest Priority of Payments on such Payment Date (provided that items (vii) (*seventh*), (ix) (*ninth*), (xi) (*eleventh*) and (xiii) (*thirteenth*) will include both interest accrued on the Class A Notes, Class B Notes, Class C Notes and Class D Notes on such Payment Date and any interest due on any of such Class of Notes on any preceding Payment Date which has remained unpaid) over the Interest Available Funds for such Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Cash Reserve Account.

On each Payment Date during the Revolving Period and the Amortisation Period, the Interest Available Funds shall be used, according to the Pre-Enforcement Interest Priority of Payments, to bring the balance of the Cash Reserve Account up to an amount not higher than the Cash Reserve Target Amount.

#### **Cash Reserve Target Amounts**

**“Cash Reserve Target Amount”** means, prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*), or Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), in relation to each relevant Payment Date, an amount equal to the Cash Reserve Initial Amount (without taking into account any principal payment to be made to the Noteholders on such Payment Date), provided that, on the earlier of: (i) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are redeemed in full; and (ii) the Payment Date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Target Amount shall be equal to zero.

#### **Prepayment Reserve**

The Issuer has established a reserve fund in the Prepayment Reserve Account out of part of the proceeds deriving from the issuance of the Class X Notes on the Issue Date, in accordance with the terms of the Notes Subscription Agreements for an amount equal to Euro 521,273 (the **“Prepayment Reserve Initial Amount”**).

**“Prepayment Reserve Amount”** means, at any time, the balance of the amounts standing to the credit of the Prepayment Reserve Account, net of any interest accrued and paid thereon. During each Collection Period, the Prepayment Reserve Amount will be used by the Issuer to cover any Prepayment Amounts.

On each Payment Date during the Revolving Period and the Amortisation Period, up to (but excluding) the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, an amount equal to the excess (if any) of the Prepayment Reserve Amount over the Prepayment Reserve Target Amount



as at such Payment Date will form part of the Interest Available Funds and will be applied in accordance with the Pre-Enforcement Interest Priority of Payments.

On the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, the Prepayment Reserve Amount will form part of the Interest Available Funds and will be applied in accordance with the applicable Priority of Payments.

#### **Prepayment Reserve Target Amount**

means, in relation to each Payment Date an amount equal to 0.68 % of the Outstanding Principal of the Portfolio Subject to Prepayment Risk, it being understood that, on the earlier of: (i) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are redeemed in full; and (ii) the Payment Date on which the Outstanding Principal of the Portfolio subject to Prepayment Risk is equal to zero, such amount will be equal to 0 (zero).

## **4. TRANSFER OF THE PORTFOLIO**

### **The Portfolio**

The main source of payment of interest and of repayment of principal on the Notes will be collections and recoveries made in respect of the Initial Portfolio which have been purchased on 17 September 2019 and each Additional Portfolio which will be purchased thereafter, from time to time, by the Issuer, in accordance with the provisions of the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreements.

The Initial Portfolio has been, and any Additional Portfolio will be, assigned and transferred to the Issuer without recourse (*pro soluto*) and in block (*in blocco*) against the Originator should there be 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 Master Receivables Purchase Agreements and the relevant Receivables Purchase Agreements.

The Purchase Price in respect of the Initial Portfolio and of each Additional Portfolio is equal to the sum of all Individual Purchase Prices of the relevant Receivables.

**“Individual Purchase Price”** means, with respect to any Receivable, the sum of the following amounts:

- (i) the Outstanding Principal of such Receivable as of the relevant Valuation Date (hereinafter, the **“Principal Components of the Individual Purchase Price”**); plus
- (ii) Accrued Interest of such Receivable as of the relevant Valuation Date (hereinafter the **“Interest Component of the Individual Purchase Price”**); plus
- (iii) with exclusive reference to the Initial Portfolio, the Premium.

The Purchase Price of the Initial Portfolio will be paid on the Issue Date using the net proceeds of the issue of the Notes.

Sales of Additional Portfolios may take place during the Revolving Period in accordance with the provisions of the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreements. Following any such sale, the relevant Purchase Price will be funded by using the Issuer Available Funds available for this purpose under the Priority of Payments prior to the delivery of a Trigger Notice, in any case to the extent no Purchase Termination Notice or Trigger Notice has been served pursuant to Conditions.

**“Revolving Period”**: means the period starting from the Issue Date and ending on the earlier of:

- (a) the Payment Date falling in March 2020 (included); and
- (b) the date on which the Representative of the Noteholders has delivered a notice confirming a Purchase Termination Event has occurred or a Trigger Notice to the Issuer.

**“Amortisation Period”** means the period commencing immediately following the end of the Revolving Period and ending on (and including) the Cancellation Date.

### Common Criteria

Pursuant to the Master Receivables Purchase Agreement, the Originator has sold and will sell to the Issuer and the Issuer has purchased and will purchase from the Originator all the Receivables arising from Loan Agreements which meet, as at the relevant Valuation Date, the following Common Criteria:

1. are granted to consumers as defined by article 121 of Legislative Decree No. 385 of 1 September 1993 (as amended and supplemented from time to time) and are assisted by the payment delegation (*“delegazione di pagamento”*) and/or salary/pension assignment (*“cessione del quinto”*), pursuant to Presidential Decree No. 180/1950 as amended and supplemented) which have been notified to the relevant employer/pension authority and accepted by it;
2. have been granted exclusively by Creditis as lender under loan agreements entered into by Creditis or its agents;
3. are denominated in Euro and do not contain any provision allowing for the conversion in another currency;
4. have been drawn in full and there are no obligations or possibilities for more drawings to be made;
5. have been granted pursuant to loan agreements governed by Italian law;
6. in relation to which the insurance policies, of which Creditis is the beneficiary, covering the risk of death of the debtor and/or of the risk of loss of job of the debtor, where applicable, have been granted by one of the Eligible Insurance Companies;
7. are granted to individuals, employees of a public body, a para-public company or a private company or pensioners which, as of the execution date of the relevant loan

- agreement, are resident in Italy (as indicated in the relevant loan agreement);
8. have not been granted in favour of directors or employees of Creditis nor to employees of the Eligible Insurance Companies which have granted the insurance policies assisting the loans in accordance with item 6) above;
  9. the relevant amortisation plan agreed with the relevant Debtor at the inception/disbursement of the Loan provides for the payment of both interest and principal components, with equal monthly Instalments with a fixed interest rate, provided that the monthly instalments can be reduced/rescheduled due to events such as maternity leave etc., as provided for under the relevant loan agreement and/or pursuant to the applicable law;
  10. at least one instalment, including a principal component and an interest component, has been paid;
  11. with no more than 2 (two) full instalments due and unpaid which are outstanding;
  12. have not been classified as “*sofferenze*” pursuant to the circular of Bank of Italy dated 11 February 1991 n. 139 (“*Centrale dei rischi – Istruzioni per gli intermediari creditizi*”) as amended and supplemented from time to time;
  13. have not been classified as “*sofferenze*” and “*inadempienze probabili*” pursuant to the circular of Bank of Italy n. 217 dated 5 August 1996 as amended and supplemented from time to time;
  14. none of the events upon which the relevant Eligible Insurance Company is bound to pay out compensation/indemnity pursuant to the relevant insurance policy as set out under point 6) above has occurred;
  15. having an original maturity not greater than 120 months;
  16. have not been executed and entered into pursuant to any law or regulation which provides from the date of execution of the relevant loan agreement for financial concessions, public contributions of any nature, discounts provided by law, limits to the interest rate and/or other provisions allowing concessions or reductions to the debtors in relation to the principal and/or the interests;
  17. providing for an annual nominal rate (T.A.N.) equal or higher than 1%;
  18. with respect to loan agreements assisted by salary assignment (“*cessione del quinto dello stipendio*”), each employer which is a private company, as at the date of execution of the relevant loan agreement, meets all the following requirements:
    - (i) it is not established in any of the following legal forms: individual company (*società individuale*) and/or partnership (simple partnership (*società semplice*), general partnership (*società in nome collettivo*) and/or limited partnership (*società in accomandita semplice*));
    - (ii) does not have less than 16 employees or, in case of private companies established in the form of cooperative society, less than 50 employees

19. with respect to loan agreements assisted by salary assignment (*"cessione del quinto dello stipendio"*) executed with employees of private companies, the relevant borrower must have, as of the execution date of the relevant loan agreement, a *contratto a tempo indeterminato*;
20. in relation to which no event qualified as "life damage" (*sinistro vita*) or as "damage due to the loss of the job" (*sinistro perdita impiego*) has occurred, with the exception of the "damages" (*sinistri*) which have been subsequently cancelled (*annullati*);
21. which, according to provisions of the relevant loan agreements, do not require the consent of the relevant debtors to the transfer of the Receivables.

### **Specific and Additional Criteria**

In addition, the Receivables included in each Additional Portfolio which will be transferred to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement may meet, as at the relevant Valuation Date, certain specific criteria (the "**Specific Criteria**") eventually selected from time to time by the Originator among those listed under schedule 3 of the Master Receivables Purchase Agreement.

In addition, in case necessary, the Originator and the Issuer reserve the right to select the Receivables included in any Additional Portfolio through additional criteria from time to time identified by the Issuer and the Originator (the "**Additional Criteria**" and together with the Common Criteria and the Specific Criteria, the "**Eligibility Criteria**"). It remains understood that both the Specific Criteria and the Additional Criteria may only restrict the selection of the Receivables to be transferred and, therefore, they may not amend the Common Criteria.

### **Purchase Conditions**

The Receivables included in the Aggregate Portfolio (including any Additional Portfolio offered on such date), shall need to comply, as at the relevant Offer Date, with all the Purchase Conditions indicated below:

1. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to pensioners and employees of Public Administrations, plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to pensioners and employees of Public Administrations; and
  - (b) the Relevant Portfolio Outstanding Principal,
 is at least equal to 75%;
2. The ratio between:

- (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to employees of Private Companies plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to employees of Private Companies; and
  - (b) the Relevant Portfolio Outstanding Principal,

does not exceed 18%;
- 3. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to employees of Parapublic Companies plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to employees of Parapublic Companies; and
  - (b) the Relevant Portfolio Outstanding Principal,

does not exceed 5%;
- 4. The ratio between:
  - (a) the Top Employer Relevant Portfolio Outstanding Principal; and
  - (b) the Relevant Portfolio Outstanding Principal,

does not exceed 5%;
- 5. The ratio between:
  - (a) the Top 5 Employers Relevant Portfolio Outstanding Principal; and
  - (b) the Relevant Portfolio Outstanding Principal

does not exceed 10%
- 6. The ratio between:
  - (a) the Top 10 Employers Relevant Portfolio Outstanding Principal; and
  - (b) the Relevant Portfolio Outstanding Principal,

does not exceed 15%;
- 7. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to Debtors resident in

Southern Italy plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to Debtors resident in Southern Italy; and

- (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 12%;
- 8. The Weighted Average TAN of the Aggregate Portfolio shall not be lower than 8%;
- 9. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Payment Delegation plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Payment Delegation; and
  - (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 3%
- 10. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is respectively Net Insurance Life S.p.A. or Net Insurance S.p.A.) plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is respectively Net Insurance Life S.p.A. or Net Insurance S.p.A.); and
  - (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 50%;
- 11. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies

covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is respectively AXA France Vie S.A. or Axa France Iard S.A.) plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is AXA France Vie S.A. or Axa France Iard S.A.); and

(b) the Relevant Portfolio Outstanding Principal,  
does not exceed 55%;

12. The ratio between:

(a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is different from Axa France Iard S.A., Axa France Vie S.A., Net Insurance Life S.p.A. and Net Insurance S.p.A.) plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is different from Axa France Iard S.A., Axa France Vie S.A., Net Insurance Life S.p.A. and Net Insurance S.p.A.); and

(b) the Relevant Portfolio Outstanding Principal,  
does not exceed 15%;

13. The ratio between:

(a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by all Insurance Companies other than Axa France Iard S.A., Axa France Vie S.A., Sogecap S.A., Net Insurance Life S.p.A., Net Insurance S.p.A., Cardif Assur. Risques Divers, Cardif

Assurance Vie, HDI Assicurazioni S.p.A., HDI Assicurazioni S.p.A. Life, Genertel S.p.A. and Genertellife S.p.A. plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by all Insurance Companies other than Axa France Iard S.A., Axa France Vie S.A., Sogecap S.A., Net Insurance Life S.p.A., Net Insurance S.p.A., Cardif Assur. Risques Divers, Cardif Assurance Vie, HDI Assicurazioni S.p.A., HDI Assicurazioni S.p.A. Life, Genertel S.p.A. and Genertellife S.p.A.; and

(b) the Relevant Portfolio Outstanding Principal,

does not exceed 3%

14. The ratio between:

(a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans having 2 (two) (and less than 3 (three)) Late Instalments outstanding plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans having 2 (two) (and less than 3 (three)) Late Instalments outstanding; and

(b) the Relevant Portfolio Outstanding Principal,

does not exceed 3%.

## **Purchase Termination Events**

If any of the following events (each, a “**Purchase Termination Event**”) occurs:

(i) *Breach of obligations by the Originator:*

(a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable 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 5 (five) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 5 (five) calendar days after the Representative of the Noteholders has given such written notice, unless the relevant breach has been cured by the Originator and written evidence hereof has been given to the Representative of the Noteholders; or



(b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (a) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 20 (twenty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 10 (ten) calendar days after the Representative of the Noteholders has given such written notice; or

(ii) *Breach of representations and warranties by the Originator:*

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading in any material respect unless (A) in case of representations and warranties given by the Originator with respect to the Portfolio, (i) the relevant affected Receivable(s) has been repurchased in accordance with clause 4.6 of the Warranty and Indemnity Agreement and/or (ii) the Originator has granted a Limited Recourse Loan in accordance with clause 3.1 of the Warranty and Indemnity Agreement and/or (B) the Originator provides a remedy within 10 (ten) calendar days of receipt of a written notice of such breach from the Representative of the Noteholders to remedy the matter giving rise thereto; or

(iii) *Insolvency of the Originator:*

(a) the Originator or a different Servicer becomes subject to any amministrazione straordinaria, liquidazione coatta amministrativa or any other bankruptcy proceedings pursuant to Title IV of legislative decree No. 385 of 1 September 1993 or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or

(b) the Originator or a different Servicer takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment and the Representative of the Noteholders, in its reasonable opinion, determines that any of the aforementioned events has or may have material adverse effects on the financial situation of the Originator or the different Servicer; or

- (iv) *Winding up of the Originator or the different Servicer:*  
an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator or the different Servicer; or
- (v) *Performance Event:*  
the occurrence of a Performance Event determined by the Calculation Agent; or
- (vi) *Insufficiency of the Cash Reserve*  
the Cash Reserve Amount on any Payment Date is lower than Cash Reserve Target Amount;
- (vii) *Termination or withdrawal of the Originator's appointment as Servicer:*  
the Issuer has terminated the appointment of the Originator as Servicer following the occurrence of a Servicer Termination Event set forth in clause 9.1 of the Servicing Agreement or the Originator has withdrawn from the relevant appointment pursuant to clause 10 of the Servicing Agreement;
- (viii) *Delivery of a notice for Optional Redemption in whole for taxation reasons:*  
the Issuer has delivered a notice pursuant to Condition 8.5 (*Optional Redemption in whole for taxation reasons*);
- (ix) *failure to use the Principal Available Funds for the purchase of Additional Portfolios*  
on any Calculation Date, the balance of the Principal Available Funds deposited in the Collection Account (also taking into account the payments made by the Issuer for the payment of the Principal Components of the Individual Purchase Price of each Additional Portfolio on the Payment Date immediately following) is higher than 10% of the Outstanding Principal of the Initial Portfolio;
- (x) *Principal Deficiency:*  
on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments;

then the Representative of the Noteholders shall deliver a notice (the “**Purchase Termination Notice**”) to the Issuer, the Originator, the Cap Counterparty, the Rating Agencies and the Calculation Agent. After the service of a Purchase Termination Notice, the Issuer shall refrain from purchasing any Additional Portfolios under the Master Receivables Purchase Agreement.

“**Performance Event**” means on any Offer Date of the relevant Additional Portfolio, each of the following events:

- (a) the Cumulative Gross Default Ratio, determined as at the immediately preceding Calculation Date, is greater than 2%;

- (b) the Rolling Average Delinquency Ratio, determined as at the immediately preceding Calculation Date, is greater than 1.5%.

**“Cumulative Gross Default Ratio”** means the ratio, as calculated on each Calculation Date, between A and B defined as follows:

- A. The aggregate of the Outstanding Principal, as at the relevant Default Date, of all Receivables comprised in the Aggregate Portfolio which have become Defaulted Receivables from (and excluding) the Valuation Date of the Initial Portfolio up to (and including) the end of the Collection Period immediately preceding such Calculation Date; and
- B. the sum of (i) the Outstanding Principal of the Initial Portfolio as at the relevant Valuation Date and (ii) the Outstanding Principal of any Additional Portfolio as at their respective Valuation Dates.

**“Rolling Average Delinquency Ratio”** means the ratio, in respect of a Calculation Date following the first Calculation Date after the Issue Date, as follows:

- A. with respect to the second Calculation Date following the Issue Date, the ratio determined by (i) the sum of the products obtained by multiplying the Delinquency Ratio on such Calculation Date and the immediately preceding Calculation Date by the Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the corresponding preceding two Collection Periods, divided by (ii) the sum of the Aggregate Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the preceding two Collection Periods; or
- B. with respect to the third Calculation Date following the Issue Date and any subsequent Calculation Dates, the ratio determined by (i) the sum of the products obtained by multiplying the Delinquency Ratio on such Calculation Date and the two immediately preceding Calculation Dates by the Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the corresponding preceding three Collection Periods, divided by (ii) the sum of the Aggregate Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the preceding three Collection Periods.

**“Delinquency Ratio”** means the ratio between, as calculated on each Calculation Date, between A and B defined as follows:

- (A) the Outstanding Principal of all Receivables (other than Defaulted Receivables) which have 3 or more Late Instalments outstanding, as at the end of the relevant Collection Period; and
- (B) the Outstanding Principal of the Collateral Portfolio as at the end of the relevant Collection Period.

**“Collateral Portfolio”** means the Aggregate Portfolio excluding Defaulted Receivables and Receivables in relation to which amounts have been received from the Originator pursuant to clause 3.1 of the Warranty and Indemnity Agreement.

## **Warranties and indemnities**

In the Warranty and Indemnity Agreement, entered into on or about the date of execution of the Master Receivables Purchase 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.

## **Servicing of the Portfolio**

On or about the date of execution of the Master Receivables Purchase Agreement, the Servicer and the Issuer will enter into the Servicing Agreement, pursuant to which the Servicer will agree to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

Pursuant to the Servicing Agreement, the Servicer will undertake, *inter alia*, to prepare and submit to the Issuer, on each Servicer Report Date, a report in the form which will be set out in the Servicing Agreement, providing key information relating to the amortisation of the Portfolio and the Servicer's activity during the relevant preceding period, including, without limitation, a description of the Portfolio, information relating to any Defaulted Receivables and the Collections and Recoveries during the relevant preceding period and a performance analysis.

In particular, the Servicer shall prepare, on a monthly basis, the Servicer Report.

Pursuant to the Servicing Agreement, the Servicer shall transfer all amounts received or recovered by it in respect of the Receivables to the Collection Account of the Issuer within 2 (two) Business Day of the date on which the Servicer has received and reconciled such amounts.

Pursuant to the Servicing Agreement, the Amounts Not Pertaining to the Securitisation (if any): (i) will be determined and notified to the Issuer by the Servicer; (ii) will be paid to the Originator within 2 Business Days from the notification under (i) above has been made by way of set-off in accordance with the provisions of the Servicing Agreement; and (iii) will be set out in each Servicer Report, with respect to the immediately preceding Collection Period.

**“Amounts Not Pertaining to the Securitisation”** has the meaning ascribed to the term *“Importi Non Relativi alla Cartolarizzazione”* under clause 4.3 of the Servicing Agreement.

## **Back-up Servicing**

On or about the Issue Date, the Issuer, the Servicer, the Back-up Servicer and the Representative of the Noteholders will enter into the Back-up Servicing Agreement.

Pursuant to the Back-up Servicing Agreement, the Back-up Servicer will undertake to act as substitute of the Servicer, in the event that: (i) the appointment of the Servicer has been revoked in accordance with terms of the Servicing Agreement; or (ii) the Servicer has withdrawn from the Servicing Agreement; or (iii) the appointment of the Servicer is terminated for any reason whatsoever (other than as a consequence of the occurrence of the condition subsequent provided under the Servicing Agreement) in accordance with the terms of the Servicing Agreement.

## 5. OTHER TRANSACTION DOCUMENTS AND 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 third party creditors in respect of costs and expenses incurred in the context of the Securitisation, in accordance with the terms of the Post-Enforcement Priority of Payments.

**Cash Allocation, Management and Payments Agreement** Pursuant to the Cash Allocation, Management and Payments Agreement entered into on or about the Issue Date, among, *inter alios*, the Issuer, the Back-up Servicer, the Representative of the Noteholders, the Servicer, the Account Bank, the Paying Agents, the Calculation Agent and the Corporate Servicer, each of the relevant Agents has agreed to provide the Issuer with certain calculation, notification, cash management, reporting and agency services together with account handling and payment services in relation to moneys and securities from time to time standing to the credit of the Issuer's Accounts (the "**Cash Allocation, Management and Payments Agreement**").

Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will undertake, *inter alia*, to prepare: (i) on or prior to each Calculation Date, the Payments Report containing details of amounts to be paid by the Issuer on the Payment Date following such Calculation Date in accordance with the applicable Priority of Payments, and (ii) not later than the 5 (five) 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 applicable Priority of Payments, as set out in the Payments Report.

**Mandate Agreement** Pursuant to the Mandate Agreement, the Representative of the Noteholders has been empowered, subject to the delivery of a Trigger Notice 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 (the “**Mandate Agreement**”).

**Corporate Services Agreement**

Under the Corporate Services Agreement, the Corporate Servicer has undertaken to provide the Issuer with certain corporate administration and management services. These services will include the book-keeping of the documentation in relation to the meetings of the Issuer's quotaholder, directors and auditors and the meetings of the Noteholders, maintaining the quotaholder's register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders (the “**Corporate Services Agreement**”).

**Quotaholder's Agreement**

Under the Quotaholder's Agreement, certain rules have been set out in relation to the corporate governance of the Issuer (the “**Quotaholder's Agreement**”).

**Cap Agreement**

On or about the Issue Date, the Issuer will enter into an interest rate cap agreement with the Cap Counterparty (the “**Cap Agreement**”) pursuant to which the Issuer and the Cap Counterparty will enter into an interest rate cap transaction (the “**Cap Transaction**”). The Cap Agreement shall comprise a 2002 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto (the “**Credit Support Annex**”) and the Cap Transaction. The Issuer will enter into the Cap Transaction in order to hedge its floating interest rate exposure in relation to the Listed Notes (other than the Class X Notes).

The Cap Transaction will provide for the Cap Counterparty to make payments to the Issuer in the event that one-month Euribor exceeds the strike level specified in the Cap Confirmation on specified dates. In return, the Issuer will pay to the Cap Counterparty an upfront premium on the Issue Date.

**EMIR Reporting Agreements**

On or about the Issue Date, the Issuer and the Cap Counterparty acting as EMIR Reporting Agent will enter into an agreement pursuant to which the EMIR Reporting Agent will agree to carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer in respect of the Cap Agreement (the “**EMIR Reporting Agreement**”).

**Deed of Charge**

Under the terms of the Deed of Charge, the Issuer, *inter alia*: will (i) assign absolutely with full title guarantee to the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors, all of its present and future rights, title, interest and benefit in, to and under the Cap Agreement (subject to the netting and set-off provisions therein) and all payments due to it thereunder; and (ii) charge by way of first fixed charge all of its present and future rights, title, interest and benefit (actual and contingent) in, to and under the Investment Account and the Securities Account, any credit balance from time to time on each such account and any Eligible Investments made from funds standing to the credit of any such Issuer's Accounts.

**Listed Notes  
Subscription Agreement**

Pursuant to the Listed Notes Subscription Agreement entered into between, among others, the Issuer, the Joint Lead Managers, the Arranger, the Originator and the Representative of the Noteholders, (i) the Joint Lead Managers have agreed to subscribe and pay for or procure subscription and payment for a portion of the Listed Notes upon the terms and subject to the conditions thereof and have appointed the Representative of the Noteholders to act as the representative of the holders of the Notes; and (ii) the Issuer and the Originator have given certain representations and warranties in favor of the Arranger and the Joint Lead Managers.

**Retained Notes  
Subscription Agreement**

Pursuant to the Retained Notes Subscription Agreement entered into between, among others, the Issuer, the Originator and the Representative of the Noteholders, (i) the Originator has agreed to subscribe and pay for 5% of the Listed Notes and the whole of the Class R Notes to comply with its retention obligations under the Securitisation Regulation upon the terms and subject to the conditions thereof and has appointed the Representative of the Noteholders to act as the representative of the holders of the Notes; and (ii) the Issuer has given certain representation and warranties in favor of the Originator (collectively, together with the Listed Notes Subscription Agreement, the Deed of Charge and the Cap Agreement, the “**English Law Transaction Documents**”).

**6. ISSUER’S ACCOUNTS**

**Collection Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established the Collection Account with the Account Bank. Pursuant to the terms and conditions of the Servicing Agreement, the Servicer shall transfer to the Collection Account all the amounts received or recovered in respect of the Receivables, within 2 (two) days from the date on which the Servicer has received and reconciled such amounts.

**Payments Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Payments Account with the Account Bank. All amounts due to the Issuer under any of the Transaction Documents will be paid into the Payments Account (other than the Collections and Recoveries).

**Cash Reserve Account**

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Cash Reserve Account into which on the Issue Date and, thereafter, on each Payment Date prior to the earlier of (i) the Payment Date following the delivery of a Trigger Notice (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled and (iii) the Payment Date on which the Outstanding Principal of the Portfolio is equal to zero, the amount which is necessary to bring the balance of such relevant account up to (but not in excess of) the Cash Reserve Target Amount, shall be transferred.

<b>Prepayment Reserve Account</b>	Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer established the Prepayment Reserve Account with the Account Bank.
<b>Investment Accounts</b>	Pursuant to the Cash Allocation Management and Payments Agreement, the Issuer may establish the Investment Accounts with the Custodian for the purpose of making Eligible Investments.
<b>Securities Account</b>	Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer may establish a securities account with the Custodian for the purposes of depositing any Eligible Investment represented by securities and other financial instruments.
<b>Expenses Account</b>	<p>Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will establish the Expenses Account with the Account Bank into which, on the Issue Date, the Retention Amount will be credited.</p> <p>During each Collection Period, the Retention Amount will be used by the Issuer to pay the Expenses.</p> <p>To the extent that the amount standing to the credit of the Expense Account on any Payment Date is lower than the Retention Amount, the Issuer shall credit available amounts to the Expense Account in accordance with the relevant Priority of Payments.</p>
<b>Collateral Account</b>	Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer has established a Euro cash account with the Account Bank for the purposes of depositing any collateral in the form of Euro cash which is posted by the Cap Counterparty under the Cap Agreement. The Issuer may from time to time open additional cash and/or securities accounts for the purposes of depositing other forms of collateral which may be posted by the Cap Counterparty under the Cap Agreement.
<b>Eligible Institution</b>	<p>Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer will maintain each of the Collection Account, the Payments Account, the Cash Reserve Account, the Prepayment Reserve Account, the Collateral Account and the Expenses Account with the Account Bank for as long as the Account Bank is an Eligible Institution.</p> <p><b>“Eligible Institution”</b> (<i>Istituzione Eleggibile</i>) means a depository institution organised under the laws of any State which is a member of the European Union or of England or Wales or of the United States of America whose debt obligations (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of England or Wales or of the United States of America, whose unsecured and unsubordinated debt obligations) are rated as follows:</p> <p>a) (1) the higher of (i) the rating one notch below the relevant institution’s Critical Obligations Rating (COR) given by</p>



DBRS; and (ii) the long-term debt, public or private, rating by DBRS, is at least “A”; or (2) in case the institution does not have a COR rating by DBRS, the long-term debt, public or private, rating by DBRS is at least “A”; or (3) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least “A”; and

- b) at least “P-2” by Moody’s as a short-term deposit rating or at least “Baa2” by Moody’s as a long term deposit rating, or such other rating or ratings as may be agreed by the relevant rating agency from time to time as would maintain the then current ratings of the Rated Notes.

## **Eligible Investment**

Means:

- a) euro-denominated money market funds which have a long-term rating of “Aaamf” by Moody's and, if rated by DBRS, “AAA” by DBRS and, if rated by S&P, “AAA” by S&P and, if rated by Fitch, “AAA” by Fitch and permit daily liquidation of investments or have a maturity date falling before the next following Liquidation Date provided that such money market funds are disposable without penalty or loss for the Issuer;
- b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Liquidation Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) and (iii) in case of securities, such securities are in dematerialized form; and
- c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided that with exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction or, in case of deposits (including time deposit), the relevant depository bank, are rated at least:

1. “Baa1” by Moody’s in respect of long-term debt and “P-2” by Moody’s in respect of short-term debt; and

2. if such debt securities or other debt instruments are rated by DBRS (i) “R-1 (low)” by DBRS in respect of short-term debt or “A” by DBRS in respect of long-term debt, with regard to investments having a maturity of 30 days or less; (ii) “R-1 (middle)” by DBRS in respect of short-term debt or “AA (low)” by DBRS in respect of long-term debt, with regard to investments having a maturity between 30 days and 90 days;

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) tranches of other ABSs, credit-linked notes swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time, or (iv) any instrument not considered to be a “cash equivalent” for purposes of the Volcker Rule.

## REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

*Please refer to the section entitled “Risk Factors” for further information on the implications of article 6 of the Securitisation Regulation.*

### **Retention statement**

The Originator will retain a material net economic interest of at least 5 per cent. in the Securitisation for the purpose of article 6 of the Securitisation Regulation. In particular, it will retain 5 per cent of each of the Notes. For such purposes, under the Intercreditor Agreement, the Originator has undertaken to the Issuer and the Representative of the Noteholders that it will retain on the Issue Date and maintain (on an on-going basis) a material net economic interest of not less than 5 per cent. in the Securitisation through the holding of the Notes in accordance with option (a) of article 6(3) of the Securitisation Regulation. For so long as the Notes are outstanding it shall also comply with the disclosure duties specified in article 7(1)(e), sub-paragraph (iii) of the Securitisation Regulation. For such purpose, the Originator has undertaken to make available to the Noteholders and any prospective investors in the Notes, through the Sec Reg Investor Report, the information required by article 7(1)(e) sub-paragraph (iii) of the Securitisation Regulation (including, in particular, the information regarding the net economic interest from time to time held by the Originator in the Securitisation) and has undertaken to provide to the Calculation Agent all of the information needed for it to prepare the Sec Reg Investor Report. It is understood that the Sec Reg Investor Report shall be deemed to have been produced on behalf of the Originator, under the Originator's full responsibility. In addition, the Originator has undertaken that the material net economic interest held by it shall not be split amongst different types of retainers and shall not be subject to any credit-risk mitigation or hedging, in accordance with article 6(3) of the Securitisation Regulation.

### **Disclosure obligations**

Under the Intercreditor Agreement, the Originator has agreed to act as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation. In such capacity, the Originator (i) has confirmed that it has made available all relevant reports and information required to be delivered to the investors in the Notes on or prior to the pricing of the Securitisation pursuant to article 7(1) of the Securitisation Regulation by electronic means on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurowdw.eu](http://editor.eurowdw.eu)) and (ii) has undertaken to make available the reports and information received from the relevant parties under the Transaction Documents on an on-going basis pursuant to article 7(1) letters (a), (e) and (f) of the Securitisation Regulation on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurowdw.eu](http://editor.eurowdw.eu)).

With reference to the Sec Reg Investor Report, under the Intercreditor Agreement and the Cash Allocation, Management and Payments Agreement, the Originator has undertaken to provide the Calculation Agent with all the information needed to prepare the Sec Reg Investor Report, including the information about the risk retained and information on which of the modalities provided for in Article 6(3) of the Securitisation Regulation has been applied. It is understood that the Sec Reg Investor Report shall be deemed to have been produced on behalf of the Originator, under the Originator's full responsibility.

The risk retention, transparency, due diligence and underwriting criteria requirements described above apply in respect of the Notes. Investors should therefore make themselves aware of such requirements (and any corresponding implementing rules made at the national level), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

### **Investors to assess compliance**

*Each prospective investor is required to independently assess and determine the sufficiency of the information described above, contained in this Prospectus or made available by the Originator for the purposes of complying with any relevant requirement including article 5 of the Securitisation Regulation and none of the Issuer, the Originator, the Servicer, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents makes any representation that the information described above contained in this Prospectus or made available by the Originator is sufficient in all circumstances for such purposes.*

*Investors who are uncertain as to the requirements applicable to them in respect of their relevant jurisdiction should seek guidance from their regulator.*

## THE AGGREGATE PORTFOLIO

### The Receivables

The Receivables comprised in the Aggregate Portfolio arise out (and will arise out) of consumer loans granted by Creditis to the relevant debtor, on the basis of a loan agreement.

All Receivables from time to time comprised in the Aggregate Portfolio and all amounts derived therefrom will be available to satisfy the obligations of the Issuer under the Notes outstanding under the Securitisation pursuant to the Conditions.

### The Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement

Pursuant to the Master Receivables Purchase Agreement, the Issuer has purchased from the Originator without recourse (*pro soluto*) and as a “block” (*in blocco*), pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law, the Initial Portfolio 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 of any of the Receivables included in the Initial Portfolio.

In addition, pursuant to the provision of the Master Receivables Purchase Agreement, the Originator may transfer without recourse (*pro soluto*) and as a “block” (*in blocco*) to the Issuer, which, subject to certain conditions being met, shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law, Additional Portfolios during the Revolving Period.

Each Receivable included in each Portfolio purchased or to be purchased from the Originator, arises out of consumer loans granted by Creditis to the relevant debtor, on the basis of a loan agreement, and to be reimbursed through:

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

### Eligibility Criteria and Purchase Conditions

The Receivables comprised in the Initial Portfolio have been selected and the ones comprised in any Additional Portfolio will be selected on the basis of certain objective criteria listed in schedule 2 to the Master Receivables Purchase Agreement as at the relevant Valuation Date or a different date indicated therein (the “**Common Criteria**”).

In addition, the Receivables included in each Additional Portfolio which will be transferred to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement may meet, as at the relevant Valuation Date, certain specific criteria (the “**Specific Criteria**”) eventually selected from time to time by the Originator among those listed under schedule 3 of the Master Receivables Purchase Agreement.

In addition, where necessary, the Originator and the Issuer reserve the right to select the Receivables included in any Additional Portfolio on the basis of additional criteria from time to time identified by the Issuer and the Originator (the “**Additional Criteria**” and together with the Common Criteria and the Specific Criteria, the “**Eligibility Criteria**”). It is understood that both the Specific Criteria and the Additional Criteria may only restrict the selection of the Receivables to be transferred and, therefore, they may not amend the Common Criteria.

The Receivables included in the Aggregate Portfolio (including any Additional Portfolio offered on such date), shall need to comply, as at the relevant Offer Date, with all the Purchase Conditions listed under schedule 9 of the Master Receivables Purchase Agreement.

As at the relevant Valuation Date, the Outstanding Principal of the Initial Portfolio amounted to Euro 172,383,728.

## The Common Criteria

Pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement, the Originator has sold to the Issuer and the Issuer has purchased from the Originator all the Receivables comprised in the Initial Portfolio arising from Loan Agreements which meet, as at the relevant Valuation Date or a different date as indicated in the relevant criterion, the following Common Criteria:

1. are granted to consumers as defined by article 121 of Legislative Decree No. 385 of 1 September 1993 (as amended and supplemented from time to time) and are assisted by the payment delegation (“*delegazione di pagamento*”) and/or salary/pension assignment (“*cessione del quinto*”, pursuant to Presidential Decree No. 180/1950 as amended and supplemented) which have been notified to the relevant employer/pension authority and accepted by it;
2. have been granted exclusively by Creditis as lender under loan agreements entered into by Creditis or its agents;
3. are denominated in Euro and do not contain any provision allowing for the conversion in another currency;
4. have been drawn in full and there are no obligations or possibilities for more drawings to be made;
5. have been granted pursuant to loan agreements governed by Italian law;
6. in relation to which the insurance policies, of which Creditis is the beneficiary, covering the risk of death of the debtor and/or of the risk of loss of job of the debtor, where applicable, have been granted by one of the Eligible Insurance Companies;
7. are granted to individuals, employees of a public body, a para-public company or a private company or pensioners which, as of the execution date of the relevant loan agreement, are resident in Italy (as indicated in the relevant loan agreement);
8. have not been granted in favour of directors or employees of Creditis nor to employees of the Eligible Insurance Companies which have granted the insurance policies assisting the loans in accordance with item 6) above;
9. the relevant amortisation plan agreed with the relevant Debtor at the inception/disbursement of the Loan provides for the payment of both interest and principal components, with equal monthly Instalments with a fixed interest rate, provided that the monthly instalments can be reduced/rescheduled due to events such as maternity leave etc., as provided for under the relevant loan agreement and/or pursuant to the applicable law;
10. at least one instalment, including a principal component and an interest component, has been paid;
11. with no more than 2 (two) full instalments due and unpaid which are outstanding;
12. have not been classified as “*sofferenze*” pursuant to the circular of Bank of Italy dated 11 February 1991 n. 139 (“*Centrale dei rischi – Istruzioni per gli intermediari creditizi*”) as amended and supplemented from time to time;
13. have not been classified as “*sofferenze*” and “*inadempienze probabili*” pursuant to the circular of Bank of Italy n. 217 dated 5 August 1996 as amended and supplemented from time to time;
14. none of the events upon which the relevant Eligible Insurance Company is bound to pay out compensation/indemnity pursuant to the relevant insurance policy as set out under point 6) above has occurred;
15. having an original maturity not greater than 120 months;
16. have not been executed and entered into pursuant to any law or regulation which provides from the date of execution of the relevant loan agreement for financial concessions, public contributions of any nature, discounts provided by law, limits to the interest rate and/or other provisions allowing concessions or reductions to the debtors in relation to the principal and/or the interests;
17. providing for an annual nominal rate (T.A.N.) equal or higher than 1%;
18. with respect to loan agreements assisted by salary assignment (“*cessione del quinto dello stipendio*”), each employer which is a private company, as at the date of execution of the relevant loan agreement, meets all the following requirements:
  - (i) it is not established in any of the following legal forms: individual company (*società individuale*) and/or partnership (simple partnership (*società semplice*), general partnership (*società in nome collettivo*) and/or limited partnership (*società in accomandita semplice*));
  - (ii) does not have less than 16 employees or, in case of private companies established in the form of cooperative society, less than 50 employees;

19. with respect to loan agreements assisted by salary assignment (“*cessione del quinto dello stipendio*”) executed with employees of private companies, the relevant borrower must have, as of the execution date of the relevant loan agreement, a *contratto a tempo indeterminato*;
20. in relation to which no event qualified as “life damage” (*sinistro vita*) or as “damage due to the loss of the job” (*sinistro perdita impiego*) has occurred, with the exception of the “damages” (*sinistri*) which have been subsequently cancelled (*annullati*);
21. which, according to provisions of the relevant loan agreements, do not require the consent of the relevant debtors to the transfer of the Receivables.

### **The Purchase Conditions**

The Receivables included in the Aggregate Portfolio (including any Additional Portfolio offered on such date), shall need to comply, as at the relevant Offer Date, with all the following Purchase Conditions:

1. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to pensioners and employees of Public Administrations, plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to pensioners and employees of Public Administrations; and
  - (b) the Relevant Portfolio Outstanding Principal,
 is at least equal to 75%;
2. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to employees of Private Companies plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to employees of Private Companies; and
  - (b) the Relevant Portfolio Outstanding Principal,
 does not exceed 18%;
3. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to employees of Parapublic Companies plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to employees of Parapublic Companies; and
  - (b) the Relevant Portfolio Outstanding Principal,
 does not exceed 5%;
4. The ratio between:
  - (a) the Top Employer Relevant Portfolio Outstanding Principal; and
  - (b) the Relevant Portfolio Outstanding Principal,
 does not exceed 5%;
5. The ratio between:
  - (a) the Top 5 Employers Relevant Portfolio Outstanding Principal; and
  - (b) the Relevant Portfolio Outstanding Principal,
 does not exceed 10%;
6. The ratio between:
  - (a) the Top 10 Employers Relevant Portfolio Outstanding Principal; and
  - (b) the Relevant Portfolio Outstanding Principal,
 does not exceed 15%;
7. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans granted to Debtors resident in Southern Italy plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans granted to Debtors resident in Southern Italy; and

- (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 12%;
- 8. The Weighted Average TAN of the Aggregate Portfolio shall not be lower than 8%;
- 9. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Payment Delegation plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Payment Delegation; and
  - (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 3%;
- 10. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is respectively Net Insurance Life S.p.A. or Net Insurance S.p.A.) plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is respectively Net Insurance Life S.p.A. or Net Insurance S.p.A.); and
  - (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 50%;
- 11. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is respectively AXA France Vie S.A. or Axa France Iard S.A.) plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is AXA France Vie S.A. or Axa France Iard S.A.); and
  - (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 55%;
- 12. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is different from Axa France Iard S.A., Axa France Vie S.A., Net Insurance Life S.p.A. and Net Insurance S.p.A.) plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by the same Insurance Company or by Insurance Companies belonging to the same group (where the Insurance Company is different from Axa France Iard S.A., Axa France Vie S.A., Net Insurance Life S.p.A. and Net Insurance S.p.A.); and
  - (b) the Relevant Portfolio Outstanding Principal,  
does not exceed 15%;
- 13. The ratio between:
  - (a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by all Insurance Companies other than Axa France Iard S.A., Axa France Vie



S.A., Sogecap S.A., Net Insurance Life S.p.A., Net Insurance S.p.A., Cardif Assur. Risques Divers, Cardif Assurance Vie, HDI Assicurazioni S.p.A., HDI Assicurazioni S.p.A. Life, Genertel S.p.A. and Genertellife S.p.A. plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans assisted by Insurance Policies covering the Life Damage or the Job Damage issued by all Insurance Companies other than Axa France Iard S.A., Axa France Vie S.A., Sogecap S.A., Net Insurance Life S.p.A., Net Insurance S.p.A., Cardif Assur. Risques Divers, Cardif Assurance Vie, HDI Assicurazioni S.p.A., HDI Assicurazioni S.p.A. Life, Genertel S.p.A. and Genertellife S.p.A.; and

(b) the Relevant Portfolio Outstanding Principal,  
does not exceed 3%;

14. The ratio between:

(a) the Outstanding Principal, as at the Collection Date immediately preceding such Offer Date, of the Receivables comprised in the Collateral Portfolio already transferred to the Issuer arising from Loans having 2 (two) (and less than 3 (three)) Late Instalments outstanding plus the Outstanding Principal, as at the relevant Valuation Date, of the Receivables comprised in the relevant Additional Portfolio arising from Loans having 2 (two) (and less than 3 (three)) Late Instalments outstanding; and

(b) the Relevant Portfolio Outstanding Principal,  
does not exceed 3%.

### **Characteristics of the Initial Portfolio**

The Outstanding Principal of the Initial Portfolio sold to the Issuer as of the relevant Valuation Date amounts to Euro 172,383,728.

The Initial Portfolio as of the relevant Valuation Date is made of 15,222 loans with an average current loan amount equal to Euro 11,325.

The Receivables included in the Initial Portfolio have the characteristics that demonstrate capacity to produce funds to service 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), Employers, Pension Authorities, Pension Funds and/or any or all of the Insurance Company/ies and/or Guarantors.

The latest repayment date for a Receivable included in the Initial Portfolio is 30 September 2031.

For the avoidance of doubt, the Initial Portfolio does not consist (and any Additional Portfolio will not consist), in whole or in part, actually or potentially, of (A) tranches of other asset-backed securities; or (B) credit-linked notes, caps or other derivatives instruments, or synthetic securities.

For the purposes of article 20(11) of the Securitisation Regulation, the period between each Valuation Date and the relevant Transfer Date for each Portfolio can never exceed three and a half months.

As at each Valuation Date, no Receivable arising from Loans granted to the same Debtor has an Outstanding Principal which is higher than 2% of the Outstanding Principal of the Aggregate Portfolio as at such date.

None of the Receivables is a “securitised position” for the purposes of article 2(4) of the Securitisation Regulation and each of the Receivables has a positive net present value and outstanding principal balance: as at the Valuation Date of the Initial Portfolio, the Outstanding Principal of each Receivable was comprised between Euro 15 and Euro 64,094.

As for the level of collateralisation, the ratio between (i) the Principal Component of the Individual Purchase Price of the Receivables included in the Initial Portfolio (equal to the Outstanding Principal of the Initial Portfolio as at the Valuation Date of the Initial Portfolio) and (ii) the Principal Amount Outstanding of the Listed Notes as at the Issue Date (other than the Class X Notes which are not collateralised) is equal to 100.00%.

The tables set out below have been prepared on the basis of the data and information available as of the Valuation Date of the Initial Portfolio in respect of the Initial Portfolio.

Summary of Portfolio	Total	(Weighted) Average
Number of Loans	15,222	-
Number of Debtors	15,068	-
Initial Balance	€ 240,461,008	€ 15,796.94
Outstanding Principal	€ 172,383,728	€ 11,324.64
APR (%)	-	8.69%
Initial Term (in months)	-	109.6
Remaining Term (in months)	-	79.2
Seasoning		30.4

Breakdown by Initial Balance (€)	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
x ≤ 5,000	271,783	0.2%	181	1.2%
5,000 < x ≤ 10,000	15,731,458	9.1%	3,012	19.8%
10,000 < x ≤ 15,000	37,883,893	22.0%	4,576	30.1%
15,000 < x ≤ 20,000	47,064,168	27.3%	3,712	24.4%
20,000 < x ≤ 25,000	37,292,721	21.6%	2,225	14.6%
25,000 < x ≤ 30,000	19,950,677	11.6%	966	6.3%
30,000 < x ≤ 35,000	7,739,295	4.5%	322	2.1%
35,000 < x ≤ 40,000	3,724,168	2.2%	137	0.9%
x > 40,000	2,725,563	1.6%	91	0.6%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Outstanding Principal (€)	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
x <= 5,000	7,566,946	4.4%	2,736	18.0%
5,000 < x <= 10,000	35,900,063	20.8%	4,747	31.2%
10,000 < x <= 15,000	44,058,425	25.6%	3,561	23.4%
15,000 < x <= 20,000	42,580,411	24.7%	2,456	16.1%
20,000 < x <= 25,000	25,455,579	14.8%	1,152	7.6%
25,000 < x <= 30,000	10,087,433	5.9%	374	2.5%
30,000 < x <= 35,000	4,266,357	2.5%	133	0.9%
35,000 < x <= 40,000	1,541,366	0.9%	42	0.3%
x > 40,000	927,148	0.5%	21	0.1%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Initial Loan Term (in Months)	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
x <= 15	-	0.0%	-	0.0%
15 < x <= 30	-	0.0%	-	0.0%
30 < x <= 45	63,979	0.0%	7	0.0%
45 < x <= 60	9,706,632	5.6%	1,681	11.0%
60 < x <= 75	7,279,222	4.2%	959	6.3%
75 < x <= 90	10,881,931	6.3%	1,231	8.1%
90 < x <= 105	12,139,554	7.0%	1,162	7.6%
105 < x <= 120	132,312,410	76.8%	10,182	66.9%
x > 120	-	0.0%	-	0.0%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

<b>Breakdown by Remaining Loan Term (in Months)</b>	<b>Outstanding Principal</b>	<b>% by Outstanding Principal</b>	<b># of Loans</b>	<b>% by # of Loans</b>
x <= 15	1,882,131	1.1%	1,141	7.5%
15 < x <= 30	7,776,952	4.5%	1,720	11.3%
30 < x <= 45	13,875,465	8.0%	1,875	12.3%
45 < x <= 60	19,640,971	11.4%	2,021	13.3%
60 < x <= 75	26,411,772	15.3%	2,224	14.6%
75 < x <= 90	32,737,445	19.0%	2,277	15.0%
90 < x <= 105	38,331,334	22.2%	2,273	14.9%
105 < x <= 120	31,713,482	18.4%	1,690	11.1%
x > 120	14,176	0.0%	1	0.0%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Seasoning (in Months)	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
x <= 15	55,572,830	32.2%	3,494	23.0%
15 < x <= 30	46,483,153	27.0%	3,331	21.9%
30 < x <= 45	30,159,681	17.5%	2,731	17.9%
45 < x <= 60	19,804,931	11.5%	2,210	14.5%
60 < x <= 75	10,393,089	6.0%	1,382	9.1%
75 < x <= 90	6,550,177	3.8%	1,059	7.0%
90 < x <= 105	2,907,537	1.7%	732	4.8%
105 < x <= 120	512,330	0.3%	283	1.9%
x > 120	-	0.0%	-	0.0%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

*Note: Seasoning calculated as the difference between Initial Loan Term and Remaining Loan Term*

Breakdown by Original Loan Instalment Amount (€)	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
x <= 75	45,503	0.0%	56	0.4%
75 < x <= 150	17,171,831	10.0%	3,107	20.4%
150 < x <= 225	46,103,842	26.7%	5,163	33.9%
225 < x <= 300	63,026,341	36.6%	4,564	30.0%
300 < x <= 375	30,335,016	17.6%	1,678	11.0%
375 < x <= 450	9,767,813	5.7%	433	2.8%
450 < x <= 525	3,056,413	1.8%	122	0.8%
525 < x <= 600	1,364,353	0.8%	50	0.3%
x > 600	1,512,615	0.9%	49	0.3%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Interest Rate (in %)	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
x = 1%	972,332	0.6%	96	0.6%
1% < x <= 2%	-	0.0%	-	0.0%
2% < x <= 3%	1,724,441	1.0%	93	0.6%
3% < x <= 4%	-	0.0%	-	0.0%
4% < x <= 5%	297,733	0.2%	12	0.1%
5% < x <= 6%	1,698,540	1.0%	94	0.6%
6% < x <= 7%	22,272,328	12.9%	2,774	18.2%
7% < x <= 8%	18,231,138	10.6%	1,355	8.9%
8% < x <= 9%	80,492,960	46.7%	5,743	37.7%
9% < x <= 10%	6,672,352	3.9%	737	4.8%
10% < x <= 11%	20,182,345	11.7%	2,163	14.2%
11% < x <= 12%	10,277,954	6.0%	974	6.4%
12% < x <= 13%	7,771,242	4.5%	854	5.6%
x > 13%	1,790,363	1.0%	327	2.1%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Geography	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
North	117,508,620	68.2%	10,409	68.4%
Centre	41,363,653	24.0%	3,555	23.4%
South	13,511,455	7.8%	1,258	8.3%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

*North = Emilia Romagna, Friuli Venezia, Liguria, Lombardia, Piemonte, Trentino Alto Adige, Valle D'Aosta, Veneto*

*Centre = Abruzzo, Lazio, Marche, Toscana, Umbria*

*South = Basilicata, Calabria, Campania, Puglia, Sardegna, Sicilia, Molise*

Breakdown by Region	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
Liguria	75,188,716	43.6%	6,624	43.5%
Lombardia	15,254,309	8.8%	1,454	9.6%
Veneto	13,093,902	7.6%	1,053	6.9%
Toscana	28,762,331	16.7%	2,499	16.4%
Sicilia	9,367,088	5.4%	891	5.9%
Marche	1,162,980	0.7%	101	0.7%
Piemonte	9,413,136	5.5%	865	5.7%
Lazio	10,665,668	6.2%	888	5.8%
Emilia Romagna	4,171,722	2.4%	381	2.5%
Sardegna	2,712,189	1.6%	236	1.6%
Puglia	1,146,070	0.7%	103	0.7%
Valle D'Aosta	257,542	0.1%	24	0.2%
Trentino Alto Adige	43,499	0.0%	3	0.0%
Abruzzo	85,019	0.0%	8	0.1%
Campania	72,553	0.0%	8	0.1%
Umbria	687,656	0.4%	59	0.4%
Calabria	194,000	0.1%	18	0.1%
Friuli-Venezia Giulia	85,793	0.0%	5	0.0%
Basilicata	8,858	0.0%	1	0.0%
Molise	10,698	0.0%	1	0.0%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Origination Year	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
2010	549,877	0.3%	296	1.9%
2011	1,993,140	1.2%	560	3.7%
2012	4,013,172	2.3%	700	4.6%
2013	7,892,709	4.6%	1,119	7.4%
2014	9,634,822	5.6%	1,196	7.9%
2015	17,946,419	10.4%	1,950	12.8%
2016	24,483,410	14.2%	2,252	14.8%
2017	32,450,403	18.8%	2,395	15.7%
2018	44,940,709	26.1%	2,973	19.5%
2019	28,479,066	16.5%	1,781	11.7%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Maturity Year	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
2019	56,527	0.0%	141	0.9%
2020	1,877,947	1.1%	1,015	6.7%
2021	5,083,506	2.9%	1,252	8.2%
2022	8,816,044	5.1%	1,350	8.9%
2023	15,046,725	8.7%	1,785	11.7%
2024	16,933,420	9.8%	1,625	10.7%
2025	22,412,067	13.0%	1,855	12.2%
2026	26,227,225	15.2%	1,853	12.2%
2027	27,724,645	16.1%	1,702	11.2%
2028	31,240,711	18.1%	1,743	11.5%
2029	16,950,735	9.8%	900	5.9%
2030	-	0.0%	-	0.0%
2031	14,176	0.0%	1	0.0%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Account Status	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
No Unpaid Instalments	133,906,514	77.7%	12,410	81.5%
1 Unpaid Instalment	35,259,783	20.5%	2,568	16.9%
2 Unpaid Instalments	3,217,431	1.9%	244	1.6%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Loan Type	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
CQS of the pension	116,501,734	67.6%	11,323	74.4%
CQS of the salary	52,665,329	30.6%	3,680	24.2%
DP	3,216,665	1.9%	219	1.4%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

Breakdown by Employer Type	Outstanding Principal	% by Outstanding Principal	# of Loans	% by # of Loans
Private Companies	20,582,984	11.9%	1,673	11.0%
Public Administrations	30,509,354	17.7%	1,940	12.7%
Parapublic Companies	4,789,656	2.8%	286	1.9%
Pension Funds or Pension Authorities	116,501,734	67.6%	11,323	74.4%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>



<b>Breakdown by Employment Insurance Company</b>	<b>Outstanding Principal</b>	<b>% by Outstanding Principal</b>	<b># of Loans</b>	<b>% by # of Loans</b>
Net Insurance SpA	33,032,279	19.2%	2,369	15.6%
HDI Assicurazioni	7,337,949	4.3%	385	2.5%
AXA France	15,475,740	9.0%	1,143	7.5%
Risque Divers	36,025	0.0%	2	0.0%
Insurance not required	116,501,734	67.6%	11,323	74.4%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

*Note: Loans categorised as “Insurance not required” refer to the CQS (Pension-backed) product*

<b>Breakdown by Life Insurance Company</b>	<b>Outstanding Principal</b>	<b>% by Outstanding Principal</b>	<b># of Loans</b>	<b>% by # of Loans</b>
Net Insurance SpA	76,733,599	44.5%	8,200	53.9%
HDI Assicurazioni	7,337,949	4.3%	385	2.5%
AXA France	83,535,165	48.5%	6,316	41.5%
Sogecap	3,920,478	2.3%	261	1.7%
Cardif Assurance Vie	856,537	0.5%	60	0.4%
<b>Total</b>	<b>172,383,728</b>	<b>100.0%</b>	<b>15,222</b>	<b>100.0%</b>

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

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

None of the Issuer, the Arranger, the Joint Lead Managers nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Loan Agreements in order to, without limitation, ascertain whether or not the Loan Agreements contain provisions limiting the transferability of the Receivables.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement and in the Master Receivables Purchase Agreement. Please see the section headed “*Description of the Transaction Documents*”.

## THE ORIGINATOR AND THE SERVICER

**Creditis Servizi Finanziari S.p.A.** is a financial intermediary incorporated under the laws of the Republic of Italy as a joint stock company (*società per azioni*), having its registered office at Via G. D'Annunzio 101 - 16121, Genoa, Italy, share-capital of Euro 40,000,000 (fully paid-up), fiscal code and enrolment with the companies register of Genoa number 01670790995, enrolled in the *albo unico degli intermediari finanziari* held by the Bank of Italy pursuant to article 106 of the Legislative Decree No. 385 of 1 September 1993 as subsequently amended and supplemented (the “**Consolidated Banking Act**”) under No. 33318 (“**Creditis**”).

### **A) History**

Creditis was incorporated in 2006 as a wholly owned subsidiary of Banca Carige S.p.A. - Cassa di Risparmio di Genova e Imperia (“**Banca Carige**”).

Active since 2008, Creditis is a specialised consumer lender with a product offering consisting of general purpose personal loans, salary and pension backed loans (*cessione del quinto dello stipendio e della pensione*), delegation of payment loans (*delega di pagamento*) and revolving credit lines.

Creditis is a consumer credit provider and a financial intermediary (*intermediario finanziario*) enrolled, since May 2016, in the *albo unico degli intermediari finanziari* held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act and therefore is subject to monitoring and supervision by the Bank of Italy for prudential and regulatory purposes.

On 26 March 2019 (the “**Acquisition Date**”), majority control of Creditis was acquired by Columbus HoldCo S.à r.l., resulting in the following allocation of share capital as of the date of this Prospectus:

- 1) Columbus HoldCo S.à r.l.: 32,040 shares, representing 80.1% of the share capital; and
- 2) Banca Carige: 7,960 shares, representing 19.9% of the share capital.

From the beginning of 2012, Creditis has also established a network of financial agents (*agenti in attività finanziaria*) pursuant to article 1742 of the Italian Civil Code (the “**Agents**”), consisting of 25 active Agents as of December 31, 2018.

As of the date of this Prospectus, the distribution of loans is managed by the branches of Banca Carige, in accordance with the provisions of a distribution agreement entered into on the Acquisition Date (the “**Carige Branch Network**”).

### **B) Corporate governance and organisational structure**

Creditis is managed by a board of directors and by a chief executive officer (the “**CEO**”).

As of the date of this Prospectus, the members of the Board of Directors are:

<b>Chairman of the Board of Directors</b>	Mr Roberto Silvotti
<b>Chief Executive Officer</b>	Mr Mauro Viotto
<b>Director</b>	Mrs Cinzia Basile

The Board of Directors is vested with powers for Creditis’ ordinary and extraordinary management and may perform all required actions for the implementation and achievement of corporate objectives, excepting actions expressly reserved, in accordance with the by-laws and/or the Italian law, for the shareholders’ meeting of Creditis.

In accordance with the applicable provisions of Italian law, the shareholders’ meeting of Creditis appointed a Board of Statutory Auditors (*collegio sindacale*) which consists of three regular statutory auditors (*sindaci effettivi*) and two alternate statutory auditors (*sindaci supplenti*). As of the date of this Prospectus, the members of the Board of Statutory Auditors are:

<b>Chairman of the Board of Statutory Auditors</b>	Mr. Vincenzo Marini Marini
<b>Regular Statutory Auditor</b>	Mr. Dario Schlesinger
<b>Regular Statutory Auditor</b>	Mr. Pietro Francesco Ebreo

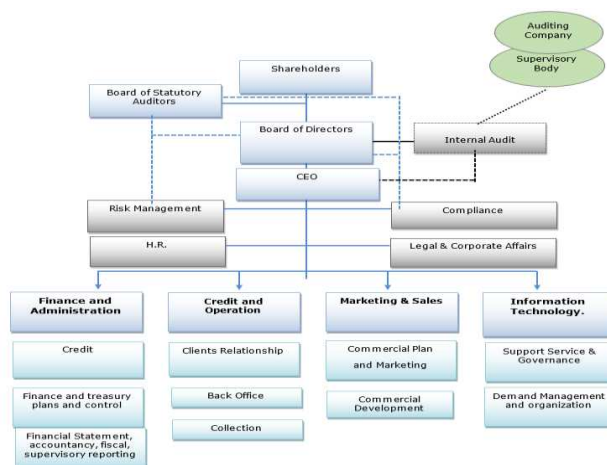
Alternate Statutory Auditor

Mr. Alberto Monticelli

Alternate Statutory Auditor

Mr. Francesco Isoppi

The organisational chart of Creditis is shown in the diagram below:



As of the date of this Prospectus Creditis has 61 employees.

### C) Lending Activities

Creditis has specialised in the field of personal loans since 2008 and therefore has in excess of 9 (nine) years of expertise in originating and servicing exposures of a similar nature to those assigned to the Issuer in the context of this transaction. Creditis has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures.

Creditis' activity is focused on offering three lending products: personal loans, salary/pension backed loans and revolving credit cards through mainly Carige Branch Network and the Agents. In addition, Creditis established a collaboration with more than 100 agencies of Amissima, an insurance company, aimed at distributing personal loans to their customers, interested to purchase insurance coverages.

**Personal loans**, named "*Mysura*", represented 71.1% of new 2018 loan production. The product offering is targeted towards "Carige Bank Group" customers between 18 and 75 years old and offers a maximum duration of 120 months for a maximum financed amount of Euro 75,000 (Euro 81,000 including other financed fees).

Borrowers are able to benefit from specific seasonal campaigns planned for special purposes (i.e., cars, holidays, furnishings, etc.) and promoted to improve customer loyalty.

Interest is calculated at an annual fixed rate and the instalment is paid on a monthly basis directly from customers' bank accounts. The creditworthiness of the customers is derived through the analysis of the results obtained from three different credit bureau and, for those cases of uncertainty, checks of anti-fraud and identity theft bureau.

Personal loans are promoted by the Carige Branch Network and are uploaded into Creditis' IT system through a direct link that allows Creditis' underwriting function to process the application following strict internal policies without any outside interference or any possibility for manual errors in transference of the data.

**Salary/pension backed loans**, named "*Dammi il Cinque*" is growing rapidly, representing 22.7% of new loan production during 2018. The product is promoted mainly through Carige Branch Network, with intermediary Agents acting as facilitators of the administrative activities required in connection with the completion of the application. The Agents do not have any pricing or credit-granting powers. Creditis' pricing model is already compliant with the recent Bank of Italy instruction for salary/pension backed loans.

*Dammi il Cinque* is addressed towards "Carige Bank Group" customers or new clients, exclusively employees or pensioners, between 18 and 80 years old and a maximum tenor of 120 months.

Monthly instalments can be up to a maximum of 20% of salary or pension (as applicable) and interest is calculated at an annual fixed rate. Special conditions could be deployed during the underwriting process according to the type of customer and sector of employee (i.e., public or private) or pensioner.

**Revolving credit cards**, named “*Valea*” are Visa Circuit branded and represented 6.2% of new loan production during 2018. The borrower can decide to repay specific purchases (insurance policies) in 10 monthly instalments for a zero interest charge or can utilise the card throughout the Visa commercial network or for cash withdrawal at automated teller machines.

According to Italian usury law, on a quarterly basis, each interest rate limit is updated following the instructions given by Bank of Italy through the official bulletin.

During 2018, new lending volumes overall were in excess of Euro 236 million (+3.7% on 2017), with potential to increase over the coming years according to new commercial approaches and targets. Moreover, as of 31 December 2018, total outstanding volumes stood at Euro 585.4 million, representing a growth of 2.8% over the previous year.

The weights of new lending and outstanding volumes are detailed in the following table:

<b>Product</b>	<b>Total outstanding Credito's portfolio as at 31 December 2018 (mln)</b>	<b>Percentage</b>	<b>New Production in 2018 (mln)</b>	<b>Percentage</b>
Personal Loans	368,2	62.9%	167.9	71.1%
Salary backed loans	202.4	34.6%	53.7	22.7%
Revolving credit Cards	14.8	2.5%	14.7	6.2%
<b>Total</b>	<b>585.4</b>	<b>100.0%</b>	<b>236.3</b>	<b>100.0%</b>

The Receivables transferred and which will be transferred to the Issuer in the context of this transaction arise from consumer loans collateralized by the delegation of payments and/or the assignment of one fifth of the salary/pension of the relevant borrowers originated via Carige Branch Network.

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

## **THE CORPORATE SERVICER, THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE BACK-UP SERVICER**

**Zenith Service S.p.A.** is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Vittorio Betteloni 2, 20131 Milan, Italy, fully paid share capital of Euro 2.000.000, fiscal code and enrolment with the companies register of Milan - Monza - Brianza - Lodi number 02200990980, enrolled in the register of financial intermediaries (“*Albo Unico*”) held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act, registered under the number 30, ABI Code 32590.2.

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

## THE ACCOUNT BANK AND THE ITALIAN PAYING AGENT

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

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

## THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT

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

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

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

## THE CAP COUNTERPARTY

*The information contained in this section relates to NATIXIS and the NATIXIS Group and has been obtained from NATIXIS and is furnished solely to provide limited information regarding NATIXIS and the NATIXIS Group and does not purport to be comprehensive.*

NATIXIS is a French limited liability company (*société anonyme à conseil d'administration*) registered with the *Registre du Commerce et des Sociétés de Paris* under No. 542 044 524 (“NATIXIS”). NATIXIS has its registered office address at 30 avenue Pierre Mendès-France, 75013 Paris, France.

With effect as of 31 July 2009 (non-inclusive), NATIXIS is affiliated with BPCE, the central body of Groupe BPCE. This affiliation with BPCE replaces, with effect as of the same date, the dual affiliation of NATIXIS with Caisse Nationale des Caisses d’Epargne et de Prévoyance (CNCE) and Banque Fédérale des Banques Populaires (BFBP), which was governed by a dual affiliation agreement terminated on the same date.

NATIXIS is a French multinational financial services firm specialized in asset & wealth management, corporate & investment banking, insurance and payments. A subsidiary of Groupe BPCE, the second-largest banking group in France through its two retail banking networks, Banque Populaire and Caisse d’Epargne, Natixis counts nearly 16,000 employees across 38 countries. Its clients include corporations, financial institutions, sovereign and supranational organizations, and the customers of Groupe BPCE’s networks.

NATIXIS is listed on the Paris stock exchange (Nyse Euronext) SBF 120 index and is rated by Standard & Poor’s, Fitch Ratings and Moody’s.

As at 4 October 2019, the long-term rating unsecured and unsubordinated debt obligations of NATIXIS is “A+” for Standard & Poor’s, “A+” for Fitch Ratings and “A1” for Moody’s.

**The information contained in the preceding paragraphs has been provided by NATIXIS for use in this Prospectus. Except for the foregoing paragraphs, NATIXIS and its respective affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.**



## THE ISSUER

### Introduction

The Issuer was incorporated in the Republic of Italy on 10 June 2019 as a limited liability company (società a responsabilità limitata) under the corporate name “Brignole CQ 2019-1 S.r.l.”. The Issuer's by-laws provides for termination of the same on 31st December 2100. The registered office of the Issuer is at Via Vittorio Betteloni n. 2 in Milan, the fiscal code and number of enrollment with the companies' register of Milano - Monza - Brianza - Lodi is 10858340960. The Issuer is also enrolled with No. 35601.4 in the elenco delle società veicolo held by the Bank of Italy pursuant to the resolution of the Bank of Italy dated 7 June 2017.

The Issuer has no employees and no subsidiaries. The Issuer's telephone number is +39 027788051.

The authorised and issued quota capital of the Issuer is Euro 10,000, fully paid up and fully held by Special Purpose Entity Management S.r.l., a company incorporated under the laws of Italy, with registered office in via Vittorio Betteloni, n. 2 cap 20131, Fiscal Code number 09262340962, registered in the Companies Register of Milano - Monza - Brianza - Lodi under number 09262340962, with paid-in share capital of Euro 10,000 (the “**Quotaholder**”).

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

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

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

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

### Issuer's principal activities

The corporate objectives of the Issuer, as set out in article 2 of its by-laws (*statuto*), are the acquisition of monetary receivables for the purposes of securitisation transactions (*operazioni di cartolarizzazione*) and the issuance of asset-backed securities.

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

Condition 5 (*Covenants*) provides that, so long as any of the Notes remains outstanding, the Issuer shall not carry out certain activities, unless with the consent of the Representative of the Noteholders and as provided in the Conditions and the Transaction Documents. For a full description of those covenants see Condition 5 (*Covenants*) in section “*Terms and Conditions of the Notes*”.

The Issuer has covenanted in the Intercreditor Agreement to observe, *inter alia*, those restrictions which are detailed in Condition 5 (*Covenants*).

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

### Directors of the Issuer

The current sole director of the Issuer is Mrs. Arianna Volpato.

The domicile of Mrs. Arianna Volpato, for the purpose of this deed, is at via Vittorio Betteloni n. 2, Milan.

Mrs. Arianna Volpato is employed by Zenith Service S.p.A., a financial intermediary specializing in the provision of servicing and management services to the structured finance industry, which has the role of Corporate Servicer, Back-up Servicer and Representative of the Noteholders under the Transaction.

The Sole Director is not aware of any conflicts of interests or potential conflicts of interests between his duties as a director of the Issuer and his respective private interests or principal outside activities. There are no persons or entities, including the Originator or any of the other transaction parties connected with the Notes (except for what specified in the previous paragraph), who can exercise control over the Sole Director.

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

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

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

### **Capitalisation and indebtedness statement**

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

Quota capital	Euro 10,000
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Issued, authorised and fully paid up quota capital

### **Loan capital**

Securitisation	Euro 180,120,000
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€ 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036;

€ 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036;

€ 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036;

€ 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036;

€ 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036;

€ 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036;

€ 20,000 Class R Asset Backed Variable Return Notes due March 2036.

<b>Total loan capital (Euro)</b>	<b>180,120,000</b>
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<b>Total capitalisation and indebtedness (Euro)</b>	<b>180,130,000</b>
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Subject to the above, as at the date of this Prospectus, the Issuer has no indebtedness in respect of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

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

The Issuer's accounting reference date is 31 December in each year. The Issuer has been incorporated on 10 June 2019 and, since the date of incorporation, it has not prepared any accounts.

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

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

## COMPLIANCE WITH STS REQUIREMENTS

Pursuant to article 18 of the Securitisation Regulation, a number of requirements must be met if the originator and the SSPE (as defined in the Securitisation Regulation) wish to use the designation “STS” or “simple, transparent and standardised” for securitisation transactions initiated by them.

The Originator has used the service of Prime Collateralised Securities (PCS) UK Limited (“**PCS**”), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the “**STS Verification**”) and to prepare verification of compliance of the Notes with the relevant provisions of article 243 and article 270 of the CRR and/or article 7 and article 13 of the LCR Regulation (together with the STS Verification, the “**STS Assessments**”). It is expected that the STS Assessments prepared by PCS will be available on the PCS website (<https://www.pcsmarket.org/sts-verification-transactions/>) together with a detailed explanation of its scope at <https://www.pcsmarket.org/disclaimer>. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Securitisation does or continues to qualify as an STS-securitisation under the Securitisation Regulation on the Issue Date or at any point in time in the future.** None of the Issuer, the Originator, the Arranger, the Representative of the Noteholders, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS-securitisation under the Securitisation Regulation on the Issue Date or at any point in time in the future.

Without prejudice to the above, prospective investors in the Notes should be aware that, on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations (including, without limitation, the EBA Guidelines on STS Criteria) and regulations and interpretations in draft form at the time of this Prospectus (including with regard to the risk retention requirements under article 6 of the Securitisation Regulation, transparency obligations imposed under article 7 of the Securitisation Regulation and the homogeneity criteria set out in article 20(8) of the Securitisation Regulation), and subject to any changes made therein after the date of this Prospectus:

- (a) for the purpose of compliance with article 20(1) of the Securitisation Regulation, pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement, the Originator has assigned and transferred without recourse (*pro soluto*) and in block (*in blocco*) to the Issuer, which has purchased, in accordance with the provisions of articles 1 and 4 of the Securitisation Law, all of its right, title and interest in and to the Initial Portfolio. The transfer of the Receivables included in the Initial Portfolio have been rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 111 Part II of 21 September 2019, and (ii) the registration of the transfer in the companies’ register of Milan – Monza – Brianza - Lodi on 23 September 2019. The true sale nature of the transfer of the Receivables and the validity and enforceability of the same is covered by the legal opinion issued by the legal counsel to the Arranger and the Joint Lead Managers, which has been made available to PCS and may be disclosed to any relevant competent authority referred to in article 29 of the Securitisation Regulation. Furthermore, the Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3), of the Securitisation Regulation and the EBA Guidelines on STS Criteria;
- (b) for the purpose of compliance with articles 20(2) and 20(3) of the Securitisation Regulation, under the Listed Notes Subscription Agreement, the Originator has represented that it is a joint stock company authorized to operate as a financial intermediary (*intermediario finanziario*) pursuant to article 106 of the Banking Act and its “centre of main interests” (as that term is used in article 3(1) of the Regulation (EU) no. 848/2015 of 20 May 2015 on insolvency proceedings) is located within the territory of the Republic of Italy; therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions;
- (c) with respect to article 20(4) of the Securitisation Regulation, the Receivables arise from Loan Agreements directly entered into by Creditis as lender (for further details, see the section headed

“*The Aggregate Portfolio*”); therefore, the requirements of article 20(4) of the Securitisation Regulation are not applicable;

- (d) with respect to article 20(5) of the Securitisation Regulation, the transfer of the Receivables included in the Initial Portfolio have been rendered enforceable against any third party creditors of the Originator (including any insolvency receiver of the same) through (i) the publication of a notice of transfer in the Official Gazette no. 111 Part II of 21 September 2019, and (ii) the registration of the transfer in the companies’ register of Milan – Monza – Brianza - Lodi on 23 September 2019; therefore, the requirements of article 20(5), of the Securitisation Regulation are not applicable;
- (e) with respect to article 20(6) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Transfer Date, each Portfolio is not and will not be, as the case may be, encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale to the Issuer (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents – Warranty and Indemnity Agreement*”);
- (f) for the purpose of compliance with article 20(7) of the Securitisation Regulation, (a) each Portfolio transferred to the Issuer has to meet the Eligibility Criteria; (b) none of the Transaction Documents provides for (i) the management of the portfolio in such a way which makes the performance of the Securitisation dependent both on the performance of the Receivables and on the performance of portfolio management of the Securitisation, thereby preventing any investor in the Notes from modelling the credit risk of the Receivables without considering the portfolio management strategy of the Servicer; or (ii) the management of the portfolio in such a way which is conducted for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit (for further details, see the sections headed “*Description of the Transaction Documents – Master Receivables Purchase Agreement and Receivables Purchase Agreement* ” and “*Description of the Transaction Documents – Servicing Agreement*”);
- (g) for the purpose of compliance with article 20(8) of the Securitisation Regulation, pursuant to the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Transfer Date, the Receivables comprised in each Portfolio are and will be, as the case may be, homogeneous in terms of asset type taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (a) all Receivables have been or will be, as the case may be, originated by Creditis, in the Originator’s ordinary course of business, based on similar loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the underlying exposures; (b) all Receivables have been or will be, as the case may be, serviced by Creditis according to similar servicing procedures; (c) all Receivables fall or will fall, as the case may be, within the same asset category of the regulatory technical standards named “*credit facilities to individuals for personal, family or household consumption purposes*”; and (d) the Aggregate Portfolio has to meet certain Purchase Conditions relating to, *inter alia*, geographic concentration in Italy. In addition, all Debtors are and will be resident in Italy. In addition, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) each of the Receivables derives from duly executed Loan Agreements; (ii) each Loan Agreement and each other agreement, deed or document relating thereto is valid and constitutes binding and enforceable obligations, with full recourse to the Debtors; and (iii) as at the relevant Valuation Date and as at the relevant Transfer Date, each Portfolio does not and will not, as the case may be, comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU. Finally, pursuant to the Eligibility Criteria set out in the Master Receivables Purchase Agreement and in accordance with the Warranty and Indemnity Agreement, the Loans will be repayable in instalments pursuant to the relevant amortising plan (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents – Warranty and Indemnity Agreement*”). In addition, for the purposes of article 243(2) letter (b) of Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending

Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, the Receivables meet the conditions for being assigned, under the Standardised Approach (as defined in such regulation) and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than 75 % on an individual exposure basis, being consumer loans and therefore exposure to retail;

- (h) for the purpose of compliance with article 20(9) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that as at the relevant Valuation Date and as at the relevant Transfer Date, each Portfolio does not and will not, as the case may be, comprise any securitisation positions (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents - Warranty and Indemnity Agreement*”);
- (i) for the purpose of compliance with article 20(10) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that (i) each of the Receivables derives from duly executed Loan Agreements which have been granted by Creditis in its ordinary course of business, (ii) Creditis has expertise in originating exposures of a similar nature to those assigned under the Securitisation for at least 5 years; (iii) the Loans have been granted in accordance with the loan disbursement policy applicable from time to time that is no less stringent than the loan disbursement policy applied by Creditis at the time of origination to similar exposures that are not assigned under the Securitisation; (iv) Creditis has assessed the Debtors’ creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC. In addition, under the Warranty and Indemnity Agreement Creditis has undertaken to fully disclose to potential investors in the Notes, without undue delay, any material changes occurring after the Issue Date in the loan disbursement policy applicable from time to time in respect of the Receivables, pursuant to article 20(10) of the Securitisation Regulation and the EBA Guidelines on STS Criteria (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents – Warranty and Indemnity Agreement*”);
- (j) for the purpose of compliance with article 20(11) of the Securitisation Regulation, under the Warranty and Indemnity Agreement the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Transfer Date, each Portfolio does not and will not, as the case may be, include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of Creditis’ knowledge: (i) has been or will be, as the case may be, declared insolvent or had or will have, as the case may be, a court grant his/her creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone or will undergo, as the case may be, a debt-restructuring process with regard to his/her non-performing exposures within three years prior to the date of transfer of the underlying exposures to the Issuer, except if: (I) a restructured underlying exposure has not presented or will not present, as the case may be, new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer of the underlying exposures to the Issuer; and (II) the information provided by Creditis in accordance with points (a) and (e)(i) of the first subparagraph of article 7(1) of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; (ii) was or will be, as the case may be, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or (iii) has or will have, as the case may be, a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Creditis which have not been or will not be, as the case may be, assigned under the Securitisation (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents – Warranty and Indemnity Agreement*”);
- (k) for the purpose of compliance with article 20(12) of the Securitisation Regulation, pursuant to the Eligibility Criteria set out in the Master Receivables Purchase Agreement, the Receivables comprised in each Portfolio arise or will arise, as the case may be, from Loans in respect of which

at least the first instalment of the relevant amortization plan are past due and have been paid by the relevant Debtor as at the relevant Valuation Date (for further details, see the section headed “*The Aggregate Portfolio*”);

- (l) for the purpose of compliance with article 20(13) of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that each Loan Agreement provides for an amortising plan with 12 (twelve) Instalments in each calendar year. In addition, as the Receivables arise from unsecured Loan Agreements, there are no security interests securing the Receivables; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of any asset (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents - Warranty and Indemnity Agreement*”);
- (m) for the purpose of compliance with article 21(1) of the Securitisation Regulation, under the Intercreditor Agreement, the Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3), of the Securitisation Regulation (for further details, see the sections headed “*Description of the Transaction Documents – Intercreditor Agreement*” and “*Regulatory disclosure and retention undertaking*”);
- (n) for the purpose of compliance with article 21(2) of the Securitisation Regulation, in order to mitigate any interest rate risk connected with the Listed Notes (other than the Class X Notes), on or about the Issue Date, the Issuer will enter into an interest rate cap agreement with the Cap Counterparty (the “**Cap Agreement**”) pursuant to which the Issuer and the Cap Counterparty will enter into an interest rate cap transaction (the “**Cap Transaction**”). The Cap Agreement shall comprise a 2002 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto (the “**Credit Support Annex**”) and the Cap Transaction. The Issuer will enter into the Cap Transaction in order to hedge its floating interest rate exposure in relation to the Listed Notes (other than the Class X Notes). The Cap Transaction will provide for the Cap Counterparty to make payments to the Issuer in the event that one-month Euribor exceeds the strike level specified in the Cap Confirmation on specified dates. In return, the Issuer will pay to the Cap Counterparty an upfront premium on the Issue Date (for further details, see Condition 7.5 (*Rate of Interest*) and the section headed “*Description of the Transaction Documents – Cap Agreement*”). In addition, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Transfer Date, each Portfolio does not and will not, as the case may be, comprise any derivatives, and (ii) under the Conditions, the Issuer has undertaken that, for so long as any amount remains outstanding in respect of the Notes, it shall not enter into derivative contracts save as expressly permitted by article 21(2), of the Securitisation Regulation (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents – Warranty and Indemnity Agreement*” and Condition 5 (*Covenants*)). Finally, there is no currency risk since (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that the Receivables arise from Loan Agreements which are denominated in Euro, and (ii) pursuant to the Conditions, the Notes are denominated in Euro (for further details, see the sections headed “*Description of the Transaction Documents – Warranty and Indemnity Agreement*”, “*Transaction Overview*” and “*Terms and Conditions of the Notes*”);
- (o) for the purpose of compliance with article 21(3) of the Securitisation Regulation, (i) under the Warranty and Indemnity Agreement, the Originator has represented and warranted that, the Receivables included in each Portfolio have or will have (1) a fixed interest rate; and (ii) the rate of interest applicable to the Listed Notes is calculated by reference to EURIBOR (for further details, see the sections headed “*The Aggregate Portfolio*” and “*Description of the Transaction Documents – Warranty and Indemnity Agreement*” and Condition 7.5 (*Rate of Interest*)); therefore, any referenced interest payments under the Receivables and the Listed Notes are based on generally used market interest rates and does not reference complex formulae or derivatives;
- (p) for the purpose of compliance with article 21(4) of the Securitisation Regulation, following the service of a Trigger Notice, (i) no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the

amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents; (ii) as to the repayment of principal, the Senior Notes will continue to rank in priority to the Mezzanine Notes, the Junior Notes and the Class R Notes, and the Mezzanine Notes will continue to rank in priority to the Junior Notes and the Class R Notes but subordinated to the Senior Notes, whereas the Class R Notes will be subordinated to the Junior Notes as before the delivery of a Trigger Notice and the Class E Notes will be subordinated to the Class X Notes (differently than before the delivery of a Trigger Notice) but in priority to the Class R Notes; and (iii) the Issuer (or the Representative of the Noteholders on its behalf) may (with the consent of an Extraordinary Resolution of the Most Senior Class of Noteholders) or shall – as the case may be in accordance with the Conditions – (if so directed by an Extraordinary Resolution of the Most Senior Class of Noteholders) dispose of the Portfolio (in full or in part), subject to the terms and conditions of the Intercreditor Agreement, it being understood that no provisions shall require the automatic liquidation of the Portfolio (for further details, see Condition 6.3 (*Post-Enforcement Priority of Payments*) and Condition 12 (*Trigger Events*));

- (q) as to the repayment of principal during the Amortisation Period, the Notes will rank at all times as follows: (i) the Senior Notes, in priority to the Mezzanine Notes, the Junior Notes and the Class R Notes and (ii) the Mezzanine Notes in priority to the Junior Notes and the Class R Notes but subordinated to the Senior Notes and (iii) the Class E Notes prior to the delivery of a Trigger Notice, in priority to the Class X Notes and at any time in priority to the Class R Notes but subordinated to the Senior Notes and the Mezzanine Notes, provided that upon delivery of a Trigger Notice, the Class E Notes will be subordinated to the Class X Notes (for further details, see Condition 6.2 (*Pre-Enforcement Principal Priority of Payments*) and Condition 6.3 (*Post-Enforcement Priority of Payments*)); therefore, the requirements of article 21, paragraph 5, of the Securitisation Regulation are not applicable;
- (r) for the purpose of compliance with article 21(6) of the Securitisation Regulation, pursuant to the Master Receivables Purchase Agreement, there are appropriate Purchase Termination Events which may cause the end of the Revolving Period, including, *inter alia*, the following:
  - (i) (a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable 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 5 (five) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 5 (five) calendar days after the Representative of the Noteholders has given such written notice, unless the relevant breach has been cured by the Originator and written evidence hereof has been given to the Representative of the Noteholders; or
  - (b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (a) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 20 (twenty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 10 (ten) calendar days after the Representative of the Noteholders has given such written notice; or
  - (ii) any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading in any material respect unless (A) in case of representations and warranties given by the Originator with respect to the Portfolio, (i) the relevant affected Receivable(s)

has been repurchased in accordance with clause 4.6 of the Warranty and Indemnity Agreement and/or (ii) the Originator has granted a Limited Recourse Loan in accordance with clause 3.1 of the Warranty and Indemnity Agreement and/or (B) the Originator provides a remedy within 10 (ten) calendar days of receipt of a written notice of such breach from the Representative of the Noteholders to remedy the matter giving rise thereto; or

- (iii) (a) the Originator or a different Servicer becomes subject to any *amministrazione straordinaria, liquidazione coatta amministrativa* or any other bankruptcy proceedings pursuant to Title IV of legislative decree No. 385 of 1 September 1993 or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or
- (b) the Originator or a different Servicer takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment and the Representative of the Noteholders, in its reasonable opinion, determines that any of the aforementioned events has or may have material adverse effects on the financial situation of the Originator or the different Servicer; or
- (iv) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator or the different Servicer; or
- (v) the occurrence of a Performance Event determined by the Calculation Agent; or
- (vi) the Cash Reserve Amount on any Payment Date is lower than the Cash Reserve Target Amount;
- (vii) the Issuer has terminated the appointment of the Originator as Servicer following the occurrence of a Servicer Termination Event set forth in clause 9.1 of the Servicing Agreement or the Originator has withdrawn from the relevant appointment pursuant to clause 10 of the Servicing Agreement;
- (viii) the Issuer has delivered a notice pursuant to Condition 8.5 (*Optional Redemption in whole for taxation reasons*);
- (ix) on any Calculation Date, the balance of the Principal Available Funds deposited in the Collection Account (also taking into account the payments made by the Issuer for the payment of the Principal Components of the Individual Purchase Price of each Additional Portfolio on the Payment Date immediately following) is higher than 10% of the Outstanding Principal of the Initial Portfolio;
- (x) on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments.
- (s) for the purpose of compliance with article 21(7) of the Securitisation Regulation, the contractual obligations, duties and responsibilities of the Servicer, the Representative of the Noteholders and the other service providers are set out in the relevant Transaction Documents (for further details, see the sections headed “*Description of the Transaction Documents – Servicing Agreement*”, “*Description of the Transaction Documents – Cash Allocation, Management and Payments Agreement*”, “*Description of the Transaction Documents – Corporate Services Agreement*” and “*Terms and Conditions of the Notes*”). In addition, the Servicing Agreement and the Back-Up Servicing Agreement contain provisions aimed at ensuring that a default by or an insolvency of the Servicer does not result in a termination of the servicing of the Aggregate Portfolio, by the replacement of the defaulted or insolvent Servicer with the Back-Up Servicer or a substitute servicer, (for further details, see the sections headed “*Description of the Transaction Documents*



- *Servicing Agreement*” and “*Description of the Transaction Documents – Back-Up Servicing Agreement*”). Finally, the Cash Allocation, Management and Payments Agreement and the Cap Agreement contain provisions aimed at ensuring the replacement of the Account Bank and the Cap Counterparty, respectively in case of its default, insolvency or other specified events. In particular, under the Intercreditor Agreement, it is provided that, if the Cap Transaction is terminated early and no Trigger Event has occurred, the Issuer will use its best endeavours to replace the Cap Transaction with a replacement cap counterparty. Whether the Issuer is able to replace the Cap Transaction will be dependent on the circumstances at the time and may not be possible. (For further details, see the section headed “*Description of the Transaction Documents – Cash Allocation, Management and Payments Agreement*”, “*Description of the Transaction Documents – Cap Agreement*” and “*Description of the Transaction Documents – Intercreditor Agreement*”);

- (t) for the purpose of compliance with article 21(8) of the Securitisation Regulation, under the Servicing Agreement the Servicer has represented and warranted that it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five) years and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures. In addition, pursuant to the Servicing Agreement, the Back-Up Servicer and any Substitute Servicer shall have expertise in servicing exposures of a similar nature to those securitised and well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures (for further details, see the section headed “*Description of the Transaction Documents - Servicing Agreement*”);
- (u) for the purpose of compliance with article 21(9) of the Securitisation Regulation, the Servicing Agreement and the Credit and Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies (for further details, see the sections headed, “*Description of the Transaction Documents – Servicing Agreement*” and “*Credit and Collection Policies*”). In addition, the Transaction Documents clearly specify the Priorities of Payments and the events which trigger changes in such Priorities of Payments. Pursuant to the Cash Allocation, Management and Payments Agreement and the Intercreditor Agreement, (i) the Calculation Agent has undertaken to prepare, within 5 Business Days prior to each Sec Reg Report Date, the Sec Reg Investor Report and to deliver it via email to the Originator setting out certain information with respect to the Notes (including, *inter alia*, the events which trigger changes in the Priorities of Payments), in compliance with the Securitisation Regulation, and the Originator has undertaken to make it available to the investors in the Notes on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)) (for further details, see the sections headed, “*Description of the Transaction Documents – Intercreditor Agreement*” and “*Description of the Transaction Documents – Cash Allocation, Management and Payments Agreement*”);
- (v) for the purposes of compliance with article 21(10) of the Securitisation Regulation, the Conditions (including the Rules of the Organisation of the Noteholders attached thereto) contain clear provisions that facilitate the timely resolution of conflicts between Noteholders of different Classes, clearly define and allocate voting rights to Noteholders and clearly identify the responsibilities of the Representative of the Noteholders (for further details, see the section headed “*Terms and Conditions of the Notes*”);
- (w) for the purposes of compliance with article 22(1) of the Securitisation Regulation, under the Intercreditor Agreement Creditis has confirmed that (i) it has made available to potential investors in the Notes before pricing, on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) as initial holder of part of the Listed Notes and the whole of the Class R Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data,

for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years (for further details, see the section headed “*Description of the Transaction Documents – Intercreditor Agreement*”);

- (x) for the purposes of compliance with article 22(2) of the Securitisation Regulation, an external verification (including verification that the data disclosed in this Prospectus in respect of the Receivables is accurate) has been made in respect of the Initial Portfolio prior to the Issue Date by an appropriate and independent party and no significant adverse findings have been found.
- (y) for the purposes of compliance with article 22(3) of the Securitisation Regulation, under the Intercreditor Agreement Creditis has confirmed that (i) it has made available to potential investors in the Notes before pricing, on the website of Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer, and (ii) as initial holder of the part of the Listed Notes and all of the Class R Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer. In addition, pursuant to the Intercreditor Agreement Creditis has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the website of Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer (for further details, see the section headed “*Description of the Transaction Documents – Intercreditor Agreement*”);
- (z) for the purposes of compliance with article 22(4) of the Securitisation Regulation, the Receivables securitised are not residential loans, auto loans nor leases; therefore, the requirements of article 22(4), of the Securitisation Regulation are not applicable;
- (aa) for the purposes of compliance with article 22(5) of the Securitisation Regulation, under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that Creditis, in its capacity as Originator, is designated as Reporting Entity, pursuant to and for the purposes of article 7(2), of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the reporting requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurowdw.eu](http://editor.eurowdw.eu)). As to pre-pricing information, Creditis has confirmed that (i) it has made available to potential investors in the Notes before pricing the information under point (a) of article 7(1) of the Securitisation Regulation upon request and the information under points (b) and (d) of article 7(1) of the Securitisation Regulation in draft form, and (ii) as initial holder of part of the Listed Notes and all of the Class R Notes, it has been, before pricing, in possession of the data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation. As to post-closing information, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: (i) the Calculation Agent shall prepare the Sec Reg Investor Report and deliver it to the Originator who shall make it available, together with the Sec Reg Asset Level Report prepared by it to the investors in the Notes by no later than each Sec Reg Report Date by publishing them on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurowdw.eu](http://editor.eurowdw.eu)) and the Originator shall prepare and deliver to the investors in the Notes without undue delay the Inside Information Report and the Significant Event Report, in compliance with points (f) and (g) respectively of the first subparagraph of article 7(1) of the Securitisation Regulation and make them available to the investors in the Notes without undue delay by publishing it on the website of European DataWarehouse (being, as at

the date of this Prospectus, editor.eurodw.eu); and (ii) the Originator shall make available a copy of the final Prospectus and the other final Transaction Documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation (for further details, see the sections headed, “*Description of the Transaction Documents – Cash Allocation, Management and Payments Agreement*” and “*Description of the Transaction Documents – Intercreditor Agreement*”).

A statement that a notification has been, or is intended to be communicated to ESMA, as regards simple, transparent and standardised securitisation (‘STS’) compliance, where applicable. This should be accompanied by an explanation of the meaning of such notification together with a reference or hyperlink to ESMA’s data base indicating that the STS-notification is available for download there if deemed necessary.

### **Criteria for credit-granting**

With reference to article 9 of the Securitisation Regulation, under the Listed Notes Subscription Agreement Creditis, in its capacity as Originator, has represented to the Joint Lead Managers and the Arranger that (i) it has applied and will apply, as the case may be, to the Receivables the same sound and well-defined criteria for credit-granting which it applies to non-securitised exposures; (ii) it has clearly established the processes for approving and, where relevant, amending, renewing and refinancing the Receivables as it applies to the exposures it holds; and (iii) has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Debtors’ creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Debtors meeting their obligations under the Loan Agreements.

***Compliance with the STS Requirements is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2014/65/EU) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC).***

## **CREDIT AND COLLECTION POLICIES**

*The description of the Credit and Collection Policies set out below is a detailed summary of certain features of the Credit and Collection Policies adopted by Creditis Servizi Finanziari S.p.A. and is qualified by reference to the detailed contents of the Credit and Collection Policies enclosed under annex 1 to the Servicing Agreement, which is in the Italian language and which represents the procedure agreed and effected by the Issuer and the Servicer for, inter alia, the collection and recovery of the Receivables. Prospective Noteholders may inspect copies of the Transaction Documents (including the Servicing Agreement and the annexes thereof) upon request at the specified office of each of the Representative of the Noteholders and the Paying Agents.*

### **SECTION A**

#### **(Credit Policies)**

##### **1 Loan Request**

The potential client seeks a loan by: (i) Agents (ii) Bank branches (collectively Agents, Bank branches: “Retailers”).

The Retailers - after fulfilling all legal obligations in terms of anti-money laundering, transparency and usury – confirms that the minimum requirements are met (i.e. existence of a salary/ pension; employer meets the scoring requirements set by the Insurance Company) before proceeding to submitting the request.

If minimal requirements are satisfied, the Retailers – liaising with Creditis’s front-end interface – prepares a financial simulation for the client, tailor made to client financial needs.

If the client wants to proceed, the loan request is created on Creditis’s front-end interface.

Simultaneously the Retailers collects and certifies all the documentation needed for preparing the case as far as described in Creditis’s procedures handbook and sends it to a Creditis’s designated outsourcer in charge of preliminary controls.

##### **2 Origination and Underwriting**

The designated outsourcer verifies the documentation received and concludes all the activities necessary to complete the file as far as described in Creditis’s procedures handbook before sending it to Creditis internal department (Centro Relazioni Clientela) responsible for credit evaluation and underwriting.

Outsourcer activity is strictly monitored by an internal department, whose mission is to detect possible anomalies, to watch operational SLA (i.e. timing) and to evaluate possible process improvements.

Credit evaluation takes into account the peculiarity of the CQ loans, in which the employer is the subject called to pay the single installment on employee’s mandate.

Therefore, the credit evaluation of the employer takes into account the following:

- Internal scoring from insurance companies (which includes concentration limits for single employer);
- Absence of prejudicial evidence or of financial instability;
- Internal information (i.e. bad credit history with Creditis).

The main steps of the underwriting process are the following:

(a) conformity checks - the operator must always ensure that the data uploaded to the system correspond to what is written on the documents that make up the investigation kit;

(a) collect, as the case may be, documentary evidence of the Borrower’s identity, address, income, expenses, and savings;

(b) check the consistency of the supporting documents to prevent any fraud through IT tools and manual checks;

(c) analysis of the evidences from the SIC - Credit information System;

(d) checks with respect to certain situations, which may be a symptom of a tendency to over-indebtedness of the family unit;

(e) file all the documents supporting the information and the findings of external or internal database search (electronically and physically);

The required documents are:

<b>Consent form for the processing of personal data (Privacy policy)</b>	<b>MANDATORY</b>
<b>Contract form</b>	<b>MANDATORY</b>
<b>Copy of the identification document</b>	<b>MANDATORY</b>
<b>Copy of the tax code</b>	<b>MANDATORY</b>
<b>Copy of documents certifying the income</b>	<b>MANDATORY</b>
<b>Salary certificate / Pension certificate</b>	<b>MANDATORY</b>
<b>Medical questionnaire of the insurance company</b>	<b>MANDATORY</b>
<b>Pension fund statement</b>	<b>ANCILLARY</b>
<b>Copy of the user or payment receipt / Copy of the residence certificate</b>	<b>ANCILLARY</b>
<b>Copy of the residence permit or stay card</b>	<b>ANCILLARY</b>

In any event, financing cannot be obtained by anyone who:

- is not in good health (as shown by a medical exam);
- is not actively working (e.g. on a leave of absence or on disciplinary leave);
- is not financially reliable considering his net cash flow available from external database;
- will reach retirement age before maturity, other than in case of assignment of the fifth of the pension;

In the acceptance phase, the level of signature required to proceed to the request for financing is automatically determined by the IT system, depending on the outcome of the credit checks and the customer's exposure data.

Based on the results of each of the credit checks, the IT system assigns the minimum signature level necessary for the approval of the file, calculated as the highest among those invoked by the various credit checks.

If controls are positive the loan is underwritten and the results communicated to the Retailers.

The activity of the underwriting team is organized through a workflow application that allows the detailed monitoring and management of all the various phases of the underwriting process, including the process of requesting of Insurance Policy and the notification of the contract to the Employer.

### **3 Notification and Loan Disbursement**

Creditis request the issuance of the Insurance Policy. Having received The Insurance Policy proceeds to notify the Employer and to the Pension Fund (only for employee, if there is).

Creditis, having received a formal acceptance of the contract from the Employer, disburses the loan to the client. Before the loan can actually be paid, Creditis carries out a final check to ensure that all the documents necessary in order to complete the transaction are both formally and substantially in its possession.

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## **SECTION B**

### **(Collection Policies)**

#### **1 Organization and Processes**

Receivables collection in Creditis is based on a systematic collection approach, based on these fundamental principles:

define an operating business model that makes full use of internal and external resources, using outsourcers and debt collecting companies as an "operational extension" of the division, aligning its objectives, sharing plans and performance benchmarks and demanding processes which are in line with values and numerical results.

develop instruments and information systems so that they can support management strategies at the level of automation, flexibility of experimentation and segmentation.

constantly monitor the progress of the various activities in order to ensure correct execution and performance growth.

Creditis' receivables collection department is responsible for:

- managing due receivables of every order and grade, including judicial debt recovery activities,
- monitoring the performance of the due receivables portfolio and the recovery performance,
- identify and implement additional or innovative strategies for the improvement of recovery results, and for a comprehensive customer management,
- directing and coordinating external companies that carry out recovery activities, monitoring and supporting their activities,
- managing cash flows and the accounting of payments,
- managing the monitoring activity of the Salary Assignment, after-sales and claims activities,
- directing and managing relations with insurance companies for claims from CPI and Salary Assignment,
- managing operational relations with the corresponding entities of Banca Carige Group.

#### **2 Collection Policy - Assignment of the Fifth of the Salary**

With regard to the Salary Assignment, the timely and correct management of the collection of quotas is fundamental and is carried out in close synergy between Creditis' back office structure and the

receivables collection department, supported in the operations by specialized outsourcers - Flow Chart 1.

The management of the collection of receivables on the sale/delegation product is divided into two main activities:

- phone / home receivables collection for outstanding amounts
- claims management

Both phases are managed entirely by the OCS receivables collection, which also allows extractions for monitoring activities.

The subdivision is necessary to manage the collection of quotas in a different way, in relation to the two cases; for the first one, the phone collection activity is carried out towards the ATC (company holding the receivable) and eventually towards the assignor (customer), as the purpose is to obtain the payment of the unpaid quotas or the due TFR (Employee Severance Indemnities).

For the second one, the intervention is carried out mainly towards the Insurance Companies, while the request on the ATC or on the transferor is mainly directed to the production of the necessary documentation for the liquidation by the company.

### **3 Phone / home collection for outstanding quotas**

The product includes different ATCs, with different rates of payment of fees to the assignor. A single payment instalment due date has been set for the management system and an adequate time frame has been parameterised to ensure certainty of the due amount and therefore to mark the start of recovery actions.

For these reasons, the CQS/DP product files enter the receivables collection - and therefore confirm the state of insolvency - starting from the minimum outstanding amount of € 75 and with 45 days delay from the due date which coincides with the last calendar day of the month.

Positions can be managed either internally for issues relating to quotas or even entrusted to specialised external companies, mainly divided into periodic Lots differentiated by product and in relation to the outstanding quotas.

The management of positions with a high number of due receivables or that arise from negative telephone management, involves the sending of letters of formal notice, including legal notices.

In the event of bankruptcy proceedings against the ATC, at present - given the limited number of positions - Creditis' receivable collection prepares and manages the legal documents, interfacing with the receiver or liquidator and following the entire procedure.

### **4 Claims management**

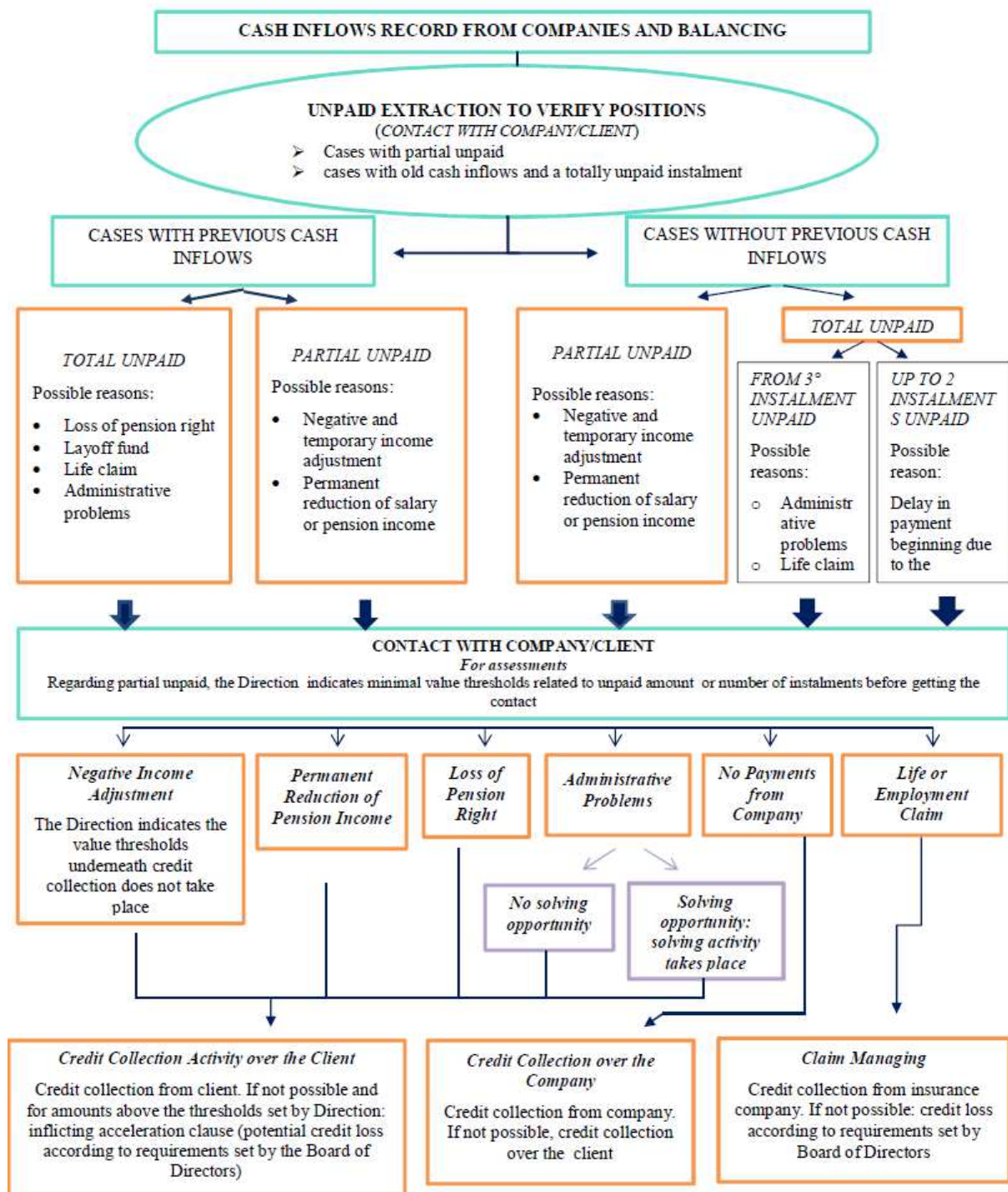
The activity of receivables collection on this product also allows for awareness as to situations that may lead to the submission of temporary claims, which therefore require the precautionary complaint of the event to the insurance company and the management of quotas that are expiring in the relative period of time, and final claims concerning the loss of employment or the death of the assignor.

The final employment claims always concern the termination of the employment relationship; the intervention is aimed at recovering the TFR (severance indemnity), verifying a possible relocation of the transferor or, in the opposite case, a payment request by the insurance company.

The final life claims concern the cases of death of the transferor; the intervention is aimed at recovering the documentation useful for the submission of the claim and the payment thereof by the insurance company.

Final claims are submitted with a complaint. Creditis mainly reports claims to the specialized outsourcer with whom it collaborates, who proceeds with the submission and manages the entire activity. The monitoring of the timing and evolution of claims is carried out monthly by Creditis' receivables collection department.

Flow Chart 1





## **USE OF PROCEEDS**

The net proceeds of the Notes, equal to Euro 180,414,556 will be applied on the Issue Date to pay the Purchase Price of the Initial Portfolio, to credit the Cash Reserve Initial Amount to the Payments Account, to credit the Prepayment Reserve Initial Amount to the Payments Account, to credit the Retention Amount to the Payments Account and to pay certain other expenses related to the Securitisation, including the premium on the Cap Agreement to the Cap Counterparty.

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

The section set forth below contains the description of certain aspects of the Transaction Documents and is qualified by reference to the detailed provisions of each such Transaction Document. All capitalised words or expressions used below and not otherwise defined herein shall have the meaning ascribed to such words or expressions in the relevant Transaction Document. Prospective Noteholders may inspect a copy of the Transaction Documents listed under the section “General Information” of this Prospectus upon request (i) at the specified office of each of the Representative of the Noteholders and the Principal Paying Agent, and (ii) within 15 days of the Issue Date, on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)).

### **1. MASTER RECEIVABLES PURCHASE AGREEMENT AND RECEIVABLES PURCHASE AGREEMENT**

#### **a) Sale of the Initial Portfolio**

Pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement entered into on 17 September 2019, the Originator has assigned and transferred without recourse (*pro soluto*) and in block (*in blocco*) to the Issuer, and the Issuer acquired without recourse (*pro soluto*), pursuant to the provisions of articles 1 and 4 of the Securitisation Law, the Initial Portfolio which satisfied the selection criteria set forth in the Master Receivables Purchase Agreement and published on the Official Gazette no. 111 Part II of the Republic of Italy dated 21 September 2019 in order to ensure that the Receivables have the same legal and financial characteristic. For a description of such eligibility criteria, see section “*The Aggregate Portfolio*”.

#### **b) Purchase Price of the Initial Portfolio**

The purchase price of the Initial Portfolio will be paid by the Issuer, subject to compliance with the relevant conditions (*inter alia*, compliance with publicity requirements set out by applicable laws) provided in the Master Receivables Purchase Agreement, on the Issue Date, out of the proceeds from the issuance of the Notes issued under the Securitisation.

#### **c) Sale of Additional Portfolios**

In addition, pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreements, the Originator may transfer without recourse (*pro soluto*) and in block (*in blocco*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law, Additional Portfolios during the Revolving Period, subject to such Additional Portfolios meeting the Eligibility Criteria and certain Purchase Conditions being met with respect to the Aggregate Portfolio.

#### **d) Purchase Price of the Additional Portfolios**

The purchase price of any Additional Portfolio will be paid by the Issuer, subject to compliance with the relevant conditions (*inter alia*, compliance with publicity requirements set out by applicable laws) provided in the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreements, on the relevant Transfer Date, out of the Issuer Available Funds in accordance with the applicable Priority of Payment.

#### **e) Purchase Termination Events**

##### **(i) *Breach of obligations by the Originator:***

- (a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable 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 5 (five) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 5 (five) calendar days after the Representative of the Noteholders has given such written notice, unless the relevant breach has been cured by the Originator and written evidence

hereof has been given to the Representative of the Noteholders; or

- (b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (a) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 20 (twenty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 10 (ten) calendar days after the Representative of the Noteholders has given such written notice; or

**(ii) Breach of representations and warranties by the Originator:**

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading in any material respect unless (A) in case of representations and warranties given by the Originator with respect to the Portfolio, (i) the relevant affected Receivable(s) has been repurchased in accordance with clause 4.6 of the Warranty and Indemnity Agreement and/or (ii) the Originator has granted a Limited Recourse Loan in accordance with clause 3.1 of the Warranty and Indemnity Agreement and/or (B) the Originator provides a remedy within 10 (ten) calendar days of receipt of a written notice of such breach from the Representative of the Noteholders to remedy the matter giving rise thereto; or

**(iii) Insolvency of the Originator:**

- (a) the Originator or a different Servicer becomes subject to any amministrazione straordinaria, liquidazione coatta amministrativa or any other bankruptcy proceedings pursuant to Title IV of legislative decree No. 385 of 1 September 1993 or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or
- (b) the Originator or a different Servicer takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment and the Representative of the Noteholders, in its reasonable opinion, determines that any of the aforementioned events has or may have material adverse effects on the financial situation of the Originator or the different Servicer; or

**(iv) Winding up of the Originator or the different Servicer:**

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator or the different Servicer; or

**(v) Performance Event:**

the occurrence of a Performance Event determined by the Calculation Agent; or

**(vi) Insufficiency of the reserve**

the Cash Reserve Amount on any Payment Date is lower than Cash Reserve Target Amount;

**(vii) Termination or withdrawal of the Originator's appointment as Servicer:**

the Issuer has terminated the appointment of the Originator as Servicer following the occurrence of a Servicer Termination Event set forth in clause 9.1 of the Servicing Agreement or the Originator has withdrawn from the relevant appointment pursuant to clause 10 of the Servicing Agreement

**(viii) Delivery of a notice for Optional Redemption in whole for taxation reasons:**

the Issuer has delivered a notice pursuant to Condition 8.5 (*Optional Redemption in whole for taxation reasons*);

**(ix) *failure to use the Principal Available Funds for the purchase of Additional Portfolios***

on any Calculation Date, the balance of the Principal Available Funds deposited in the Collection Account (also taking into account the payments made by the Issuer for the payment of the Principal Components of the Individual Purchase Price of each Additional Portfolio on the Payment Date immediately following) is higher than 10% of the Outstanding Principal of the Initial Portfolio,

**(x) *Principal Deficiency:***

on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments;

then the Representative of the Noteholders shall deliver a notice (the “**Purchase Termination Notice**”) to the Issuer, the Originator, the Cap Counterparty, the Rating Agencies and the Calculation Agent. After the service of a Purchase Termination Notice, the Issuer shall refrain from purchasing any Additional Portfolios under the Master Receivables Purchase Agreement.

**f) Repurchase of individual Receivables**

Pursuant to clause 15.1 of the Master Receivables Purchase Agreement, the Originator has the option to repurchase from the Issuer individual Receivables for commercial reasons within a maximum cap for the life of the Securitisation (calculated on the basis of the Outstanding Balance of the Receivables collectively repurchased by the Originator pursuant to such clause) equal to 7.5% of the sum of the Outstanding Principal Due of the Initial Portfolio and of each Additional Portfolio as of the relevant Valuation Date.

The relevant purchase price shall be at least equal to:

- for the Defaulted Receivables, the fair market value as agreed from time to time between the Originator and the Issuer (which shall act in consultation with the Representative of the Noteholders, acting in compliance with the provisions of the Rules of the Organisation of the Noteholders), provided that, in the absence of an agreement between the Originator and the Issuer, the relevant repurchase price shall be determined by a third party, independent from the Originator and the other parties involved in the Securitisation, jointly appointed by the Originator and the Issuer (which shall act in consultation with the Representative of the Noteholders, acting in compliance with the provisions of the Rules of the Organisation of the Noteholders); and
- for the Receivables other than Defaulted Receivables, the aggregate of: (i) the Outstanding Principal of the relevant Receivable as of the date in which the relevant valuation will be carried out, (ii) without double counting amounts already included in item (i), any other amount in relation to each Receivable due and not paid from the relevant Debtor as of the date on which the relevant valuation will be carried out, and (iii) an amount equal to the Accrued Interest on the relevant Receivable as of the date in which the relevant valuation will be carried out.

**g) Applicable law and jurisdiction**

The Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement are written in Italian. The Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement and all non-contractual obligations arising out of or in connection with the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement is governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement including all non-contractual obligations thereof, the Parties have agreed to submit to the exclusive jurisdiction of the Courts of Milan, Italy.

## 2. WARRANTY AND INDEMNITY AGREEMENT

### a) Representations and warranties given by the Originator

The following representations and warranties have been given by the Originator:

#### 1.1. *Status and Transaction Documents*

- (a) *Status*: the Originator is a financial intermediary duly and validly incorporated, organized and existing and *in bonis* pursuant to Italian law, registered with the list of the financial intermediaries held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, and having the full capacity to enter into the Master Receivables Purchase Agreement and any other Transaction Document to which it is or it will be a party and to fulfil the relevant obligations under the Master Receivables Purchase Agreement and of such documents.
- (b) *Permissions and authorisations*: all the activities, permissions and any authorisations necessary to allow the execution and the performance by the Originator of the Master Receivables Purchase Agreement and of all the other Transaction Documents to which it is a party, have been duly performed and obtained.
- (c) *Powers*: the execution of the Master Receivables Purchase Agreement and any other Transaction Documents to which it is a party and the performance of the obligations therein provided:
  - (i) comply with the Originator's by-laws ("*statuto*");
  - (ii) have been duly authorized and approved by the competent corporate bodies of the Originator;
  - (iii) do not require any authorisation, nihil-obstat, consent by any public administration, entity or State authority other than such authorisations, nihil-obstat and consents already obtained by the Originator;
  - (iv) do not violate any obligation, waiver of any right or breach of any limit, by the Originator or its directors, provided by:
    - (1) its deed of incorporation ("*atto costitutivo*");
    - (2) its by-laws ("*statuto*");
    - (3) laws, provisions and regulations in force and applicable to the Originator;
    - (4) any agreements, deeds, documents or any other contract binding for the Originator; or
    - (5) any judgements, judicial deeds, arbitrations, injunctions, orders, or any other decrees binding for or applicable to the Originator or its assets.
- (d) *Transaction Documents*: the execution of the Master Receivables Purchase Agreement and of the other Transaction Documents to be executed by the Originator constitute legal, valid and binding obligations of the Originator which may not be annulled, cancelled or terminated and which are validly enforceable in judicial proceedings against it in accordance with their respective terms and conditions.
- (e) *Solvency*: the Originator is solvent and no facts or circumstances exist, to its knowledge and belief, which might render the Originator insolvent or unable to duly perform its obligations or subject to any insolvency event, nor any corporate action has been taken for its winding up or dissolution, nor any other action has been taken against or in respect of it which might adversely affect its capacity and ability to effect the assignment and transfer of the Receivables pursuant to the terms of the Master Receivables Purchase Agreement or to perform the obligations undertaken with the Master Receivables Purchase Agreement and with all the other Transaction Documents to which it is or will become a party, nor it will become insolvent as a consequence of the execution and performance of the Master Receivables Purchase Agreement and/or any other Transaction Document to which it is or will become a party.

- (f) *Financial Statements*: the most recent audited financial statements of the Originator give a true and fair view of the financial position of the Originator on that date and of the results of the activities of the Originator for the financial year ending at that date, all the above in accordance with the accounting principles generally accepted in Italy and consistently applied. Since the date of such financial statement, no material negative changes have occurred to the Originator's economic-financial and operating conditions which may have a material adverse effect on its ability to perform and duly comply with all its obligations under the Master Receivables Purchase Agreement and any other Transaction Document to which it is a party.
- (g) *Execution of the Transaction Documents and disclosure of information*: neither the execution nor the performance by the Originator of the Master Receivables Purchase Agreement and other Transaction Documents to which it is or will become a party, nor the disclosure of accounting information or other information related to the Debtors, the Guarantors, the Employers nor the Insurance Companies, the Loan Agreements, the Salary Assignment, the Payment Delegation, the Insurance Policies, the Receivables and the Credit and Collection Policies will violate or will constitute a breach of any other agreement (including, but not limited to, the Loan Agreements, the Salary Assignment, the Payment Delegation and the Insurance Policies) nor be able to compromise the efficacy of the Master Receivables Purchase Agreement and the Transaction Documents to which it is a party.
- (h) *Servicing Agreement*: other than the Servicing Agreement, the Originator has not entered into any servicing agreement with regard to the Loan Agreements or other servicing agreement that could be binding on the Issuer or could in any way affect the exercise by the Issuer of the rights arising from the Loan Agreements, the Salary Assignment, the Payment Delegation, the Insurance Policies or the Notes.

## **1.2. Existence, validity and title to the Receivables**

- (a) *Existence and validity of the Receivables*: the Receivables are existing and constitute legal, valid and binding and enforceable obligations of the Debtors and, with respect to each Salary Assignment and each Payment Delegation, of the Employer and with reference to the Insurance Policies, of the Insurance Companies (save for the application of the Italian Bankruptcy Law or any other similar law provisions generally applicable to the creditors' right).
- (b) *Title to the Receivables*: on the relevant Valuation Date and on the relevant Transfer Date, the Originator has full and unconditional title and ownership of the Receivables and each Receivable is not subject to any pre-bankruptcy agreement, foreclosure, or other encumbrances or charges in favour of any third parties, and therefore it is freely transferable in favour of the Issuer; the Originator is, at the relevant Valuation Date and the relevant Transfer Date, the beneficiary of each Salary Assignment, Payment Delegation, Insurance Policy and Collateral Security.
- (c) *Privileges and waivers*: the Originator has neither transferred nor assigned (whether absolutely or by way of security), nor charged, encumbered, granted any co-ownership right ("*dato in comunione*") over, or otherwise assigned of, in whole or in part, any of its rights, title, interests to, or beneficial interests in the Loan Agreements, the Salary Assignment, the Payment Delegation, the Insurance Policies, the Receivables and/or the Collateral Securities, nor has terminated, waived, changed or further modified the terms and the conditions of the relevant Loan Agreements, Salary Assignment, Payment Delegation, Insurance Policies, Receivables and/or Collateral Securities, nor has otherwise created or granted, or allowed any third parties to create or grant, in whole or part, any lien, mortgage, charge, or any other ancillary right *in rem* ("*diritto reale minore*") for the benefit of any third party, additional to those already provided for under the Transaction Documents to which it is a party, over one or more Loan Agreements, Salary Assignment, Payment Delegation, Insurance Policies and Receivables.
- (d) *Rights deriving from the transfer of the Receivables*: there are no clauses or provisions in the Loan Agreements, Salary Assignments, Payment Delegations, Insurance Policies, Collateral Securities and/or any other agreement, deed or documents relating thereto, pursuant to which the Debtors and/or Guarantors and/or Employers and/or Pension Authority and/or Pension

Funds are entitled to exercise any rights or powers as a consequence of the transfer of the Receivables.

- (e) *Employers, Pension Authorities and Pension Funds*: all the Employers, Pension Authorities and Pension Funds are set up and have their registered office or operative office in Italy as at the date of execution of the relevant Loan Agreement; to the knowledge of Creditis, all the Employers, Pension Authorities and Pension Funds are set up pursuant to Italian law and have their registered office or operative office in Italy as at the Effective Date.

### **1.3. Transferability of the Receivables**

- (a) *Transferability of the Receivables*: there are no clauses or provisions in the Loan Agreements, the Salary Assignments, the Payment Delegations, the Insurance Policies or the Collateral Securities and/or in the other agreements, deeds or documents related thereto, nor in the Reference Laws and any other applicable law and regulations, pursuant to which the Originator is prevented or limited from transferring, assigning or otherwise disposing of any of the Receivables.
- (b) *Effects of the transfer of the Receivables*: the transfer of Receivables to the Issuer pursuant to, and in accordance with, the modes of the Master Receivables Purchase Agreement, entails the full ownership of each relevant Receivable in favour of the Issuer and therefore the right to request, once the formalities for the enforceability of the transfer provided in the Master Receivables Purchase Agreement have been carried out, the payment of the Receivables directly from the respective Debtors, Guarantors, Employers, Pension Authorities, also with reference to severance payments and - with respect to the assignment of severance payments to pension funds - from such pension funds (and/or the relevant management companies) and with respect to the Insurance Policies, from the respective Insurance Companies.
- (c) *No prejudicial effects deriving from the transfer of the Receivables*: the transfer of the Receivables to the Issuer does not negatively affect in any manner any payment obligations in respect of the Receivables or the validity or effectiveness of any other obligation of the Debtors, Guarantors and/or Employers and/or Pension Authorities and/or Insurance Companies nor any other third party obliged vis-à-vis the Originator, by virtue of any agreement, deed or document executed in connection with the Loan Agreements, the Salary Assignments, the Payment Delegations, the Insurance Policies or the Collateral Securities.
- (d) *Authorisations and formalities for the transfer*: all the permits, concessions, approvals, authorisations, consents, licenses, exemptions, deposits, certifications, registrations or declarations required by mandatory law provisions to any competent authority or provided by the Transaction Documents to which the Originator is a party according to the terms indicated therein necessary to the transfer of Receivables to be obtained, performed and lend by the Originator which shall provide, *inter alia*, all the necessary information, have been (or will be within the relevant terms) obtained, made, or lend in full force.
- (e) *Validity of the transfers*: the transfers of the Receivables to the Issuer in accordance with the Master Receivables Purchase Agreement, does not violate nor constitute a breach of the terms and of the provisions of the Loan Agreements, the Salary Assignments, the Payment Delegations or the Insurance Policies, nor of the Reference Laws ("*Normativa di Riferimento*") and any other applicable regulation by the Originator.
- (f) *Purchase Conditions and Prerequisites*: the transfer of each Portfolio will meet, as of the relevant Offer Date, all the Purchase Conditions and as of such date, the Prerequisites for the transfer of the relevant Portfolio will be met.

### **1.4. Portfolio and transfer of Receivables**

- (a) *Portfolio identifiable in pool*: the Receivables, being the object of the Master Receivables Purchase Agreement, constitute a plurality of monetary homogeneous Receivables identifiable as a pool ("*in blocco*"), pursuant to and in accordance with articles 1 and 4 of the Securitisation Law.

- (b) *Compliance with the Criteria*: the Originator has selected the Receivables of each receivables purchase agreement pursuant to the Master Receivables Purchase Agreement; the Receivables shall meet the Common Criteria, the Specific Criteria and the Additional Criteria, if any, which should integrate the Common Criteria and the Specific Criteria, the Additional Criteria shall not affect nor modify such Common Criteria and Specific Criteria.
- (c) *Compliance with the applicable law*: the transfer of the Receivables to the Issuer is compliant with the Securitisation Law, the Referene Laws to the extent applicable and any other applicable regulation nd has been made enforceable against each relevant obligor assigned pursuant to the aforementioned rules.

### **1.5. Compliance with STS Requirements**

- (a) for the purpose of compliance with article 20(6) of the Securitisation Regulation, the Originator has represented and warranted that, as at the relevant Transfer Date, each Receivable is (or will be with reference to any Receivable included in each Additional Portfolio) fully and unconditionally owned and available directly to Creditis and is not (or will be not with reference to any Receivable included in each Additional Portfolio) subject to any lien (*pignoramento*), seizure (*sequestro*) or other charge in favour of any third party (except any charge arising from the applicable mandatory law) or other charge in favour of any third party or otherwise in a condition that can be foreseen to adversely affect the enforceability of the transfer of Receivables under the Master Receivables Purchase Agreement and is freely transferable to the Issuer.
- (b) for the purpose of compliance with article 20(8) of the Securitisation Regulation, the Originator has represented and warranted that, as at the relevant Transfer Date, (A) each Portfolio will be homogeneous in terms of asset type taking into account the specific characteristic relating to the cash flows of the asset type including their contractual, credit-risk and prepayment characteristics, given that: (a) all Receivables have been (or will be with reference to any Receivable included in each Additional Portfolio) originated by Creditis, based on similar loan disbursement policies which apply similar approaches to the assessment of credit risk associated with the underlying exposures; (b) all Receivables have been (or will be with reference to any Receivable included in each Additional Portfolio) serviced by Creditis according to similar servicing procedures; (c) all Receivables fall (or will fall with reference to any Receivable included in each Additional Portfolio) within the same asset category of the relevant Technical Standards named “*credit facilities to individuals for personal, family or household consumption purposes*”; (B) the Receivables constitute (or will constitute with reference to any Receivable included in each Additional Portfolio) binding and enforceable obligations pursuant to the relevant Loan Agreement and such obligations are valid and with full recourse to the Debtors, Guarantors and Insurance Policies; and (C) the Initial Portfolio does not and any Additional Portfolio will not comprise any transferable securities, as defined in point (44) of article 4(1) of Directive 2014/65/EU.
- (c) for the purpose of compliance with article 20(9) of the Securitisation Regulation, the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Transfer Date, the Initial Portfolio does not, and any Additional Portfolio will not, comprise any securitisation positions.
- (d) for the purpose of compliance with article 20(10), of the Securitisation Regulation, the Originator has represented and warranted that (i) each of the Receivables derives (or will derive with reference to any Receivable included in each Additional Portfolio) from duly executed Loan Agreements which have been granted by Creditis in its ordinary course of business, in compliance with underwriting standards that are no less stringent than those that the Originator applied, or will apply, as the case may be, at the time of the origination to similar exposures that are not securitised (ii) Creditis has assessed and will assess the Debtors’ creditworthiness in compliance with the requirements set out in article 8 of Directive 2008/48/EC; and (iii) Creditis has expertise in originating exposures of a similar nature to those assigned under the Securitisation for at least 5 years.



- (e) for the purpose of compliance with article 20(11) of the Securitisation Regulation, the Originator has represented and warranted that, as at the relevant Valuation Date and as at the relevant Transfer Date, the Initial Portfolio does not, and each Additional Portfolio will not, include Receivables qualified as exposures in default within the meaning of article 178, paragraph 1, of Regulation (EU) no. 575/2013 or as exposures to a credit-impaired debtor or guarantor, who, to the best of Creditis' knowledge:
  - 1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the underlying exposures to the Company, except if:
    - (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring, which must have taken place at least one year prior to the date of transfer of the underlying exposures to the Company; and
    - (ii) the information provided by Creditis in accordance with points (a) and (e)(i) of the first subparagraph of article 7(1) of the Securitisation Regulation explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;
  - 2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history; or
  - 3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than the ones of comparable exposures held by Creditis which have not been assigned under the Securitisation.
- (f) for the purpose of compliance with article 20(13), of the Securitisation Regulation, under the Warranty and Indemnity Agreement, the Originator has represented and warranted that each Loan Agreement provides for an amortising plan with 12 (twelve) Instalments in each calendar year. In addition, as the Receivables arise from unsecured Loan Agreements, there are no security interests securing the Receivables; therefore, the repayment of the Notes has not been structured to depend predominantly on the sale of any asset;
- (g) for the purpose of compliance with article 21(2) of the Securitisation Regulation, the Originator has represented and warranted that as at the relevant Transfer Date each Receivable does not comprise (or will not comprise with reference to any Receivable included in each Additional Portfolio) any derivative.
- (h) for the purpose of compliance with article 21(3), of the Securitisation Regulation, the Originator has represented and warranted that as at the relevant Transfer Date each Receivable had (or will have with reference to any Receivable included in each Additional Portfolio) a fixed interest rate (i) determined on the basis of generally used market rates which reflect the cost of funding and (ii) which is not based on complex formulas or derivatives.

#### **1.6. *Management, collection and recovery procedures***

*Management procedures:* the issuance, management, administration and recovery procedures adopted by the Originator, with respect to each Loan Agreement, each Salary Assignment, each Payment Delegation, each Insurance Policy and each Receivable have been performed in compliance with the Reference Laws and any applicable law and regulation in force on this matter, with attention, professional care and diligence, according to the prudential provisions and the Credit and Collection Policies, and in compliance with the usual cautions and practice applied in the exercise of such financial activity.

#### **1.7. *Litigations proceedings***

- (a) *Proceedings against the Originator:* there are no litigations, civil or administrative judicial proceedings, arbitration, alternative dispute resolution proceedings, claim or action in progress or pending or, to the knowledge of the Originator, threatened in writing against the Originator which may adversely affect the Originator's ability to absolutely, validly and irrevocably transfer the Receivables according to the Master Receivables Purchase

Agreement or which, to the knowledge of the Originator, may adversely affect the Originator's ability to duly observe and perform its obligations assumed according to the Master Receivables Purchase Agreement and to any Transaction Document to which it is a party.

- (b) *Proceedings on Loan Agreements and Receivables*: there are no litigations, civil or administrative judicial proceedings, arbitration, alternative dispute resolution proceedings, claim or action in progress or pending or, to the knowledge of the Originator, threatened in relation to the Loan Agreements, the Salary Assignments, the Payment Delegations, the Insurance Policies and/or the Receivables which may adversely affect the collection, the existence and/or the collectability and/or the enforceability (even if partial) of one or more Receivables, Loan Agreements and/or Insurance Policies.

#### **1.8. Further obligations**

- (a) *Tax and fees*: all taxes, levies and fees of any kind to be paid in respect of each Receivable, Loan Agreement, Salary Assignment, Payment Delegation and Insurance Policy have been duly and timely paid by the Originator or in respect of the execution of any other agreement, deed or document or in respect of the execution and the fulfillment of any related action or formality, have been duly and timely paid.
- (b) *Withholdings*: under Italian law, the Originator is not obliged to make any withholding or deduction for tax purposes with respect to amounts due pursuant to the Master Receivables Purchase Agreement or the other Transaction Documents to which it is party or with respect to amounts due by any Debtor or any other third parties in respect of the Receivables, the Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies.

#### **1.9. Documentation**

- (a) *Custody*: the Originator is in possession and has taken in custody, also by means of duly appointed auxiliaries (for whose work shall retain responsibility), as from the date of disbursement of each Loan and up to the Effective Date, (both in paper form and appropriate digital support) in hard or soft copy and/or electronic support, books, registers, data and documents in relation to each Loan Agreement, Salary Assignment, Payment Delegation, Insurance Policy, Collateral Security, Receivables, Debtor, Employer, Pension Authority, Pension Fund and Insurance Company (including the Minimum Documentation), with diligence and in any case with the degree of care ("*diligenza*") required by the nature of the professional activity carried out by the Originator.
- (b) *Electronic database*: the Originator is in possession and it has constituted, directly through third parties providers as from the date of disbursement of each Loan and up to the Effective Date, an electronic database in relation to each Loan, Loan Agreement, Salary Assignment, Payment Delegation, Insurance Policy, Collateral Security, in which it is specified, *inter alia*, the details of the Debtor, Employer, Pension Authority, Insurance Company, Guarantor, the amounts and the dates on which the relevant payments fall due.

#### **1.10. Loan Agreements, Salary Assignments, Payment Delegations and Insurance Policies.**

- (a) *Compliance with the standard forms*: all the Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies have been executed in compliance with the standard forms of Loan Agreements, Salary Assignments, Payment Delegations and the Insurance Policies used from time to time by the Originator. After the relevant execution date, no Loan Agreement, Salary Assignment, Payment Delegation and Insurance Policy was modified (save for those amendments and modification required by applicable law or regulations) in a way that may negatively affect the rights or the claims of the Originator.
- (b) *Absence of restructured loans*: no Loan falls within the definition of "restructured loan" under the terms of the Bank of Italy's Supervisory Instructions and/or the Credit and Collection Policies and/or any other internal procedure or manual applied by the Originator, nor within the definition of "loan undergoing restructuring" under the terms of the Bank of Italy's Supervisory

Instructions and/or the Credit and Collection Policies and/or any other internal procedure or manual applied by the Originator;

- (c) *Absence of “sofferenze” and “indampienze probabili”*: on the Valuation Date none of the Loans falls within the definition of “sofferenze” and “indampienze probabili” pursuant to the Bank of Italy Circular no. 217 dated 5 August 1996 as amended and supplemented and/or the Credit and Collection Policies and/or any other procedure or internal guidelines applied by the Originator.
- (d) *Fraud or wilful misconduct*: to the knowledge of the Originator each Loan Agreement, Salary Assignment, Payment Delegation and Insurance Policy, has been entered into and executed without any fraud (“frode”) or wilful misconduct (“dolo”) or undue influence (“influenza indebita”) or error (“errore”) according to articles 1427 to 1433 of the Italian Civil Code by or on behalf of the Originator or any of its directors (“amministratori”), managers (“dirigenti”), officers (“funzionari”) and/or employees (“impiegati”) which would entitle the relevant Debtor, Employer, Pension Authority and/or Insurance Company to claim against the Originator for fraud, or wilful misconduct, or the right to challenge any of its obligations under any of the Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies relating to the Receivables.
- (e) *Validity and enforceability formalities*: each authorization, approval, consent, license, registration, recording, authentication or other action which is necessary or appropriate to ensure the validity, legality or enforceability of the rights of, and the obligations undertaken by, the parties to each Loan Agreement and to any other agreement, deed or document relating thereto, have been duly and unconditionally obtained, made or performed as required according to the relevant law provisions and no further action is necessary or appropriate to ensure the validity, legality and enforceability of the rights and of the obligations of the parties to each Loan Agreement, which has not been already duly and unconditionally obtained, made or performed.
- (f) *Challenges by Debtors, Employers, Pension Authorities etc.*: to the best knowledge of the Originator, in relation to each Loan Agreement, Salary Assignment, Payment Delegation and/or Insurance Policy, no Debtor, Employer, Pension Authority, Insurance Company and/or any other entity/person obliged to make any payment in relation to the Receivables has legal ground to exercise any right of termination, annulment or rescission or to otherwise challenge the validity of any of the terms and conditions of the relevant Loan Agreement, Salary Assignment, Payment Delegation and/or Insurance Policies, or any ancillary deeds or documents. To the knowledge of the Originator, in relation to each Loan Agreement Salary Assignment, Payment Delegation and/or Insurance Policy, no Debtor, Employer, Pension Authority, Insurance Company and/or any other entity/person obliged to make any payment in relation to the Receivables has the right to make a counter claim (“domanda riconvenzionale”) or any objection (“eccezione”) in relation to any payment or the performance of any other obligations provided under the Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security and/or Insurance Policies or other ancillary document. To the knowledge of the Originator, no Debtor, Employer, Pension Authority, Guarantor or Insurance Company and/or any other entity/person obliged to make any payment in relation to the Receivables, has threatened the exercise of the rights, claims or objections set out above.
- (g) *Compliance with applicable law*: each Loan Agreement, Insurance Policy, Salary Assignment, Payment Delegation and any other agreement, deed or document related to the Receivables and/or connected to the aforementioned agreements, was executed, is compliant with and has been performed in compliance with all applicable laws, rules and regulations and consolidated market practices applicable thereto, including, but not limited to:
  - (i) consumer credit provisions set forth in articles 121 and following of the Consolidated Banking Act (if applicable), including, but not limited to: (1) laws and regulations on consumer credit (including, in particular the provisions relating to the limitation of amounts set forth under Law dated February 19, 1992 no. 142, the

provisions on publicity set forth under article 116 and 123 of the Consolidated Banking Act, the provisions relating to the indication, the calculation and the validity of the global annual effective rate of charge (T.A.E.G.) (also with respect to the kind of amortization mechanism applied), article 117, paragraphs 1 and 3, article 124 (on pre-contractual obligations), article 125-*bis* (relating to the form of the agreements and to the costs to be borne by the consumer) and article 125-*sexies* (relating to rights of the debtors to prepay the Loan) of the Consolidated Banking Act); and (2) laws and regulations on protection of the consumers' rights and transparency of contractual conditions (including any notification duties required under such provisions, in particular, those provisions included in the *Titolo VI, Capo I* and *Capo II* of the Consolidated Banking Act, article 1469-*bis* of the Italian Civil Code and the provisions of the Legislative Decree no. 206/2005 (the "*Italian Consumer Code*")), and the provisions of articles 1341, paragraph 2, and 1342 of the Italian Civil Code;

- (ii) the Reference Laws ("*normativa di riferimento*"), and in any case all laws and regulations on personal loans assisted by the assignment of a portion of the salary and/or pension, including, by way of example, the Royal Decree 180, as amended and supplemented by Law n. 311 dated 30 Dicembre 2004 and by Law n. 80 dated 14 May 2005 and the regulations, the instructions, the indicative acts and any other act (including, in particular, article 13 bis of Law n. 80 dated 14 May 2005 and relevant enacting regulation of D.M. n. 313 dated 27 Dicembre 2006 and subsequent amendments, integrations and act on the subject matter), articles 1269 and 1723, second paragraph, of the Italian Civil Code, circulars issued on the subject matter by the Bank of Italy and by any other public authority (including judicial decisions and the tendencies of the judicial body on the matter), the statutes and the regulations on usury and on confidentiality of the personal data.
- (h) *Salary Assignments*: pursuant to each Salary Assignment contained in the relevant Loan Agreement, the relevant Debtor has validly assigned to the Originator, for the purposes of the repayment of the Loan, his/her credit right to the payment of the fifth of his/her salary and, upon termination of the relevant employment relationship, his/her right to payment of any other amount due as a consequence of the termination of the employment relationship (including the right to payment of the severance payment, also from pension funds (and/or from the relevant management companies) to which the severance payment has been eventually assigned from the relevant Debtor). Each Salary Assignment contained in the relevant Loan Agreement, has been executed by the Originator and has been rendered enforceable by this latter towards the relevant Employer pursuant to the applicable legislation.
- (i) *Payment Delegations*: pursuant to each Payment Delegation contained in each relevant Loan Agreement, the relevant Debtor has delegated his/her Employer to pay the fifth of his/her salary to the Originator, for the purposes of repaying the Loan, assigning as well to the Originator, upon termination of the relevant employment relationship, his/her right to payment of any other amount due as a consequence of the termination of the employment relationship (including the right to payment of the severance payment, also from pension funds (and/or from the relevant management companies) to which the severance payment has been eventually assigned from the relevant Debtor. Each Payment Delegation contained in the relevant Loan Agreement has been executed with the cooperation of the Originator and has been expressly accepted by the relevant Employer in compliance with the applicable legislation. All the Payment Delegations have been executed, underwritten and performed and the withdrawal of all the relevant Loans has been made in compliance with all the laws, regulations, and circulars in force on the subject matter with reference to Loans granted to private employees and assister by the Payment Delegations.
- (j) *Applicable Privacy Law*: the Loan Agreements, the Salary Assignments, the Payment Delegations and/or the Insurance Policies have been entered into in compliance with the provisions of the Applicable Privacy Law as of the relevant date of execution.
- (k) *Capacity of the contracting parties*: on the basis of the verifications by the Originator with its highest degree of care ("*diligenza*"), each party to the Loan Agreements, and each party

to any other documents related thereto, was, as of the relevant execution date, fully empowered and authorized to execute the relevant agreement, deed or deed related to the above Loan Agreement and any other related document.

- (l) *Credit and Collection Policies*: all Loans were granted on the basis of the criteria set forth in the procedures and internal guidelines as applicable, from time to time, as attached to Servicing Agreement.
- (m) *Governing law*: each Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security, Insurance Policy and any agreements or deeds relating to the Receivables and/or connected to the above Agreements is governed by Italian law.
- (n) *Validity*: each Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security, Insurance Policy and any agreement, deed or contract relating to the Receivables and/or connected to the above agreements, is in writing and is valid and binding and constitutes valid, effective, binding obligations of the parties thereto, enforceable in judicial proceedings against the relevant parties, in compliance with the relevant terms and conditions; each party of the Loan Agreements, Salary Assignments, Payment Delegations, Insurance Policies and Collateral Securities and in any case the signatories of any deed, agreement or document related thereto, as at the execution date of the relevant agreement, had the full power and capacity to enter into and sign the agreement, deed or document related to the Loan Agreement, Salary Assignment, Payment Delegation, Insurance Policy or Collateral Security at hand.
- (o) *Obligations of the Originator's arising from Loan Agreements*: the Loan Agreements do not provide for any obligation of the Originator other than the obligation of supplying/disbursement the relevant Loan and those obligations which are accessory and/or connected to the latter.
- (p) *Performance by the Originator with respect to Loan Agreements, Salary Assignments, Payment Delegations etc.*: the Originator is not, and has not been, in breach, in any material aspect, of any obligations arising out of any Loan Agreement, Salary Assignment, Payment Delegation, Insurance Policy (included the payment of the relevant premium), agreement, deed or document related to the Receivables and/or related to the above mentioned agreements.
- (q) *Correctness of data*: any data relating to the Loan Agreements, Salary Assignments, Payment Delegations, Insurance Policies, Debtors, Employers, Insurance Companies and Receivables on the date on which such data are referred to, is true, accurate and correct in all material respects and no material information in possession of the Originator has been omitted.
- (r) *Interest rates*: the interest rates applicable to Loan Agreements have been calculated in accordance with criteria according to which such interest rates are not in breach of the limits set forth under the Usury Law and any implementation decrees related thereto issued from time to time.
- (s) *Debtors*: to the knowledge of the Originator, with respect to the Loan Agreements, as of the date of execution of each Loan Agreement, each relevant debtor was qualified as "consumer" ("*consumatore*") pursuant to article 121 of the Consolidated Banking Act.
- (t) *No Loans disbursed to employees of the Originator*: no Loan was granted to employees of the Originator.
- (u) *Disbursement of the Loans*: each Loan has been entirely granted and disbursed directly to the relevant Debtor or on his/her behalf and there is no further obligation of the Originator in relation to the granting or disbursement of any further amount which can be referred to the same legal title.
- (v) *Waivers and exercise of rights by the Originator*: the Originator has not granted any waiver and/or has not discharged any Debtor, Employer, Pension Authority, Guarantor, Insurance Company and/or any other entity/person obliged to make any payment in relation to the Receivables, from its respective obligations, nor has it subordinated its own rights to the rights of third party creditors, nor has it waived any of its rights, other than in relation to those

payments made in respect of the Receivables, and within the limits of the amount paid, or in accordance with the Credit and Collection Policies applied by the Originator.

- (w) *No set-off agreements with the Debtors*: the Originator did not enter into any further agreement other than the Loan Agreement and the Insurance Policy with any Debtor and Insurance Company and no other obligations exist between the Originator or third-parties and the Debtors, the Guarantors, the Employers, the Pension Authorities, the Insurance Companies (including, but not limited to, any ancillary insurance policies, claim for compensation, etc.) which might permit the relevant Debtor, Guarantor, Employer, Pension Authority and Insurance Company to set-off with respect to one or more Receivables according to the consumer credit provisions or other laws or provisions or judicial interpretations or interpretations given by the banking and financial ombudsman of such law provisions.
- (x) *No right to repayment of sums for the benefit of the Debtors*: the Debtors are not entitled to any repayment of any sums in respect of their respective Loans for reasons other than those provided for in clause 4.1.8 of the Warranty and Indemnity Agreement.
- (y) *Right of withdrawal pursuant to article 125-ter of the Consolidated Banking Act*: no Debtor has exercised the right of withdrawal pursuant to article 125-ter of the Consolidated Banking Act.
- (z) *No “credit linked agreement”*: with respect to the Loan Agreements, no agreement falling within the definition of “credit linked agreement” (“*contratto di credito collegato*”) pursuant to article 125-quinquies of the Consolidated Banking Act has been executed by the Debtors.
- (aa) *No loan agreements qualified as “credit linked agreement”*: the Loan Agreements are not qualified as “credit linked agreements” (“*contratti di credito collegati*”) with respect to the Insurance Policies nor with respect to any other agreement according to article 125-quinquies of the Consolidated Banking Act and therefore the Debtor are not entitled to withdraw from the relevant Loan Agreement in case of default of any obligations of the relevant Insurance Company (or of the supplier of goods and services) upon the occurrence of the circumstances set out in article 125-quinquies of the Consolidated Banking Act.
- (bb) *article 125-bis of the Consolidated Banking Act*: Loans Agreements comply with the requirements of article 125-bis of the Consolidated Banking Act.
- (cc) *Unfair terms*: Loans Agreements do not contain unfair terms within the meaning and for the purposes of articles 33(1) and (2) and 36(2) of the Consumer Code. All clauses contained in the Loan Agreements are effective against the Debtors.
- (dd) *Return*: each Loan constitutes a fixed rate loan and the rate of return is not subject to reduction or variation for the entire duration of the Loan.
- (ee) *Extension of the Loan*: the Loan Agreements provide that, in case the amount due to the Employer pursuant to the Salary Assignment and/or Payment Delegation, is reduced with respect to that provided in the relevant amortization plan, the relevant Loan Agreement is extended accordingly.
- (ff) *Secci Form*: Credit costs and related financing costs have been detailed and correctly indicated in the European Basic Consumer Credit Information Form (Secci Form) which has been delivered to the Debtor in accordance with any applicable regulations.
- (gg) *Financial facilities*: no Loan Agreement provides for financial facilities, discounts or reductions in principal and/or interest in favour of the Debtors.
- (hh) *Withdrawal, termination, cancellation, rescission*: no Debtor, Guarantor, Employer, Pension Authority or Insurance Company, in relation to each Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security and Insurance Policy, as the case may be, may legitimately exercise any justified right of withdrawal, termination, cancellation or rescission, in relation to validity (by way of example, in relation to failure to comply with the provisions of the Usury Law) of any of the terms of the relevant Loan Agreement, Salary Assignment, Payment Delegation, or any other act or ancillary document or otherwise may exercise any

justified claim as to the applicability of one or more of the terms of any of the Loans Agreements, Salary Assignment, Payment Delegation, Collateral Security and Insurance Policy. In relation to each Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security and Insurance Policy, no Debtor, Employer, Guarantor, Insurance Company, as the case may be, has the right to legitimately file a counterclaim against the Originator, compensation or exception in relation to any payment or fulfilment of other obligations under the Loan Agreement, Salary Assignment, Payment Delegation, Insurance Policies and/or Collateral Securities or any other ancillary document or by virtue of other legal relationships. No Debtor has threatened the exercise of any of the rights, actions or exceptions set forth in this paragraph.

- (ii) *new Employer*: the Loan Agreements and the Salary Assignments provide that, in case of new employment relationship of one or more Debtor, the relevant Loan Agreement and Salary Assignment are notified to the new Employer and made enforceable towards the same.
- (jj) *Tutto Tan Receivables*: the Receivables included in each Portfolio (other than the Portfolio Subject to Prepayment Risk) are and will be Tutto Tan Receivables.

#### **1.11. Collateral Securities and Insurance Policies**

- (a) *Collateral Securities*: the Receivables do not have the benefit of any ancillary guarantee which is not included in the Receivables or the Collateral Security or which has not been otherwise transferred to the Issuer according to the Master Receivables Purchase Agreement; each Collateral Security has been constituted at the same time as the execution of the relevant Loan Agreement to which it refers; each Guarantor was solvent at the date of the granting of the relevant Collateral Security; at the Effective Date, there was no pending and/or pre-announced ordinary and/or bankruptcy revocation actions concerning any Collateral Security.
- (b) *Validity of the Collateral Securities*: each security constituting a Collateral Security has been duly granted, created, perfected and maintained and is valid and effective in accordance with the terms upon which it has been granted by the Originator, and meets all requirements under the Reference Laws and all applicable laws and regulations and is not affected by any material defect whatsoever.
- (c) *Maintenance of the Collateral Securities*: the Originator has not (whether in whole or in part) cancelled, released, reduced or consented to cancel, release or reduce any Collateral Security other than to the extent such cancellation, release or reduction was in accordance with prudent banking practice in Italy (including the partial release of the severance payment (*trattamento di fine rapporto*) once the residual amount owed by the relevant Debtor is reduced), but in any case in line with what is provided by the Insurance Policies, and when requested by the relevant Debtor, Employer, Pension Authority, Insurance Company and/or any other entity/person obliged to make any payment in relation to the Receivables in circumstances where such cancellation, release or reduction was required by the Reference Laws or by the provisions of the relevant Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security and/or Insurance Policy. No Loan Agreement, Salary Assignment, Payment Delegation, Collateral Security and/or Insurance Policy contain provisions allowing the relevant Debtor, Employer, Pension Authority, Insurance Company and/or any other entity/person obliged to make any payment in relation to the Receivables, to cancellation, release or reduction of the relevant Collateral Security other than when, and to the extent, it is required under any applicable law and/or regulation.
- (d) *Validity and compliance with law of the Insurance Policies*: each Insurance Policy is valid, binding and effective and is compliant with the insurance sector's laws and the regulations.
- (e) *Insurance Companies*: the Insurance Companies have their registered offices in the Republic of Italy or in another country within the territory of the European Union.
- (f) *Transfer of the benefit arising from Insurance Policies*: the formalities carried out by the Originator according to the Master Receivables Purchase Agreement constitute all the formalities required by the Insurance Policies existing with the Insurance Companies as to

validly assign to the Issuer the benefit of the relating Insurance Policies (with respect to the Receivables).

**1.12. Representation and warranties on the information provided**

- (a) *Correctness of information on Receivables:* all the information pertaining to the Receivables that the Originator has to provide to the Issuer, and/or to the relevant agents (“*mandatari con rappresentanza*”) and/or consultants for the purposes of and in relation to the Master Receivables Purchase Agreement and / or the other Transaction Documents to which it is a party, or however relating to the Securitisation and in relation to the Loan Agreements, the Salary Assignments, the Payment Delegations, the Insurance Policies, the Collateral Securities, the Debtors, the Employers, the Insurance Companies, the Guarantors and/or any other third party obliged to any payment whatsoever with respect to the Receivables, the Loan Agreements and the Collateral Securities and the information necessary in order to determine the Individual Purchase Price are contained within the relevant Offer and in the Receivables statement attached to the relevant Offer;
- (b) *Correctness of information provided:* all data and information that the Originator has provided or has to provide to the Issuer, the Arranger, the Rating Agencies and/or to the relevant agents (“*mandatari con rappresentanza*”) and/or consultants for the purposes of and in relation to the Warranty and Indemnity Agreement, the Master Receivables Purchase Agreement and /or the other Transaction Documents to which it is a party, or however relating to the Securitisation and to the issuance of the Notes, included but not limited to, data and information in relation to the Loan Agreements, the Receivables, the Salary Assignments, the Insurance Policies, as well as the application of the Criteria are true and correct on any aspect and the Originator has not omitted and will not omit to furnish to the Issuer, the Arranger and the Rating Agencies any material information which is (or will be) in its possession which may prejudice the Issuer or the Transaction;
- (c) *Contractual Templates:* a copy of all the templates of Loan Agreement, the Salary Assignments, the Payment Delegations and the Insurance Policy from time to time executed and utilised by the Originator to execute the Loan Agreements, the Salary Assignments, the Payment Delegations and the Insurance Policies, has been provided by the Originator to the Issuer or its representatives and/or delegates, before the Effective Date.

**b) Indemnity obligations of the Originator**

Pursuant to the Warranty and Indemnity Agreement, the Originator undertook, upon duly documented written request of the Issuer, to indemnify and hold harmless the Issuer and its directors for any duly documented damage (including losses and reduced collections -including any reduced collection due to any set-off made by the Debtors upon early repayment of the related Loan), costs and expenses, (including, without limitation, expenses and legal fees, as well as any VAT payable), that the Issuer or its administrative body have suffered as a result of the following events (as better described in the Warranty and Indemnity Agreement):

- (a) breach of obligations;
- (b) breach of representations and warranties by the Originator;
- (c) claims by third parties;
- (d) usury;
- (e) compounding of interest and object of the Loan Agreements;
- (f) revocation of guarantees;
- (g) claims of the Debtors, Insurance Policies etc.

Any indemnity payment due by the Originator shall be paid within 10 (ten) Business Days starting from, as the case may be:



- (a) the expiry of the term for the opposition of the indemnity request advanced by the Issuer in accordance with the provisions of the Warranty and Indemnity Agreement, if the Originator has accepted or not contested the relevant indemnity request sent by the Issuer in accordance with the Warranty and Indemnity Agreement;
- (b) in case the Originator has contested the relevant indemnity request sent by the Issuer in accordance with the Warranty and Indemnity Agreement, the date on which an agreement is reached between the Originator and the Issuer in accordance with, and within the time frame provided by, the Warranty and Indemnity Agreement; and
- (c) in case the Originator has contested the relevant indemnity request sent by the Issuer and an arbitration proceeding/judicial proceeding has been commenced in accordance with the Warranty and Indemnity Agreement, the date of issuance of the arbitral award/Court of Milano judgment.

c) **Re-purchase of Receivables**

Pursuant to the Warranty and Indemnity Agreement, the Issuer, as an alternative to the right of being indemnified by the Originator through the refunded amount (*Importo Indennizzato*), may request the Originator, who shall be bound to do so, to re-purchase from the Issuer the Receivable in respect of which a violation of the representation and warranties or a breach of the obligations of the Warranty and Indemnity Agreement which have impact on a Receivable has occurred (“**Impaired Receivable**”). It remains understood that the purchase price of each Impaired Receivables shall not be lower than the Outstanding Principal of the relevant Impaired Receivable.

d) **Compliance with STS Requirements**

Under the Warranty and Indemnity Agreement Creditis has undertaken to fully disclose to potential investors in the Notes, without undue delay, any material changes occurred after the Issue Date in the loan disbursement policy from time to time applicable in respect of the Receivables, pursuant to article 20(10) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

e) **Applicable law and jurisdiction**

The Warranty and Indemnity Agreement is written in Italian. Warranty and Indemnity Agreement and all non-contractual obligations arising out of or in connection with the Warranty and Indemnity Agreement are governed by and construed in accordance with Italian law.

In the event of any disputes arising out of or in connection with the Warranty and Indemnity Agreement including all non-contractual obligations thereof, the parties have agreed to submit to the exclusive jurisdiction of the Court of Milan.

3. **SERVICING AGREEMENT**

Pursuant to the Servicing Agreement entered into on 17 September 2019, the Servicer has agreed to administer, service and collect on behalf of the Issuer amounts in respect of (i) the Initial Portfolio and (ii), after the Issue Date, the Additional Portfolios sold from time to time to the Issuer pursuant to the Master Receivables Purchase Agreement. The Servicer shall act as the entity responsible for the collection of the assigned receivables and for the cash and payment services (“*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*”) pursuant to article 3, paragraph 3, letter c), of the Securitisation Law and, therefore, shall be responsible under article 2, paragraph 6-bis, of the Securitisation Law. The Servicing Agreement and the Credit and Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.

a) **Activities to be performed by the Servicer**

Pursuant to the Servicing Agreement, the Servicer has agreed to perform, among others, the following activities:

1. to verify that the Securitisation is compliant with Italian applicable law and the Prospectus;
2. to manage and administer the Collections in accordance with the provisions of the Servicing Agreement;
3. to monitor all movements related to the Collection Account, with the express right to request and receive a statement of the balance and the list of the movements of the Collection Account from the Account Bank;
4. the due compliance with any provision, law and regulation applicable in Italy in connection with the administration and collection of Receivables;
5. subject to the provisions of article 6 of the Servicing Agreement, to enter into settlement agreements with Debtors in relation to the relevant Loan Agreements and Receivables;
6. to act, promote and foster the measures and exercise the rights of the Issuer towards the Debtors, including (but not limited to) the claims, actions and rights for the recovery of the Receivables, even through the enforcement of the Collateral Securities (in any case keeping informed the Issuer) and the fulfilment of any activity related to the management of the Defaulted Receivables, including the collection and the discharge of the relevant Receivables if required and, in particular, the promotion of judicial proceedings or the intervention in judicial proceedings already pending, as soon as it becomes aware of such judicial proceedings, or the application for claim in insolvency procedures, managing with the highest diligence the activities of management of the Defaulted Receivables and the recovery of the relevant Receivables, pursuant to the provisions of the Servicing Agreement and the applicable Credit and Collection Policies during the execution of such agreement.
7. to promote the measures (which may also disregard a situation of default) necessary for the protection of the Issuer's credit reasons, including the actions for the restoration of the Collateral Securities and for the continuation of the Insurance Policies.

**b) Sub-delegation**

The Servicer shall be entitled to sub-delegate to third parties, in whole or in part, under the Servicer's full responsibility and in any case within the limits of the applicable laws and at the Servicer's own costs and expenses the management, administration and collection of Receivables, provided that the Servicer shall be liable, without any limitation, and by way of express derogation of the second paragraph of article 1717 of the Italian Civil Code, for any activities performed (or failed to be performed) by any entity directly sub-delegated by the Servicer, and it undertakes as of now to indemnify the Issuer and hold it harmless from any and all claims, losses, damages, liabilities, costs, penalties, fines, forfeitures, reasonable and documented legal fees and expenses suffered or incurred in relation thereof, and the Issuer shall not have any liability for any costs, charges or expenses payable to or incurred by the sub-delegated, except for any loss, damage or cost deriving from the wilful default (*dolo*) or gross negligence (*colpa grave*) of the Issuer.

**c) Collections**

Upon receipt of any and all Collections and throughout the term of the Servicing Agreement, the Servicer shall, on behalf and in the interest of the Issuer, segregate such Collections as separate assets from its own funds, assets and, in any event, transfer the Collections in accordance with the terms and conditions of the Servicing and Cash Allocation, Management and Payments Agreement. In particular, for these purposes, the Servicer undertakes to carry out the reconciliation of the Collections in the technical time strictly necessary and in any case no later than the Business Day following the relevant collection, unless the reconciliation of the relevant collection is prevented by technical interruptions, in which case the reconciliation must be made no later than the Business Day following the date on which such technical interruptions have ceased to occur.

**d) Servicer Report**

Within the 24:00 of each Servicer Report Date, the Servicer shall prepare and deliver, by fax and/or e-mail, to the Issuer, Arranger, each Account Bank, the Corporate Servicer, the Back-up Servicer, the Calculation Agent, the Rating Agencies, the Representative of the Noteholders and the Cap Counterparty, the Servicer Report, substantially in the form of the report set out in the Servicing Agreement.

e) **Amendments and Settlement Agreements**

The Servicer is authorised to carry out the renegotiation activities provided by the Credit and Collection Policies and set forth below. Save as provided in the Credit and Collection Policies, in the Loan Agreements or indicated below, the Servicer will not agree on any amendment of the terms of the Receivables, nor amend the terms and conditions of the Receivables, nor grant extensions, waivers in whole or in part to the Receivables, nor allow the deferral of payments due by the Debtors in relation to Receivables nor agree on any settlement agreement in relation to any Receivable without the prior written consent of the Issuer and the Representative of the Noteholders.

- A) With reference to Defaulted Receivables, if required by the applicable laws and/or applicable national conventions to which the Servicer has adhered and/or operational procedures of the Employers and/or Pension Authorities, within the limits of such laws or conventions or operational procedures, the Servicer shall have the power to agree on:
  - (i) changes to the dies a quo (*cambi di decorrenza*) specifically communicated, also *per facta concludentia*, by Employers and/or Pension Authorities;
  - (ii) split payments (*pagamenti frazionati*) of the instalments determined by the reduction of the salary/pension; and/or
  - (iii) the suspension of certain instalments subject to terms and condition set out into the Credit and Collection Policies.
- B) In relation to the Receivables other than Defaulted Receivables, the Servicer has the right to agree within the following limits:
  - (i) changes to the dies a quo (*cambi di decorrenza*) specifically communicated, also *per facta concludentia*, by Employers and/or Pension Authorities; and/or
  - (ii) split payments (*pagamenti frazionati*) of the instalments determined by the reduction of the salary/pension.

It remains understood that, in any case, following the activities set out in letter B (i) and/or (ii) the Outstanding Balance of all the Receivables which are affected by such activities shall not exceed, in any case, 2% of the sum of the Principal Amount Outstanding of the Initial Portfolio and each Additional Portfolio as of the relevant Valuation Date, for the entire duration of the Securitisation.

Notwithstanding the above, the Servicer may agree with the Debtors moratoria in relation to payments of Instalments if provided for by imperative laws applicable from time to time and/or national conventions applicable to the Servicer to which this latter has adhered and/or operational procedures of the Employers and/or Pension Authorities, within the limits of such laws, conventions or operational procedures.

- C) With reference to Defaulted Receivables, the Servicer is authorised to execute settlement agreements pursuant to which a collection of at least 50% of the Principal Amount Outstanding of the relevant Defaulted Receivable is envisaged as of the relevant date of classification of the Receivable as Defaulted Receivable, provided that the Servicer has declared that no additional activities are available to collect such Receivable and such settlement agreement is in the interest of the Issuer in order to maximise the relevant collection.

f) **Termination of the appointment of the Servicer**

The Issuer may (or shall, if so requested by the Representative of the Noteholders) terminate the appointment of the Servicer under the Servicing Agreement and appoint a successor to the Servicer in case one of the following event occurs (each a “**Servicer Termination Event**”):

1. *Servicer Insolvency*

an Insolvency Event occurs in respect of the Servicer; or

2. *Winding-up of the Servicer*

a court order is made or an effective resolution is passed by the Servicer for the winding up or dissolution of the Servicer;

3. *Failure to Pay*

failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited by it under the Servicing Agreement within 5 (five) Business Days after the due date thereof, except where such failure is attributable to strikes, technical delays, force majeure or any other justified reason, in which case the 5 (five) Business Days remedy period shall commence on the date on which the relevant strikes, technical delays, force majeure or other justified reason ceases to persist;

4. *Breach of Obligations*

failure by the Servicer to comply in any material respect with any other terms and conditions of the Servicing Agreement or any other Transaction Document to which it is a party (other than the obligation of paragraph (iii) above and the obligation to prepare and deliver the Servicer Report) which failure to comply is not remedied, where a cure is possible, within a period of 20 (twenty) Business Days from the date on which the Servicer receives written notice of such non-compliance from the Issuer;

5. *Missing Servicer Report*

failure on the part of the Servicer to deliver the Servicer Report, by 5 (five) Business Days after each Servicer Report Date, or delivery by the Servicer of an incomplete Servicer Report, unless such failure is due to force majeure and/or technical delays not attributable to the Servicer, provided that it is delivered within 5 (five) Business Days after such events cease to persist;

6. *Breach of Representation and Warranties*

any of the representations and warranties given by the Servicer in the Servicing Agreement or in any other Transaction Document to which it is a party is incorrect or incomplete in any material respect when given or repeated, unless the Servicer, to the extent such breach is curable, provides a remedy within 25 (twenty-five) Business Days from the date on which such breach of representation or warranty is contested;

7. *Other*

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 or the Servicer has been removed from the register of financial intermediaries held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act (unless the Servicer is simultaneously enrolled in the register of the banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act) or the Servicer no longer meets the requirements set forth by the law or by the Bank of Italy for the entities that assume the tasks provided for under the Servicing Agreement in the context of a securitisation transaction or the Servicer is or will be unable to meet the current or future legal requirements required to entities acting as servicers in the context of a securitisation transaction by the Bank of Italy or other competent authorities.

**g) Compliance with STS requirements**

For the purpose of compliance with article 21(8), of the Securitisation Regulation, under the Servicing Agreement the Servicer has represented and warranted that it has expertise in servicing exposures of a similar nature to those securitised for more than 5 (five) years and has well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures. In addition, pursuant to the Servicing Agreement, the Back-Up Servicer and any Substitute Servicer shall have expertise in servicing exposures of a similar nature to those securitised and well-documented and adequate policies, procedures and risk-management controls relating to the servicing of exposures.

For the purpose of compliance with article 21(9) of the Securitisation Regulation, the Servicing Agreement and the Credit and Collection Policies attached thereto set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.

**h) Applicable Law and Jurisdiction**

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

Any dispute which may arise in relation to the interpretation or the execution of the Servicing Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

**4. BACK-UP SERVICING AGREEMENT**

Pursuant to the Back-Up Servicing Agreement entered into on or about the Effective Date, the Back-up Servicer has undertaken to act as substitute of the Servicer, in the event that:

- a. the appointment of the Servicer has been revoked in accordance with terms of the Servicing Agreement; or
- b. the Servicer has resigned from its role under the Servicing Agreement; or
- c. the appointment of the Servicer is terminated for any reason whatsoever in accordance with the terms of the Servicing Agreement (other than for termination of the Servicing Agreement as a consequence of the occurrence of the condition subsequent provided for therein).

The Back-Up Servicing Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of the Back-Up Servicing Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

**5. CORPORATE SERVICES AGREEMENT**

Pursuant to the Corporate Services Agreement entered into on or about the Effective Date, the Corporate Servicer will undertake to provide the Issuer with certain corporate administration and management services. These services will include the book-keeping of the documentation in relation to the meetings of the Issuer's quotaholder, directors and auditors and the meetings of the Noteholders, maintaining the quotaholder's register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders.

The Corporate Services Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of the Corporate Services Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

**6. CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT**

**General**

Pursuant to the Cash Allocation, Management and Payments Agreement entered into on or about 7 October 2019 (the “**Signing Date**”), among, *inter alios*, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Calculation Agent, the Principal Paying Agent, the Cap Counterparty and the Italian Paying Agent, each of the relevant Agents 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 Issuer's Accounts.

**Accounts:**

The Issuer has established with the Account Bank the Collection Account, the Expenses Account, the Payments Account, the Cash Reserve Account, the Prepayment Reserve Account and the Collateral Account. In addition, upon instructions by the holders of the Class R Notes acting in compliance with the Rules of the Organisation of the Noteholders, the Issuer shall open the Investment Account and the Security Account with the Custodian in order to effect any Eligible Investments.

**Account Bank**

The Account Bank has agreed to (i) open in the name of the Issuer and manage, in accordance with the Cash Allocation, Management and Payments Agreement, the Collection Account, the Cash Reserve Account, the Prepayment Reserve Account, the Expenses Account, the Payments Account and the Collateral Account; and (ii) provide the Issuer with certain reporting services together with certain handling services in relation to monies from time to time standing to the credit of such Accounts. For further details, see the section headed "*The Issuer Accounts*".

Within five Business Days after the end of each month, the Account Bank shall deliver its relevant Account Bank Report in relation to the immediately preceding Collection Period, to the Issuer, the Representative of the Noteholders, the Servicer, the Corporate Servicer and the Calculation Agent.

The Account Bank shall at all times be an Eligible Institution

**The Calculation Agent**

The Calculation Agent has agreed to perform certain calculations on behalf of the Issuer and to produce and deliver the Payments Report, the Post-Enforcement Payment Report, the Investor Report and the Sec Reg Investor Report.

In addition, the Calculation Agent shall, on behalf and at the expense of the Originator no later than 5 Business Days prior to each Sec Reg Report Date, prepare and deliver, via email to the Originator the Sec Reg Investor Report based on the information made available to it from the Originator pursuant to the Intercreditor Agreement and in the latest Payments Report or in the Post-Enforcement Payments Report, as the case may be and containing all the information set forth under article 7(1)(e) of the Securitisation Regulation.

Upon entry into force of the relevant technical standards set forth by article 7(3) and article 7(4) of the Securitisation Regulation by the European Commission and the adoption of the final disclosure templates in respect of the transparency requirements, the Originator shall propose in writing to the Calculation Agent the revised form of the Sec Reg Investor Report to be prepared by the Calculation Agent as per the above. The Calculation Agent shall consult with the Originator and if, in the Calculation Agent's opinion (acting reasonably), there are no material changes in such revised form of the Sec Reg Investor Report compared to the form attached to the Cash Allocation, Management and Payments Agreement, the Calculation Agent will continue to prepare the Sec Reg Investor Report on the same terms provided for herein and in the Intercreditor Agreement. In the event that the Calculation Agent deems that there are material changes in such revised form of Sec Reg Investor Report, the Originator will be bound to produce the Sec Reg Investor Report as per the Intercreditor Agreement and the Calculation Agent shall not be deemed liable for not preparing the Sec Reg Investor Report.

**The Italian Paying Agent**

The Italian Paying Agent has agreed to act as representative of the Issuer in and with respect to all its dealings with Monte Titoli through which the Notes have been issued and are held in book entry form, and, in this capacity, in particular to execute any necessary documentation, to receive notices and to make payments in accordance with the instructions received from time to time from or on behalf of the Issuer and each Payments Report or Post-Enforcement Payments Report.

**The Principal Paying Agent**

The Principal Paying Agent has agreed to perform certain calculations on behalf of the Issuer and, in particular it shall on each Determination Date determine in accordance with the provisions of Condition 7 (*Interest and Residual Payments*):

- (i) the Euribor, the Rate of Interest applicable to each of the Listed Notes for the Interest Period beginning after such Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);
- (ii) the Interest Payment Amount for each Listed Note in respect of such Interest Period;
- (iii) the Residual Payments Amount for each of the Class R Notes in respect of such Interest Period;
- (iv) the Payment Date in respect of each such Interest Payment Amounts,

on or as soon as possible after the relevant Determination Date, notify the Interest Payment Amount and the Payment Date to the Calculation Agent, the Issuer, the Representative of the Noteholders, the Servicer, the Back-up Servicer and the Corporate Servicer in accordance with the provisions of the Conditions.

The Issuer may terminate the appointment of any of the Agents under the Cash Allocation, Management and Payments Agreement and appoint a successor agent in case one of the following event occurs (each a “**Termination Event**”):

- (a) with regard to the Account Bank, the banking license granted to such Agent pursuant to the provisions of the Consolidated Banking Act (or any other applicable law or regulation) has been withdrawn or suspended; or
- (b) such Agent becomes unable to pay its debts as they fall due; or
- (c) such Agent takes any action for a readjustment or deferment of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors; or
- (d) an order is made or an effective resolution is passed for the winding-up of such Agent; or
- (e) any event occurs which has an analogous effect to any of the foregoing; or
- (f) with regard to the Italian Paying Agent and the Account Bank, it ceases to be an Eligible Institution; or
- (g) a just cause (*giusta causa*) occurs, which includes:
  - (A) any change (i) to the Specified Office of the Italian Paying Agent or (ii) to the registered office of the Account Bank, provided that, in both cases under (i) and (ii) above, both the Issuer and the Representative of the Noteholders have reasonable grounds to believe that such change may prejudice the Noteholders' rights under the Transaction; or
  - (B) the default by any Agent in the performance or observance of any of its respective covenants and obligations under the Cash Allocation Management and Payments Agreement, provided that the Representative of the Noteholders is of the opinion that such default is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 15 (fifteen) Business Days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy; or
  - (C) the circumstance that any of the warranties made by any Agent under the Cash Allocation Management and Payments Agreement proves untrue, provided that the Representative of the Noteholders is of the opinion that such warranty being untrue is materially prejudicial to the interests of the Noteholders and such default (i) continues unremedied for a period of 15 (fifteen) Business Days after receipt by the relevant Agent of written notice from the Issuer or, in accordance with the Intercreditor Agreement, the

Representative of the Noteholders, as applicable, requiring the same to be remedied or (ii) is, in the opinion of the Representative of the Noteholders, incapable of remedy); or

- (D) the circumstance that any withholding or deduction for or on account of tax from any payments to be made by any of the Agents to the Issuer under the Transaction Documents is imposed, only to the extent that both the following conditions are met: (i) such deduction or withholding becomes applicable because of a change in the tax status of the relevant Agent after the date in which it becomes part of the Cash Allocation Management and Payments Agreement and (ii) a replacement of the relevant Agent would avoid such application, and it has a substantial economic adverse effect for the Notes and/or the Transaction);

The Cash Allocation, Management and Payments Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of the Cash Allocation, Management and Payments Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## **7. INTERCREDITOR AGREEMENT**

Pursuant to the Intercreditor Agreement entered into on or about the Signing Date, among *inter alios* the Issuer, the Servicer, the Corporate Servicer, the Back-up Servicer, the Representative of the Noteholders, the Italian Paying Agent, the Account Bank, the Principal Paying Agent, the Calculation Agent, the Cap Counterparty and the EMIR Reporting Agent, 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 Aggregate Portfolio and the Transaction Documents.

Under the Intercreditor Agreement, the Issuer has granted to the Originator an option, pursuant to article 1331 of the Italian Civil Code, to repurchase the Aggregate Portfolio pursuant to the terms and conditions indicated below (the “**Originator Call Option**”).

The Originator Call Option can be exercised by the Originator (or by any third party appointed by the Originator at its sole discretion), prior to the delivery of a Trigger Notice, on the First Optional Redemption Date (included) and on any Payment Date thereafter, by serving a written notice on the Issuer, with copy to the Representative of the Noteholders, the Cap Counterparty and the Rating Agencies (the “**Originator Call Option Exercise Notice**”) no earlier than 20 Business Days and no later than 10 Business Days prior to the date of exercise of the Originator Call Option (which shall be indicated in the Originator Call Option Notice and will need to fall on any of the Payment Dates indicated above), provided that:

- (i) the Originator (or any third party appointed by the Originator at its sole discretion) has obtained all the relevant authorisations, or made the relevant notices, required by the applicable laws and regulations;
- (ii) the Originator has delivered to the Issuer the following certificates:
  - A) a solvency certificate signed by a director of the Originator, in the form attached to the Intercreditor Agreement, dated the date of payment of the relevant repurchase price;
  - B) a good standing certificate issued by the competent companies' register (*certificato di iscrizione nella sezione ordinaria della Camera di Commercio, Industria, Artigianato ed Agricoltura*), dated no earlier than 2 (two) Business Days prior to the date of payment of the relevant repurchase price, stating that the Originator is not subject to any insolvency proceeding; and
  - C) a certificate issued by the bankruptcy division of the competent court (*certificato della sezione fallimentare del tribunale*), dated no earlier than 5 (five) Business Days prior to the date of payment of the relevant repurchase price, stating that no insolvency proceedings have been commenced against the Originator (unless such kind of



certificate is not issued by the bankruptcy division of the relevant court due to its internal regulations).

- (iii) any costs, taxes and expenses shall be borne by the Originator;
- (iv) the consideration paid by the Originator (or by any third party appointed by the Originator at its sole discretion) for the purchase of the Aggregate Portfolio, together with the other Issuer Available Funds available for such purpose in compliance with the Pre-Enforcement Priority of Payments would allow the Issuer to discharge all of its outstanding liabilities (in whole but not in part) in respect of the Notes of each Class (other than the Class R Notes), at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed; and
- (v) a transfer agreement is executed by and between the Issuer and the Originator for the transfer of the Aggregate Portfolio in compliance with the conditions indicated in the Intercreditor Agreement.

The repurchase price of the Aggregate Portfolio shall be equal to:

- (i) with reference to the Receivables other than the Defaulted Receivables, the Outstanding Principal as at the relevant economic effective date (as specified in the Originator Call Option Exercise Notice), of the Receivables subject to repurchase, plus the relevant Accrued Interest, as at the same date; or
- (ii) with reference to the Defaulted Receivables, the market value of such Receivables, as determined (a) by a third party expert, appointed jointly by the Issuer and the Originator (or, in case of failure by the Issuer and the Originator to reach an agreement on the appointment of the same, by the Chairman of the Chamber of Commerce of Milan), which shall be independent from the Originator and any other party involved in the Securitisation; or (b) only to the extent that the repurchase price of the Receivables under (i) above is sufficient to repay in full the Notes and interest and to pay any amount to be paid in priority thereto pursuant to the applicable Priority of Payments, jointly by the Issuer and the Originator.

The exercise of the Originator Call Option will be in any case subject to receipt by the Issuer of the relevant purchase price and will be governed by article 58 of the Consolidated Banking Act and shall be construed as a “*vendita a rischio e pericolo del compratore*” pursuant to article 1488, second paragraph, of the Italian Civil Code with express derogation by the relevant parties of article 1266 of the Italian Civil Code with reference to the guarantee, granted by the transferor, of the existence of the Receivables and to the maximum extent permitted by the Italian Law of any other guarantee on the transfer of the Receivables.

Pursuant to the Intercreditor Agreement, the Originator has represented and warranted to the Issuer, the Representative of the Noteholders and the other parties of the Intercreditor Agreement that:

- (a) for the purposes of article 6(2) of the Securitisation Regulation, it has not selected the Receivables with the aim of rendering losses on the Receivables, measured over the life of the Securitisation, or over a maximum of 4 (four) years where the life of the Securitisation is longer than 4 (four) years, higher than the losses over the same period on assets comparable to the Receivables held on the balance sheet of the Originator.
- (b) (i) it has applied to the Receivables the same sound and well-defined criteria for credit-granting which it applies to non-securitised receivables. To that end, the same clearly established processes for approving and, where relevant, amending, renewing and refinancing receivables shall be applied to the Receivables; and (ii) it has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor’s creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his/her/its obligations under the relevant credit agreement;

- (c) its credit-granting as referred to in article 27(3) of the Securitisation Regulation is subject to supervision;
- (d) for the purpose of compliance with article 21(1), of the Securitisation Regulation, under the Intercreditor Agreement, the Originator has undertaken to retain, on an on-going basis, a material net economic interest of not less than 5 (five) per cent. in the Securitisation, in accordance with option (a) of article 6(3), of the Securitisation Regulation;
- (e) for the purposes of compliance with article 22(1), of the Securitisation Regulation (i) it has made available to potential investors in the Notes before pricing, on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years, and (ii) as initial holder of part of the Listed Notes and the whole of the Class R Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years;
- (f) for the purposes of compliance with article 22(3), of the Securitisation Regulation, (i) it has made available to potential investors in the Notes before pricing, on the website of Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer, and (ii) as initial holder of the part of the Listed Notes and the whole of the Class R Notes, it has been in possession, before pricing, of a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer;
- (g) (i) it has made available to potential investors in the Notes before pricing the information under point (a) of article 7(1) of the Securitisation Regulation upon request and the information under points (b) and (d) of article 7(1) of the Securitisation Regulation in draft form, and (ii) as initial holder of part of the Listed Notes and the whole of the Class R Notes, it has been, before pricing, in possession of the data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation;

Pursuant to the Intercreditor Agreement, the Originator has undertaken towards the Issuer, the Representative of the Noteholders and the other parties of the Intercreditor Agreement to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the website of Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer.

For the purposes of compliance with article 22(5), of the Securitisation Regulation, under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that Creditis, in its capacity as Originator, is designated as Reporting Entity, pursuant to and for the purposes of article 7(2), of the Securitisation Regulation and, in such capacity as Reporting Entity, it has represented and warranted that it has fulfilled before pricing and/or has undertaken that it shall fulfil after the Issue Date, as the case may be, the reporting requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of article 7(1) of the Securitisation Regulation by making available the relevant information on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)).

As to post-closing information, the relevant parties to the Intercreditor Agreement and the Cash Allocation, Management and Payments Agreement have agreed and undertaken as follows: (i)

the Calculation Agent shall prepare the Sec Reg Investor Report and deliver it to the Originator who shall make it available, together with the Sec Reg Asset Level Report prepared by it to the investors in the Notes by no later than each Sec Reg Report Date by publishing them on the website of European DataWarehouse (being, as at the date of this Prospectus, editor.eurodw.eu) and the Originator shall prepare and deliver to the investors in the Notes without undue delay the Inside Information Report and the Significant Event Report, in compliance with points (f) and (g) respectively of the first subparagraph of article 7(1) of the Securitisation Regulation and make them available to the investors in the Notes without undue delay by publishing it on the website of European DataWarehouse (being, as at the date of this Prospectus, editor.eurodw.eu); and (ii) the Originator shall make available a copy of the final Prospectus and the other final Transaction Documents to the investors in the Notes by no later than 15 (fifteen) days after the Issue Date, and any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation.

Under the Intercreditor Agreement, it is provided that, if the Cap Transaction is terminated early and no Trigger Event has occurred, the Issuer will use its best endeavours to replace the Cap Transaction with a replacement cap counterparty. Whether the Issuer is able to replace the Cap Transaction will be dependent on the circumstances at the time and may not be possible.

The Intercreditor Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of the Intercreditor Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## **8. DEED OF CHARGE**

Pursuant to the Deed of Charge entered into on or about the Signing Date, the Issuer has, in favour of the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors:

- (i) assigned by way of security absolutely with full title guarantee to all of its right, title, benefit and interest present and future, actual and contingent in, to and under any Cap Agreement which the Issuer may enter into;
- (ii) charged by way of first fixed charge all of its right, title, benefit and interest present and future, actual and contingent in, to and under any Investment Account and/or Securities Account which the Issuer may open in the United Kingdom;
- (iii) charged by way of first charge, and assigned by way of security, all of its right, title, benefit and interest present and future, actual and contingent any Eligible Investments made from time to time by the Issuer using funds standing to the credit of such Investment Account and/or Securities Account (including all of the Issuer's Rights in respect of the Eligible Investments against the relevant account bank).

The Deed of Charge (and any non-contractual obligation arising out of or in connection with it) is governed by, and will be construed in accordance with, English law. The courts of England shall have exclusive jurisdiction in relation to any disputes (also in relation to non-contractual obligations) arising from, or in connection with, the Deed of Charge.

## **9. MANDATE AGREEMENT**

Pursuant to the Mandate Agreement entered into on or about the Signing Date, the Representative of the Noteholders, has been empowered, subject to the delivery of a Trigger Notice 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.

The Mandate Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. Any dispute

which may arise in relation to the interpretation or the execution of the Mandate Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## **10. QUOTAHOLDER'S AGREEMENT**

Pursuant to the Quotaholder's Agreement entered into on or about the Signing Date, between the Issuer, the Representative of the Noteholders and the Quotaholder certain rules have been set out in relation to the corporate governance of the Issuer.

The Quotaholder's Agreement, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. Any dispute which may arise in relation to the interpretation or the execution of the Quotaholder's Agreement, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

## **11. NOTES SUBSCRIPTIONS AGREEMENTS**

### **a) Listed Notes Subscription Agreement**

Pursuant to a subscription agreement relating to the Listed Notes entered into on or about the Signing Date among, *inter alios*, the Joint Lead Managers, the Arranger, the Issuer, the Originator, and the Representative of the Noteholders (the "**Listed Notes Subscription Agreement**"), (i) the Joint Lead Managers have severally agreed to subscribe and pay for or procure the subscription and payment for part of the Listed Notes; (ii) the Issuer and the Originator have given certain representation and warranties to the Joint Lead Managers; and (iii) the Joint Lead Managers have appointed Zenith Service S.p.A. as the Representative of the Noteholders.

For the purpose of compliance with articles 20(2) and 20(3) of the Securitisation Regulation, under the Listed Notes Subscription Agreement, the Originator has represented that it is a joint stock company authorized to operate as a financial intermediary (*intermediario finanziario*) pursuant to article 106 of the Banking Act and its "centre of main interests" (as that term is used in article 3(1) of the Regulation (EU) no. 848/2015 of 20 May 2015 on insolvency proceedings) is located within the territory of the Republic of Italy; therefore, the Originator would be subject to Italian insolvency laws that do not contain severe clawback provisions. In addition, the Originator has represented to the Joint Lead Managers and the Arranger that:

- (A) (i) it has applied and will apply, as the case may be, to the Receivables the same sound and well-defined criteria for credit-granting which it applies to non-securitised exposures; (ii) it has clearly established the processes for approving and, where relevant, amending, renewing and refinancing the Receivables as it applies to the exposures it holds; and (iii) has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the Debtors' creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Debtors meeting their obligations under the Loan Agreements; and
- (B) for the purposes of article 6(2) of the Securitisation Regulation, it has not selected the Receivables with the aim of rendering losses on the Receivables, measured over the life of the Securitisation, or over a maximum of 4 (four) years where the life of the Securitisation is longer than 4 (four) years, higher than the losses over the same period on assets comparable to the Receivables held on the balance sheet of the Originator.

### **b) Retained Notes Subscription Agreement**

Pursuant to a subscription agreement relating to the Retained Notes entered into on or about the Signing Date among, *inter alios*, the Issuer, the Originator, and the Representative of the Noteholders (the "**Retained Notes Subscription Agreement**"), (i) the Originator has agreed to subscribe for part of the Listed Notes and the whole of the Class R Notes; (ii) the Issuer has given certain representation and warranties to the Originator; and (iii) the Originator has appointed Zenith Service S.p.A. as the Representative of the Noteholders.

The Subscription Agreements, and any non-contractual obligation arising out of or in connection therewith, is governed by, and shall be construed in accordance with, English law. Any dispute which may arise in relation to the interpretation or the execution of the Subscription Agreements, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Court of England.

## 12. **THE CAP AGREEMENT**

### **Overview of the Cap Transaction**

The Receivables have or may have interest payments calculated on a fixed rate basis, whilst the Listed Notes will bear interest at a rate based on one-month EURIBOR determined on each Determination Date, subject to and in accordance with the Conditions. In order to partially hedge the interest rate risk which arises as a result of the potential for the interest payable on the Listed Notes (other than the Class X Notes, which will not benefit of the protection under the Cap Agreement) to differ from the amounts receivable by the Issuer in respect of the Receivables, the Issuer will enter into the Cap Transaction with the Cap Counterparty pursuant to the Cap Agreement.

Under the Cap Transaction:

- (a) the Issuer will pay a premium amount to the Cap Counterparty an amount in Euro on or about the Issue Date; and
- (b) on each monthly payment date under the Cap Transaction, the Cap Counterparty will make a payment to the Issuer if the one-month EURIBOR rate for the corresponding calculation period exceeds a specified strike price (the “**Floating Payment**”).

In this section 12 and relation to the Cap Agreement, references to “EURIBOR” are to EURIBOR as defined in the Cap Agreement.

The Floating Payment, if any, for any payment date will be the product of (i) the notional amount of the Cap Transaction for the corresponding calculation period, (ii) the excess (if applicable) of the one-month EURIBOR rate for the corresponding calculation period over the specified strike price and (iii) a day count fraction for the corresponding calculation period.

The calculation periods for the Cap Transaction will correspond to the Interest Periods in respect of the Notes.

Subject to the circumstances described below, unless the Cap Transaction has been terminated due to an occurrence of an Early Termination Event (as defined below) or a Benchmark Trigger Event (as defined in the Cap Agreement), the Cap Transaction is scheduled to terminate on the final payment date specified in the table below.

The notional amount of the Cap Transaction amortises in accordance with the notional amount schedule as set out below.

<b>Calculation Period start date (including such date and prior to any required adjustment)</b>	<b>Calculation Period end date (excluding such date and prior to any required adjustment)</b>	<b>Notional Amount</b>
09 October 2019	24 October 2019	€172,383,728
24 October 2019	24 November 2019	€172,383,728
24 November 2019	24 December 2019	€172,383,728
24 December 2019	24 January 2020	€172,383,728
24 January 2020	24 February 2020	€172,383,728
24 February 2020	24 March 2020	€172,383,728
24 March 2020	24 April 2020	€172,383,728
24 April 2020	24 May 2020	€169,383,728
24 May 2020	24 June 2020	€166,380,513

24 June 2020	24 July 2020	€163,396,272
24 July 2020	24 August 2020	€160,431,320
24 August 2020	24 September 2020	€157,486,506
24 September 2020	24 October 2020	€154,559,726
24 October 2020	24 November 2020	€151,654,291
24 November 2020	24 December 2020	€148,772,734
24 December 2020	24 January 2021	€145,916,384
24 January 2021	24 February 2021	€143,090,512
24 February 2021	24 March 2021	€140,297,653
24 March 2021	24 April 2021	€137,535,262
24 April 2021	24 May 2021	€134,794,935
24 May 2021	24 June 2021	€132,081,486
24 June 2021	24 July 2021	€129,397,448
24 July 2021	24 August 2021	€126,738,208
24 August 2021	24 September 2021	€124,100,563
24 September 2021	24 October 2021	€121,485,348
24 October 2021	24 November 2021	€118,896,302
24 November 2021	24 December 2021	€116,342,228
24 December 2021	24 January 2022	€113,817,083
24 January 2022	24 February 2022	€111,324,058
24 February 2022	24 March 2022	€108,864,485
24 March 2022	24 April 2022	€106,435,838
24 April 2022	24 May 2022	€104,031,677
24 May 2022	24 June 2022	€101,655,280
24 June 2022	24 July 2022	€99,304,870
24 July 2022	24 August 2022	€96,978,098
24 August 2022	24 September 2022	€94,672,225
24 September 2022	24 October 2022	€92,389,801
24 October 2022	24 November 2022	€90,145,832
24 November 2022	24 December 2022	€87,950,017
24 December 2022	24 January 2023	€85,777,830
24 January 2023	24 February 2023	€83,628,493
24 February 2023	24 March 2023	€81,506,053
24 March 2023	24 April 2023	€79,410,558
24 April 2023	24 May 2023	€77,337,470
24 May 2023	24 June 2023	€75,291,386
24 June 2023	24 July 2023	€73,270,879
24 July 2023	24 August 2023	€71,274,322
24 August 2023	24 September 2023	€69,302,590
24 September 2023	24 October 2023	€67,354,734
24 October 2023	24 November 2023	€65,440,248
24 November 2023	24 December 2023	€63,565,355
24 December 2023	24 January 2024	€61,724,042
24 January 2024	24 February 2024	€59,923,092
24 February 2024	24 March 2024	€58,159,708
24 March 2024	24 April 2024	€56,427,311

24 April 2024	24 May 2024	€54,717,848
24 May 2024	24 June 2024	€53,035,591
24 June 2024	24 July 2024	€51,382,917
24 July 2024	24 August 2024	€49,759,496
24 August 2024	24 September 2024	€48,161,948
24 September 2024	24 October 2024	€46,587,484
24 October 2024	24 November 2024	€45,040,670
24 November 2024	24 December 2024	€43,523,668
24 December 2024	24 January 2025	€42,037,061
24 January 2025	24 February 2025	€40,586,608
24 February 2025	24 March 2025	€39,167,384
24 March 2025	24 April 2025	€37,776,263
24 April 2025	24 May 2025	€36,404,615
24 May 2025	24 June 2025	€35,059,110
24 June 2025	24 July 2025	€33,742,387
24 July 2025	24 August 2025	€32,447,548
24 August 2025	24 September 2025	€31,173,708
24 September 2025	24 October 2025	€29,923,741
24 October 2025	24 November 2025	€28,699,132
24 November 2025	24 December 2025	€27,504,743
24 December 2025	24 January 2026	€26,336,988
24 January 2026	24 February 2026	€25,198,988
24 February 2026	24 March 2026	€24,087,690
24 March 2026	24 April 2026	€23,008,719
24 April 2026	24 May 2026	€21,952,843
24 May 2026	24 June 2026	€20,929,617
24 June 2026	24 July 2026	€19,938,078
24 July 2026	24 August 2026	€18,973,174
24 August 2026	24 September 2026	€18,028,338

In the event that the relevant rating(s) of the Cap Counterparty (or its guarantor, if applicable) is or are, as applicable, downgraded by a Rating Agency below the First Required Rating, the Cap Counterparty will, in accordance with the Cap Agreement, be required to take certain remedial measures within the timeframe stipulated in, and in accordance with the terms of, the Cap Agreement and at its own cost which may include: (i) the provision of collateral for its obligations under the Cap Agreement pursuant to the Credit Support Annex; or (ii) arranging for its obligations under the Cap Agreement to be transferred to an eligible entity with at least the minimum credit rating prescribed in the Cap Agreement; or (iii) procuring another entity with at least the minimum credit rating prescribed in the Cap Agreement to become a guarantor in respect of its obligations under the Cap Agreement.

The Cap Counterparty will be required to take (or endeavour to take, as applicable) certain additional remedial measures (within the timeframe stipulated in the Cap Agreement) if its (or its guarantor's, if applicable) relevant rating(s) is or are, as applicable, downgraded by a Rating Agency below the Second Required Rating. In accordance with the Cap Agreement, such additional measures may include: (i) the provision of additional collateral for its obligations under the Cap Agreement pursuant to the Credit Support Annex; and (ii) endeavouring to arrange for its obligations under the Cap Agreement to be transferred to an eligible entity with at least the minimum credit rating prescribed in the Cap Agreement; or (iii) endeavouring to procure that another entity with at least the minimum credit rating prescribed in the Cap Agreement become a guarantor in respect of its obligations under the Cap Agreement.

**“First Required Rating”** means:

- (a) with respect to DBRS and provided that the Rated Notes have a DBRS rating of at least AA(low) or higher, a long-term DBRS rating of A or above from DBRS (or equivalent rating from certain other rating agencies, as specified in the Cap Agreement); or
- (b) with respect to Moody’s: a long-term counterparty risk assessment from Moody’s of Baa1 or above (or such equivalent rating by Moody’s of the Cap Counterparty’s long-term, unsecured and unsubordinated debt obligations if the Cap Counterparty does not have a long-term counterparty risk assessment from Moody’s).

**“Second Required Rating”** means:

- (a) with respect to DBRS, a long-term DBRS rating of BBB or above from DBRS (or equivalent rating from certain other rating agencies, as specified in the Cap Agreement); or
- (b) with respect to Moody’s: a long-term counterparty risk assessment from Moody’s of Baa3 or above (or such equivalent rating by Moody’s of the Cap Counterparty’s long-term, unsecured and unsubordinated debt obligations if the Cap Counterparty does not have a long-term counterparty risk assessment from Moody’s).

### **Early termination of the Cap Agreement**

The Cap Agreement may be terminated in certain circumstances, including the following, each as more specifically defined in the Cap Agreement (an **“Early Termination Event”**):

- (a) if there is a failure by either the Issuer or the Cap Counterparty to pay amounts due under the Cap Agreement and any applicable grace period has expired;
- (b) if a breach of a provision of the Cap Agreement by the Cap Counterparty is not remedied within the applicable grace period;
- (c) if there is a failure by the Cap Counterparty to comply with any credit support document applicable to the Cap Agreement, or if certain adverse events occur with respect to any such credit support document;
- (d) if there is a breach of certain representations made by the Cap Counterparty under the Cap Agreement;
- (e) if certain insolvency events occur with respect to the Issuer or the Cap Counterparty;
- (f) if a merger or similar event occurs in relation to the Issuer or the Cap Counterparty and the relevant party’s obligations under the Cap Agreement are not assumed by the relevant successor;
- (g) if a change of law results in the obligations of either the Issuer or the Cap Counterparty becoming illegal or a force majeure event results in the performance by either the Issuer or the Cap Counterparty of its obligations becoming impossible;
- (h) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed on payments under the Cap Transaction due to change in law (a **“Tax Event”**);
- (i) if the Cap Counterparty is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Cap Agreement;
- (j) if there is a redemption of the Rated Notes pursuant to Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*) or for any other reason (other than pursuant to Condition 8.2 (*Mandatory Redemption*));
- (k) if a valid Trigger Notice is served on the Issuer; and
- (l) if certain modifications are made to the Transaction Documents and / or the Terms and Conditions without the prior consent of the Cap Counterparty.

Upon termination following the designation of an Early Termination Date (as defined in the Cap Agreement), depending on the circumstances prevailing at the time of termination, the Issuer or the Cap Counterparty may be liable to make a termination payment to the other. This termination payment will be calculated and made in Euro. The amount of any termination payment will in certain circumstances be based on the market value of the terminated Cap Transaction as determined on the basis of firm offers sought from leading dealers as to the costs of entering into



a transaction that would have the effect of preserving the economic equivalent of the respective full payment obligations of the parties. In other circumstances (including where no firm offers can be obtained, or following early termination due to a default by the Issuer), the amount of any termination payment may reflect, among other things, the cost of entering into a replacement transaction at the time, third party market data such as rates, prices, yields and yield curves, or similar information derived from internal sources of the party making the determination. In either case, the early termination amount will include any unpaid amounts that became due and payable on or prior to the date of termination, taking account of any collateral transferred by the Cap Counterparty to the Issuer.

### **Transfer of the Cap Agreement**

The Cap Counterparty may, subject to certain conditions specified in the Cap Agreement including (without limitation) the satisfaction of certain requirements of the Rating Agencies, transfer its obligations under the Cap Agreement to another entity with the ratings as specified in the Cap Agreement.

### **Tax**

The Issuer is not obliged under the Cap Agreement to gross up payments made by it if a withholding or deduction for or on account of taxes is imposed on payments made under the Cap Transaction. However, if the Cap Counterparty is required to receive a payment subject to withholding under the Cap Transaction due to a change in law, the Cap Counterparty may, subject to certain conditions, terminate the Cap Transaction.

The Cap Counterparty will generally be obliged to gross up payments (save for any gross up related to a FATCA Withholding Tax (as defined in the Cap Agreement)) made by it to the Issuer if a withholding or deduction for or on account of tax is imposed on payments made by it under the Cap Transaction. However, if the Cap Counterparty is required to gross up a payment under the Cap Transaction due to a change in the law, the Cap Counterparty may, subject to certain conditions, terminate the Cap Transaction.

### **Benchmark Trigger Events**

In the event that EURIBOR ceases to exist, a replacement floating rate would have to be determined for the Cap Transaction to continue in effect. In this regard, the Cap Agreement incorporates the 2018 ISDA Benchmarks Supplement, published by the International Swaps and Derivatives Association, Inc. on 19 September 2018 (the “**Benchmarks Supplement**”) which sets out a number of alternative continuation fallbacks which, broadly speaking, are intended to apply an alternative floating rate for the Cap Transaction following the occurrence of a Benchmark Trigger Event (as defined in the Benchmarks Supplement) in respect of EURIBOR. Those continuation fallbacks are, in the following order of priority: (i) agreement between the parties; (ii) application of an alternative pre-nominated rate (if applicable, and no such alternative pre-nominated rate has been designated in respect of the Cap Transaction); (iii) application of alternative post-nominated rate; and (iv) application of calculation agent nominated replacement rate.

If a replacement rate is implemented in accordance with the Benchmarks Supplement, an adjustment payment or spread may be agreed between the Issuer and the Cap Counterparty or determined by the Cap Counterparty to account for the economic effect on the Cap Transaction. That adjustment payment may be an amount due by the Issuer to the Cap Counterparty.

### **Governing law**

The Cap Agreement is governed by English law.

## **13. EMIR REPORTING AGREEMENT**

Pursuant to an agreement to be entered on or about the Issue Date, between the Issuer and NATIXIS (the “**EMIR Reporting Agent**”) the EMIR Reporting Agent will agree, each pursuant to the EMIR reporting agreement to which is party, to carry out certain reporting obligations

pursuant to EMIR on behalf of the Issuer (the “**EMIR Reporting Agreement**”). The Emir Reporting Agreement is governed by French law.

## THE ISSUER ACCOUNTS

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

### The Issuer's Accounts

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

1. the Euro denominated bank account with IBAN No. IT33S0356601600000128472029 (the “**Collection Account**”),
  - into which: (i) all Collections and Recoveries under the Receivables will be credited; (ii) any interest accrued on such account pursuant to clause 3.3 of the Cash Allocation Management and Payments Agreement (*Interest on the Issuer's Accounts opened with the Account Bank*) will be credited by the Account Bank; (iii) any amount received or recovered from the Originator pursuant to the Master Receivables Purchase Agreement and the Warranty and Indemnity Agreement will be credited (if and to the extent the Investment Account has not been opened by the Issuer); (iv) any proceeds deriving from the sale, if any, of the Aggregate Portfolio (in whole or in part) in accordance with the provisions of the Transaction Documents will be credited; (v) any proceeds deriving from the sale, if any, of individual Receivables in accordance with the provisions of the Transaction Documents shall be credited (if and to the extent the Investment Account has not been opened by the Issuer); and (vi) on each Payment Date any Principal Available Funds which have not been used by the Issuer on such Payment Date to meet payments under item (ii) (*second*) of the Pre-Enforcement Principal Priority of Payments shall be credited from the Payments Account;
  - out of which: (i) 2 (two) Business Days preceding each Payment Date, any amount standing to the credit thereof will be transferred to the Payments Account; (ii) only to the extent the Investment Account has been opened in accordance with the provisions of the Transaction Documents, during each Interest Period (excluding the second Business Day preceding each Payment Date), amounts standing to the credit of the Collection Accounts will be transferred to the Investment Account (if opened in accordance with the Cash Allocation Management and Payments Agreement) in order to be used by the relevant Custodian (as instructed by the Cash Manager (if appointed) upon instructions of the Issuer as directed by the holders of the Class R Notes acting in accordance with the provisions of the Cash Allocation Management and Payments Agreement and the Rules of the Organisation of the Noteholders) for making Eligible Investments in accordance with the provisions of the Cash Allocation Management and Payments Agreement; and (iii) any amount to be paid (also on a date which is not a Payment Date) in accordance with the provisions of the Transaction Documents, to the extent not payable out of the Expenses Account, will be paid upon instructions of the Issuer given in accordance with the Cash Allocation Management and Payments Agreement (including, upon written instructions of the Servicer, any amount to be returned to the Originator as repayment of a Limited Recourse Loan outside the Priority of Payments pursuant to the Warranty and Indemnity Agreement and the Amounts Not Pertaining to the Securitisations to be repaid to the Servicer pursuant to the Servicing Agreement).
2. the Euro denominated bank account with IBAN No. IT86S0356601600000128472045 (the “**Cash Reserve Account**”),
  - into which: (i) on the Issue Date, the Cash Reserve Initial Amount shall be credited from the Payments Account; (ii) on any Payment Date prior to the earlier of (i) the Payment Date following the delivery of a Trigger Notice, and (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled, an amount necessary to bring the Cash Reserve Amount up to (but not exceeding) the Cash Reserve Target Amount in accordance with the applicable Priority of

Payments will be credited; and (iii) any interest accrued on such account pursuant to clause 3.3 of the Cash Allocation Management and Payments Agreement (*Interest on the Issuer's Accounts opened with the Account Bank*) will be credited by the Account Bank; and

- out of which: (i) the Cash Reserve Released Amount shall be transferred 2 (two) Business Days prior to each Payment Date to the Payments Account; (ii) only to the extent the Investment Account has been opened in accordance with the provisions of the Transaction Documents, during each Interest Period (excluding the second Business Day preceding each Payment Date), monies standing to the credit of the Cash Reserve Account will, from time to time, be transferred to the Investment Account (if opened in accordance with the Cash Allocation Management and Payments Agreement) in order to be used by the Account Bank (as instructed by the Cash Manager (if appointed) upon instructions of the Issuer as directed by the holders of the Class R Notes acting in accordance with the provisions of the Cash Allocation Management and Payments Agreement and the Rules of the Organisation of the Noteholders) for making Eligible Investments in accordance with the provisions of the Cash Allocation Management and Payments Agreement; and (iii) on the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Amount as at such date shall be transferred to the Payments Account;
3. the Euro denominated bank account with IBAN No. IT37F0356601600000128472088 (the “**Prepayment Reserve Account**”):
- into which: (i) on the Issue Date, the Prepayment Reserve Initial Amount shall be credited from the Payments Account; and (ii) any interest accrued on the amount standing to the credit of the Prepayment Reserve Account pursuant to the provisions of the Cash Allocation Management and Payments Agreement will be credited by the Account Bank; and
  - out of which: (i) at any time during each Collection Period, the Prepayment Reserve Amount will be used by the Issuer to pay any Prepayment Amount upon instructions of the Issuer given in accordance with the Cash Allocation Management and Payments Agreement; (ii) 2 (two) Business Days prior to each Payment Date up to (but excluding) the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, an amount equal to the excess (if any) of the Prepayment Reserve Amount over the Prepayment Reserve Target Amount as at such Payment Date shall be transferred to the Payments Account upon instructions of the Issuer given in accordance with the Cash Allocation Management and Payments Agreement; and (iii) 2 (two) Business Days prior to the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, the Prepayment Reserve Amount as at such Payment Date shall be transferred to the Payments Account;
4. the Euro denominated bank account with IBAN No. IT72U0356601600000128472053 (the “**Expenses Account**”),
- into which: (i) on the Issue Date, the Retention Amount shall be credited from the Payments Account; (ii) on any Payment Date, if the balance standing to the credit of the Expenses Account specified in the relevant Payments Report is lower than the Retention Amount, the amount necessary to replenish the Expenses Account up to the Retention Amount shall be credited from the Payments Account in accordance with the applicable Priority of Payments; and (iii) any interest accrued on such account pursuant to clause 3.3 of the Cash Allocation Management and Payments Agreement (*Interest on the Issuer's Accounts opened with the Account Bank*) will be credited by the Account Bank; and
  - out of which: (i) all the expenses, costs and taxes required to be paid by the Issuer during each Interest Period will be paid when due and payable (including, for the avoidance of doubt, on

any day which is not a Payment Date) upon instructions of the Corporate Servicer (on behalf of the Issuer) given in accordance with the Cash Allocation Management and Payments Agreement; and (ii) 2 (two) Business Days before the Payment Date on which the Notes are redeemed in full or cancelled, the amount standing to the credit of the Expenses Account in excess of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after such Payment Date will be transferred into the Payments Account;

5. the Euro denominated bank account with IBAN No. IT11S0356601600000128472037 (the “**Payments Account**”),

- into which: (i) the net proceeds from the issuance of the Notes will be released on the Issue Date; (ii) 2 (two) Business Days preceding each Payment Date, all amounts standing to the credit of the Collection Account, to the extent not invested in Eligible Investments in accordance with the Cash Allocation Management and Payments Agreement, will be credited; (iii) any amounts due to the Issuer by any party of the Transaction Documents thereunder (other than any other payment which is expressed to be made or credited on other Accounts pursuant to the Transaction Documents) will be credited; (iv) only to the extent the Investment Account has been opened in accordance with the provisions of the Transaction Documents, 2 (two) Business Days prior to each Payment Date, any revenues and other amounts matured or deriving from the Eligible Investments (if any) will be credited from the Investment Account (if opened in accordance with the Cash Allocation Management and Payments Agreement), unless reinvested in Eligible Investments in accordance with the provisions of the Cash Allocation Management and Payments Agreement; (v) the Cash Reserve Released Amount, as specified under the Payments Report (or the Post-Enforcement Payments Report, as applicable), shall be transferred from the Cash Reserve Account 2 (two) Business Days prior to each Payment Date; (vi) 2 (two) Business Days before the Payment Date on which the Notes are redeemed in full or cancelled, the amount standing to the credit of the Expenses Account in excess of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after such Payment Date shall be transferred; (vii) any interest accrued on such account pursuant to clause 3.3 of the Cash Allocation Management and Payments Agreement (*Interest on the Issuer’s Accounts opened with the Account Bank*) will be credited by the Account Bank; (viii) 2 (two) Business Days before each Payment Date, any amount payable by the Cap Counterparty under the Cap Agreement (other than any amount required to be credited to the Collateral Account) shall be paid; (ix) on the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio or of the Portfolio Subject to Prepayment Risk is equal to zero, the Cash Reserve Amount and the Prepayment Reserve Amount as at such date shall be credited respectively from the Cash Reserve Account and the Prepayment Reserve Account; and (x) 2 (two) Business Days prior to each Payment Date up to (but excluding) the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, an amount equal to the excess (if positive) of the Prepayment Reserve Amount over the Prepayment Reserve Target Amount as at such Payment Date shall be transferred;
- out of which: (i) on the Issue Date, the Retention Amount shall be transferred to the Expenses Account; (ii) on the Issue Date, the net Purchase Price due to the Originator for the sale of the Initial Portfolio shall be paid; (iii) on the Issue Date, the Cash Reserve Initial Amount and the Prepayment Reserve Initial Amount shall be transferred respectively to the Cash Reserve Account and the Prepayment Reserve Account out of part of the proceeds from the issuance of the Class X Notes; (iv) on or about the Issue Date the cap premium due and payable to the Cap Counterparty pursuant to the Cap Agreement shall be paid out of a portion of the proceeds from the issuance of the Class X Notes (v) within 12.00 p.m. (CET) on the Business Day prior to each Payment Date, the amounts specified in the relevant Payments Report (or Post-Enforcement Payments Report, as applicable) as amount payable under the Notes shall be

transferred to an account of the Principal Paying Agent in order to be used by the Italian Paying Agent for further distribution to the relevant Monte Titoli Account Holders; (vi) on each Payment Date, all amounts (other than amounts payable under the Notes) specified in the relevant Payments Report (or Post-Enforcement Payments Report, as applicable) shall be paid in accordance with the applicable Priority of Payments; and (vii) on each Payment Date any Principal Available Funds which have not been used by the Issuer on such Payment Date to meet payments under (ii) (*second*) of the Pre-Enforcement Principal Priority of Payments shall be transferred to the Collection Account;

6. the Euro denominated bank account with IBAN No. IT50U0356601600000128472061 (the “**Collateral Account**”),

- into which: (i) any Collateral received from the Cap Counterparty pursuant to the Cap Agreement; (ii) any interest and distributions received in respect of that Collateral; (iii) any amounts received in respect of Cap Tax Credit Amounts due to the Cap Counterparty; (iv) any Replacement Cap Premium received by the Issuer from a replacement cap counterparty with regard to the Cap Agreement, and (v) any termination payment received by the Issuer from the Cap Counterparty pursuant to the Cap Agreement will be credited; and
- out of which: (i) any return amount due in respect of the Collateral shall be paid to the Cap Counterparty as notified by the Cap Counterparty; (ii) any interest and distributions received in respect of that Collateral due to the Cap Counterparty shall be paid to the Cap Counterparty as notified by the Account Bank; (iii) any amounts received in respect of Cap Tax Credit Amounts due to the Cap Counterparty shall be paid to the Cap Counterparty as notified by the Issuer; (iv) any Replacement Cap Premium due to the Cap Counterparty or any replacement cap counterparty as notified by the Issuer and (v) any Cap Collateral Account Surplus shall be paid to the Payments Account,

in each case, subject to and in accordance with the Collateral Account Priority of Payments.

7. **Quota Capital Account**

In addition, the Issuer has also opened with Igea Banca S.p.A. a Euro denominated account, the “**Quota Capital Account**” with IBAN No. IT15F0356601600000128472096, for the deposit of the Issuer's quota capital.

The Quota Capital Account shall be maintained with Igea Banca S.p.A. or with any other banking institution (which shall not need to be an Eligible Institution) as from time to time notified by the Issuer to the Servicer, the Rating Agencies and the Representative of the Noteholders.

8. **Investment Account and Securities Account**

The Issuer shall, if so instructed by the holders of the Class R Notes acting in compliance with the Rules of the Organization of the Noteholder, open the Investment Account and the Securities Account with the Custodian in order to effect any Eligible Investments following the Issue Date, subject to the terms and conditions of the Cash Allocation Management and Payments Agreement and Conditions and in accordance with the Transaction Documents.

## ESTIMATED WEIGHTED AVERAGE LIFE OF THE LISTED NOTES AND ASSUMPTIONS

The *Estimated Weighted Average Life of the Listed Notes (WAL)* refers to the estimated average amount of time that will elapse from the Issue Date to the date of distribution to the investor of each Euro in reduction of the principal amount of each Listed Note. The Estimated Weighted Average Life of a given Listed Note shall be affected, *inter alia*, by the available funds allocated to redeem such Note and other factors. Therefore, the Estimated Weighted Average Life of the Listed Notes cannot be predicted as the actual rate at which the Loans will be repaid and a number of other relevant factors are unknown. Calculated estimates as to the estimated average life of the Listed Notes can only be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates can be accurate, and that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The model used for the purpose of calculating estimates presented below employs an assumed constant principal payment rate (hereinafter “**CPPR**”). The CPPR is an assumed constant rate of payment of principal, which, when applied monthly, changes the monthly expected Outstanding Principal of the Portfolio and allows calculating the monthly principal payment of the Listed Notes. The CPPR showed in the tables below is an annualised figure.

The information included in the tables below assume, among other things:

- (a) during the Revolving Period, Additional Portfolios are transferred to keep the Outstanding Principal of the Portfolio constant (and equal to the Outstanding Principal of the Initial Portfolio);
- (b) that the Revolving Period will end on the Payment Date falling in March 2020 (included);
- (c) there are no delinquencies or default on the Receivables, and principal payments on the Receivables will be timely received, if any, at the respective CPPR set forth in the tables below;
- (d) there are no Interest Available Funds remaining after the payment of item (xx) (*twentieth*) of the Pre-Enforcement Interest Priority of Payments;
- (e) the CPPR shown in the tables is an annualised figure. The range of scenarios have been defined based on historic information shared by the Originator;
- (f) the calculation of the weighted average life (in years) is calculated on an Actual/360 basis;
- (g) payment of principal and interest due and payable under the Listed Notes will be received on the relevant Payment Date;
- (h) The Representative of the Noteholders has not delivered a notice confirming a Purchase Termination Event or a Trigger Notice to the Issuer;
- (i) No Trigger Event has occurred;
- (j) the Receivables fully amortise according to their amortisation plan;
- (k) Class X Notes Principal Amount has been fully paid according to the Class X Notes Target Amortisation Amount.

The actual characteristics and performance of the Receivables will differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and provided only to give a general sense of how the principal cash flows might behave under varying monthly rates of principal prepayment scenarios. For example, it is unlikely that the receivables will pay at a constant monthly rate of principal payment until maturity. Any difference between such assumptions and the actual characteristics and performance of the Receivables, or actual monthly rate of principal prepayment, will affect the Estimated Weighted Average Life of the Listed Notes. Subject to the foregoing discussion and assumptions, the following tables indicate the Estimated Weighted Average Life of the Listed Notes under the CPPR shown and under two scenarios: (i) exercise of the Originator Call Option on the First Optional Redemption Date; (ii) the principal of the Listed Notes is repaid according to the relevant Priority of Payments up to the Legal Final Maturity Date.

**Estimated Weighted Average Life of the Listed Notes to First Optional Redemption Date**

<b>CPPR</b>	<b>0%</b>	<b>5%</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>17%</b>	<b>20%</b>	<b>25%</b>
<b>Class A</b>	2.15	2.05	2.00	1.96	1.92	1.88	1.83	1.77	1.68
<b>Class B</b>	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49
<b>Class C</b>	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49
<b>Class D</b>	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49
<b>Class E</b>	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49	2.49
<b>Class X</b>	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81

**Estimated Weighted Average Life of the Listed Notes to Legal Final Maturity**

<b>CPPR</b>	<b>0%</b>	<b>5%</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>	<b>14%</b>	<b>17%</b>	<b>20%</b>	<b>25%</b>
<b>Class A</b>	3.39	2.95	2.72	2.58	2.46	2.35	2.19	2.05	1.85
<b>Class B</b>	7.34	6.77	6.43	6.20	5.97	5.75	5.42	5.11	4.63
<b>Class C</b>	8.56	8.13	7.84	7.64	7.43	7.22	6.91	6.59	6.07
<b>Class D</b>	9.33	9.03	8.83	8.68	8.52	8.35	8.08	7.80	7.30
<b>Class E</b>	9.97	9.80	9.68	9.59	9.49	9.38	9.21	9.01	8.64
<b>Class X</b>	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81

**The Estimated Weighted Average Lives of the Listed Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.**



## TERMS AND CONDITIONS OF THE NOTES

*The following is the entire text of the terms and conditions of the Notes (the “Conditions”). In these Conditions, references to the “holder” of a Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class X Note and a Class R Note, or to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class X Noteholders and the Class R Noteholders are to the ultimate owners of Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class X Note and Class R Note, as the case may be, issued in bearer form and held in dematerialised form and evidenced as book entries with Monte Titoli S.p.A. (“**Monte Titoli**”) in accordance with the provisions of: (i) article 83-bis of the Legislative Decree No. 58 of 24 February 1998; and (ii) the regulation issued on 13 August 2018 by the Bank of Italy together with Commissione Nazionale per le Società e la Borsa (“**CONSOB**”), as subsequently amended and supplemented. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of Noteholders (as defined below).*

*In these Conditions, references to (i) any agreement or other document shall include such agreement or another document as may be modified from time to time in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto, as modified from time to time; and (ii) any laws or regulation shall be interpreted and construed to include any amendments and implementation thereof as of the date of these Conditions.*

The € 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036 (the “**Class A Notes**” or the “**Senior Notes**” and the holders thereof, the “**Class A Noteholders**” or the “**Senior Noteholders**”), the € 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036 (the “**Class B Notes**” and the holders thereof, the “**Class B Noteholders**”), the € 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036 (the “**Class C Notes**” and the holders thereof, the “**Class C Noteholders**”), the € 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036 (the “**Class D Notes**” and the holders thereof, the “**Class D Noteholders**”; the Class D Notes together with the Class B Notes and the Class C Notes, the “**Mezzanine Notes**”; the Class D Noteholders together with the Class B Noteholders and the Class C Noteholders the “**Mezzanine Noteholders**”); the € 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036 (the “**Class E Notes**” and the holders thereof, the “**Class E Noteholders**”; the Class E Notes together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the “**Rated Notes**”; the Class E Noteholders together with the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, the “**Rated Noteholders**”), and the € 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036 (the “**Class X Notes**” and the holders thereof the “**Class X Noteholders**”; the Class X Notes together with the Class E Notes the “**Junior Notes**”; the Class X Noteholders together with the Class E Noteholders, the “**Junior Noteholders**”; the Senior Notes, the Mezzanine Notes and the Junior Notes are hereinafter referred to the “**Listed Notes**” and the Senior Noteholders together with the Mezzanine Noteholders and the Junior Noteholders, the “**Listed Noteholders**”) and the € 20,000 Class R Asset Backed Variable Return Notes due March 2036 (the “**Class R Notes**” or the “**Residual Notes**” and the holders thereof, the “**Class R Noteholders**”; the Class R Notes together with the Listed Notes, are, collectively, referred to as the “**Notes**” and each of them a “**Note**”; the Class R Noteholders together with the Listed Noteholders, the “**Noteholders**”) will be issued by Brignole CQ 2019-1 S.r.l. (the “**Issuer**”) on 9 October 2019 (the “**Issue Date**”) pursuant to Italian Law n. 130 of 30 April 1999, as subsequently amended and supplemented (the “**Securitisation Law**”), to (i) finance the purchase by the Issuer from Creditis Servizi Finanziari S.p.A. (the “**Originator**”) pursuant to a master receivables purchase agreement entered into on 17 September 2019, as subsequently amended and supplemented (the “**Master Receivables Purchase Agreement**”) and a relevant purchase agreement entered into on the same date, of the Initial Portfolio; (ii) to credit the Cash Reserve Initial Amount and the Prepayment Reserve Initial Amount to the Payments Account and to (iii) pay certain initial fees and expenses incurred by the Issuer in relation to the Securitisation.

Any reference in these Conditions to a “**Class**” of Notes or a Class of Noteholders shall be construed as a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Class R Notes, as the case may be, or to the respective Noteholders thereof.

The principal source of payment of interest and Residual Payments and of repayment of principal on the Notes will be Collections and other amounts received in respect of the Aggregate Portfolio and the Transaction Documents. By operation of Italian law, the Issuer's right, title and interest in and to the Aggregate Portfolio and the other Issuer's Rights are segregated from all other assets of the Issuer and amounts deriving therefrom (for so long as such amounts are credited to one of the Issuer's accounts under this Securitisation and not commingled with other sums) will only 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 pay any costs, fees or expenses payable, or other amounts due, to the Other Issuer Creditors (as defined below) and to any third party creditor in respect of any costs, fees or expenses payable by the Issuer to such third party creditors in relation to the securitisation of the Aggregate Portfolio (the "**Securitisation**"). Amounts derived from the Aggregate Portfolio and other amounts available to the Issuer under the Transaction Documents will not be available to any such creditors of the Issuer in respect of any other amounts owed to them or to any other creditors of the Issuer. The Noteholders and the Other Issuer Creditors will agree that the Issuer Available Funds (as defined below) will be applied by the Issuer in accordance with the applicable priority of payments as set forth in Condition 6 (*Priority of Payments*) and the Intercreditor Agreement (the "**Priority of Payments**").

Any reference in this Conditions to the "**Custodian**" and/or the "**Cash Manager**", shall be effective to the extent that entities will be appointed as such pursuant to the provisions of the Transaction Documents and any reference to the "**Securities Account**" and "**Investment Account**" shall be effective to the extent that such accounts will be opened pursuant to the provisions of the Transaction Documents.

## **1. INTRODUCTION**

### **1.1. Noteholders entitled to benefit of and bound by the Transaction Documents**

The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents (described below). In particular, each Noteholder, by reason of holding one or more Notes, recognizes the Representative of the Noteholders as its representative, acting in its name and on its behalf, and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto.

### **1.2. Provisions of the Conditions subject to Transaction Documents**

Certain provisions of these 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 listed under the section "*Description of the Transaction Documents*" of these Conditions (other than the Notes Subscription Agreements) are available for inspection by the Noteholders during normal business hours at the registered office of the Issuer and the Representative of the Noteholders being Via Betteloni 2, Milano (20131) and at the specified office of the Principal Paying Agent being London, 33 Canada Square, Canary Wharf, London E14 5LB, England.

### **1.4. Description of Transaction Documents**

1.4.1 Pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement entered into on 17 September 2019 (the "**Effective Date**"), the Originator has assigned and transferred without recourse (*pro soluto*) and *in blocco* the Initial Portfolio to the Issuer, in accordance with the Securitisation Law and subject to the terms and conditions of the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement. In addition, pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreements, the Originator may transfer without recourse (*pro soluto*) and in block (*in blocco*) to the Issuer, which shall purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law, Additional Portfolios during the Revolving Period, subject to certain conditions being met.

- 1.4.2 Pursuant to the Warranty and Indemnity Agreement entered into on the Effective Date, the Originator has given certain representations and warranties in favour of the Issuer in relation to the Aggregate 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 Aggregate Portfolio.
- 1.4.3 Pursuant to the Servicing Agreement entered into on the Effective Date, the Servicer has agreed to collect the Receivables and to administer and service the Aggregate Portfolio on behalf of the Issuer in compliance with the Securitisation Law. 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, *inter alia*, for ensuring that the Securitisation complies with the provisions of law and the Prospectus pursuant to article 2 paragraph 6 *bis* of the Securitisation Law. The Servicer will undertake, *inter alia*, to prepare and submit to the Issuer, on each Servicer Report Date, a report in the form which will be set out in the Servicing Agreement, providing key information relating to the amortisation of the Aggregate Portfolio and the Servicer's activity during the relevant preceding period, including, without limitation, a description of the Aggregate Portfolio, information relating to any Defaulted Receivables and the Collections and Recoveries during the relevant preceding period and a performance analysis.
- 1.4.4 Pursuant to the Corporate Services Agreement entered into on the Effective Date, the Corporate Servicer has undertaken to provide the Issuer with certain corporate administration and management services. These services will include the book-keeping of the documentation in relation to the meetings of the Issuer's quotaholder, directors and auditors (if appointed) and the meetings of the Noteholders, maintaining the quotaholder's register, preparing tax and accounting records, preparing documents necessary for the Issuer's annual financial statements and liaising with the Representative of the Noteholders.
- 1.4.5 Pursuant to the Back-up Servicing Agreement entered into on or about 9 October 2019 (the “**Issue Date**”), the Back-up Servicer has undertaken to act as substitute of the Servicer, in the event that: (i) the appointment of the Servicer has been revoked in accordance with terms of the Servicing Agreement; or (ii) the Servicer has resigned from its role under the Servicing Agreement; or (iii) the appointment of the Servicer is terminated for any reason whatsoever in accordance with the terms of the Servicing Agreement (other than for termination of the Servicing Agreement as a consequence of the occurrence of the condition subsequent provided for therein).
- 1.4.6 Pursuant to the Cash Allocation, Management and Payments Agreement entered into on or about the Issue Date, among, *inter alios*, the Issuer, the Servicer, the Representative of the Noteholders, the Account Bank, the Paying Agents, the Calculation Agent and the Corporate Servicer, each of the relevant Agents has agreed to provide the Issuer with certain calculation, notification, cash management, reporting and agency services together with account handling and payment services in relation to moneys and securities from time to time standing to the credit of the Issuer's Accounts.
- 1.4.7 Pursuant to the Intercreditor Agreement entered into on or about the Issue Date, 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 Aggregate Portfolio and the Transaction Documents.
- 1.4.8 Pursuant to the Deed of Charge entered into on or about the Issue Date, the Issuer has, in favour of the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors (i) assigned absolutely with full title guarantee to the Representative of the Noteholders (acting as security trustee) on behalf of the Noteholders and the Other Issuer Creditors, all of its present and future rights, title, interest and benefit in, to and under the Cap Agreement (subject to the netting and set-off provisions therein) and all payments due to it thereunder; and (ii) charged by way of first fixed charge all of its present and future rights, title, interest and benefit (actual and contingent) in, to and under the Investment Account and the Securities Account, any

credit balance from time to time on each such account and any Eligible Investments made from funds standing to the credit of any such Issuer's Accounts.

- 1.4.9 Pursuant to the Cap Agreement entered into on or about the Issue Date with the Cap Counterparty, the Issuer and the Cap Counterparty have entered into an interest rate cap transaction. Such Cap Agreement comprises a 2002 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto and an interest rate Cap Transaction made thereunder. The Issuer will enter into Cap Transaction in order to hedge its floating interest rate exposure in relation to the Listed Notes (other than the Class X Notes).
- 1.4.10 Pursuant to the EMIR Reporting Agreement the EMIR Reporting Agent will agree to carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer in respect of the Cap Agreement.
- 1.4.11 Pursuant to the Mandate Agreement entered into on or about the Issue Date, the Representative of the Noteholders, has been empowered, subject to the delivery of a Trigger Notice 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.
- 1.4.12 Pursuant to the Quotaholder's Agreement entered into on or about the Issue Date, between, the Issuer, the Representative of the Noteholders and the Quotaholder certain rules have been set out in relation to the corporate governance of the Issuer.
- 1.4.13 Pursuant to the Listed Notes Subscription Agreement entered into between, among others, the Issuer, the Joint Lead Managers, the Arranger, the Originator and the Representative of the Noteholders, (i) the Joint Lead Managers have agreed to subscribe and pay for or procure subscription and payment for a portion of the Listed Notes upon the terms and subject to the conditions thereof and have appointed the Representative of the Noteholders to act as the representative of the holders of the Notes; and (ii) the Issuer and the Originator have given certain representations and warranties in favor of the Arranger and the Joint Lead Managers.
- 1.4.14 Pursuant to the Retained Notes Subscription Agreement entered into between, among others, the Issuer, the Originator and the Representative of the Noteholders, (i) the Originator has agreed to subscribe and pay for 5% of the Listed Notes and the whole of the Class R Notes to comply with its retention obligations under the Securitisation Regulation upon the terms and subject to the conditions thereof and has appointed the Representative of the Noteholders to act as the representative of the holders of the Notes; and (ii) the Issuer has given certain representation and warranties in favor of the Originator (collectively, together with the Listed Notes Subscription Agreement, the Deed of Charge and the Cap Agreement, the **"English Law Transaction Documents"**).

## 1.5. Acknowledgement

Each Noteholder, by reason of holding a Note acknowledges and agrees that neither the Arranger nor the Joint Lead Managers or the Originator shall be liable in respect of any loss, liability, claim, expenses or damages suffered or incurred by any of the Noteholders as a result of the performance by Zenith Service S.p.A. or any successor thereof of its duties as Representative of the Noteholders as provided for in the Transaction Documents.

The rights and powers of the Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the **"Rules of the Organisation of the Noteholders"** and the **"Organisation of the Noteholders"**) attached hereto and which form an integral and substantive part of these Conditions.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

The Recitals and the Exhibits hereto constitute an integral and essential part of these Conditions and shall have the force of and shall take effect as covenants by the Issuer.

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

**“Acceptance”** means the acceptance by the Issuer of each Offer of each Additional Portfolio, delivered pursuant to the Master Receivables Purchase Agreement.

**“Account Bank”** means Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies’ register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy, and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**“Accrued Interest”** means, on any given date and in relation to each Receivable, the portion of Interest Instalments accrued on such date but not yet due on such date pursuant to the relevant Loan Agreement.

**“Additional Criteria”** has the meaning ascribed to the term *“Criteri Ulteriori”* in the Master Receivables Purchase Agreement.

**“Additional Portfolio”** means each portfolio of Receivables purchased by the Issuer, subsequent to the purchase of the Initial Portfolio and during the Revolving Period, pursuant to the Master Receivables Purchase Agreement and the other Transaction Documents.

**“Affiliate”** or **“affiliate”** means in relation to any person, a direct or indirect Subsidiary of that person or a Holding Company of that person or any other direct or indirect Subsidiary of that Holding Company;

**“Agent”** means each of the Account Bank, the Cash Manager, the Paying Agents, the Custodian and the Calculation Agent, appointed pursuant to the Cash Allocation Management and Payments Agreement.

**“Aggregate Outstanding Principal”** means the aggregate of the Outstanding Principal of all Receivables in the Collateral Portfolio.

**“Amounts Not Pertaining to the Securitisation”** has the meaning ascribed to the term *“Importi Non Relativi alla Cartolarizzazione”* under clause 4.3 of the Servicing Agreement.

**“Amortisation Period”** means the period commencing immediately following the end of the Revolving Period and ending on (and including) the Cancellation Date.

**“Arranger”** means Citigroup Global Markets Limited.

**“Assigned Employer”** means, with reference to a Loan the Receivables arising thereunder have been assigned by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement, the Employer or Pension Authority bound to pay the Payment Delegation and/or Salary Assignment.

**“Back-up Servicer”** means Zenith Service S.p.A. and any successor or assignee thereto which has been appointed in accordance with the Back-up Servicing Agreement.

**“Back-up Servicing Agreement”** means the back-up servicing agreement entered into on or about the Issue Date between the Issuer, the Servicer and the Back-up Servicer, as amended and supplemented from time to time.

**“Business Day”** means any day, other than Saturday and Sunday, (i) on which Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) (or any successor thereto) is open and (ii) on which banks are generally open for business in Milan, Luxembourg and London.

**“Calculation Agent”** means Citibank N.A., London Branch and any successor or assignee thereto in accordance with the Cash Allocation Management and Payments Agreement.

**“Calculation Date”** means (A) the date falling 4 (four) Business Days prior to each Payment Date and (B) following the delivery of a Trigger Notice, any day on which the relevant calculation is required to be made by the Representative of the Noteholders in accordance with the Transaction Documents.

**“Cancellation Date”** means the earlier of (i) following collection in full and/or the completion of any proceedings for the recovery of all Receivables, the date on which all such collections and recoveries are paid in accordance with the applicable Priority of Payments, (ii) following the sale in whole of the Aggregate Portfolio and the enforcement in full of the Issuer’s Rights, the date on which the proceeds of such sale and/or enforcement (if any) are paid in accordance with the applicable Priority of Payments, and (iii) the Payment Date falling on the first anniversary of the Legal Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Priority of Payments).

**“Cap Agreement”** means the cap agreement entered into between the Issuer and the Cap Counterparty comprising a 2002 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto and an interest rate cap transaction made thereunder.

**“Cap Collateral Account Surplus”** has the meaning ascribed to such term in clause 27.2.1 (ii) (c) (*Cap Collateral*) of the Intercreditor Agreement.

**“Cap Counterparty”** means NATIXIS (acting through its London Branch) or any successor or assignee thereto in accordance with the Corporate Services Agreement.

**“Cap Premium Amount”** means, in respect of the Cap Transaction, the premium amount payable in respect thereof by the Issuer to the Cap Counterparty on or about the Issue Date, pursuant to the Cap Agreement.

**“Cap Tax Credit Amount”** means any tax credit payable by the Issuer to a Cap Counterparty pursuant to the Cap Agreement.

**“Cap Transaction”** means the interest rate cap transaction made pursuant to a Cap Agreement.

**“Cash Allocation, Management and Payments Agreement”** means the cash allocation, management and payments agreement entered into on or about the Issue Date among, *inter alios*, the Issuer, the Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Account Bank, the Calculation Agent, the Corporate Servicer and the Paying Agents, as amended and supplemented from time to time.

**“Cash Manager”** means:

A) Citibank N.A., London Branch; or

B) any third-party entity other than Citibank N.A., London Branch, *provided that* the appointment of the entity referred to in paragraph (A) or (B) above as cash manager has been previously approved in writing by the Representative of the Noteholders (which will act on the basis of the instructions of the Class R Noteholders), 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 number IT86S0356601600000128472045, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

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

**“Cash Reserve Initial Amount”** means an amount equal to Euro 1,726,000 to be credited on the Cash Reserve Account on the Issue Date and to be funded on the Issue Date through part of proceeds from the subscription of the Class X Notes.

**“Cash Reserve Released Amount”** means, on any Calculation Date, an amount equal to the lesser of:

(i) the Cash Reserve Amount on such Calculation Date; and

(ii) the amount of Interest Available Funds Shortfall on such Calculation Date.

**“Cash Reserve Target Amount”** means, prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*), or Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), in relation to each relevant Payment Date, an amount equal to the Cash Reserve Initial Amount (without taking into account any principal payment to be made to the Noteholders on such Payment Date), provided that, on the earlier of: (i) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are redeemed in full; and (ii) the Payment Date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Target Amount shall be equal to zero.

**“Class”** shall be a reference to a class of Notes being the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Class R Notes and **“Classes”** shall be construed accordingly.

**“Class A Noteholders”** means the holders from time to time of any of the Class A Notes.

**“Class A Notes”** means the € 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class A Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class A Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class B Noteholders”** means the holders from time to time of any of the Class B Notes.

**“Class B Notes”** means the € 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class B Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class B Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class C Noteholders”** means the holders from time to time of any of the Class C Notes.

**“Class C Notes”** means the € 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class C Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class C Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class D Noteholders”** means the holders from time to time of any of the Class D Notes.

**“Class D Notes”** means the € 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class D Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class D Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class E Noteholders”** means the holders from time to time of any of the Class E Notes.

“**Class E Notes**” means the € 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

“**Class E Notes Principal Deficiency Ledger**” means the ledger established and maintained by the Calculation Agent in respect of the Class E Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

“**Class R Noteholders**” means the holders from time to time of any of the Class R Notes.

“**Class R Notes**” means the € 20,000 Class R Asset Backed Variable Return Notes due March 2036 issued by the Issuer on the Issue Date.

“**Class X Noteholders**” means the holders from time to time of any of the Class X Notes.

“**Class X Notes**” means the € 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

“**Class X Notes Target Amortisation Amount**” means (i) for any Payment Date indicated in the table below, the corresponding amount indicated in the table below, provided that this item (i) will be equal to zero (0) after the Payment Date falling in April 2021 or (ii) in case there is a shortfall to any such amount on any Payment Date indicated below or thereafter, the cumulative unpaid balance until the Class X Notes are redeemed in full.

<b>Payment Date</b>	<b>Principal Amount Outstanding of the Class X Notes immediately prior to each relevant Payment Date</b>	<b>Principal Amount Outstanding of the Class X Notes redeemed on each relevant Payment Date</b>	<b>Remaining Principal Amount Outstanding of the Class X Notes immediately following each relevant Payment Date</b>
October 2019	€7,800,000	€0	€7,800,000
November 2019	€7,800,000	€500,000	€7,300,000
December 2019	€7,300,000	€500,000	€6,800,000
January 2020	€6,800,000	€500,000	€6,300,000
February 2020	€6,300,000	€500,000	€5,800,000
March 2020	€5,800,000	€500,000	€5,300,000
April 2020	€5,300,000	€500,000	€ 4,800,000
May 2020	€4,800,000	€400,000	€4,400,000
June 2020	€4,400,000	€400,000	€4,000,000
July 2020	€4,000,000	€400,000	€3,600,000
August 2020	€3,600,000	€400,000	€3,200,000
September 2020	€3,200,000	€400,000	€2,800,000
October 2020	€2,800,000	€400,000	€2,400,000
November 2020	€2,400,000	€400,000	€2,000,000
December 2020	€2,000,000	€400,000	€1,600,000
January 2021	€1,600,000	€400,000	€1,200,000
February 2021	€1,200,000	€400,000	€800,000
March 2021	€800,000	€400,000	€400,000
April 2021	€400,000	€400,000	€0

“**Clearstream**” means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

“**Collateral**” means, at any time and in respect of the Cap Agreement, the collateral provided by the Cap Counterparty to the Issuer under the Cap Agreement, together with all interest and distributions (if any) received by the Issuer in respect thereof, at such time (excluding all amounts in respect of collateral, and interest and distributions received in respect thereof, which have previously been transferred to the Cap Counterparty).



**“Collateral Account”** means the euro denominated account established in the name of the Issuer with the Account Bank for any collateral posted by the Cap Counterparty under the Cap Agreement comprising Euro cash and any other accounts(s) (including cash and/or securities accounts) opened by the Issuer for the purposes of depositing any other collateral to be posted by the Cap Counterparty.

**“Collateral Account Priority of Payments”** means the order of priority contained in clause 27.2 of the Intercreditor Agreement.

**“Collateral Portfolio”** means the Aggregate Portfolio excluding Defaulted Receivables and Receivables in relation to which amounts have been received from the Originator pursuant to clause 3.1 of the Warranty and Indemnity Agreement.

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

**“Collection Account”** means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN number IT33S0356601600000128472029, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Collection Date”** means, with reference to each Receivable, the date on which the Servicer reconciles the relevant Collection.

**“Collection Period”** means each monthly period which begins on the first calendar day (included) of each month in each year and ends on the last calendar day (included) of each of the same months in each year, provided that the first Collection Period shall begin on the Valuation Date of the Initial Portfolio (excluded) and end on 30 September 2019.

**“Collections”** means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables transferred to the Issuer and any other amounts whatsoever received by the Issuer, the Servicer or any other person in respect of the Receivables involved in the Securitisation during the relevant Collection Period, including the Recoveries.

**“Common Criteria”** means the objective criteria for the selection of each Portfolio specified in schedule 2 under the Master Receivables Purchase Agreement.

**“Conditions”** or **“Terms and Conditions”** means the terms and conditions of the Notes and any reference to a numbered relevant “Condition” is to the corresponding numbered provision thereof.

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

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

**“Corporate Servicer”** means Zenith Service S.p.A. and any successor or assignee thereto in accordance with the Corporate Services Agreement.

**“Corporate Services Agreement”** means the agreement executed on or about the Effective Date between the Issuer and the Corporate Servicer, as amended and supplemented from time to time.

**“Credit Support Annex”** means the 1995 ISDA Credit Support Annex between the Issuer and the Cap Counterparty which forms part of the Cap Agreement.

**“Creditis”** means Creditis Servizi Finanziari S.p.A.

**“Criteria”** means collectively the Common Criteria, the Specific Criteria and the Additional Criteria.

**“Cumulative Gross Default Ratio”** means the ratio, as calculated on each Calculation Date, between A and B defined as follows:

- A. The aggregate of the Outstanding Principal, as at the relevant Default Date, of all Receivables comprised in the Aggregate Portfolio which have become Defaulted Receivables from (and excluding) the Valuation Date of the Initial Portfolio up to (and including) the end of the Collection Period immediately preceding such Calculation Date; and
- B. the sum of (i) the Outstanding Principal of the Initial Portfolio as at the relevant Valuation Date and (ii) the Outstanding Principal of any Additional Portfolio as at their respective Valuation Dates.

“**Custodian**” means:

A) Citibank N.A., London Branch; or

B) any third-party entity other than Citibank N.A., London Branch; *provided that* the appointment of the entity referred to in paragraph (A) or (B) above as custodian has been previously approved in writing by the Representative of the Noteholders (which will act on the basis of the instructions of the Class R Noteholders), in accordance with the provisions of the Cash Allocation Management and Payments Agreement.

“**DBRS**” means DBRS Ratings Limited.

“**DBRS Equivalent Rating**” means the DBRS rating equivalent of any of the below public ratings of senior unsecured long term debt obligations (or an equivalent rating) by Fitch, Moody’s or S&P:

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

“**DBRS Minimum Rating**” means: (a) if a Fitch public rating, a Moody’s public rating and an S&P public rating, in each case, given to senior unsecured long term debt rating (or an equivalent rating) (each, a “**Public Long Term Rating**”) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after

disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of 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 Minimum Rating will be the DBRS Equivalent Rating of 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). 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 obliged for the payment or repayment of amounts due in respect of a Loan or who has assumed the Debtor's obligation under the Loan Agreement by virtue of an undertaking agreement (*accollo*), or otherwise.

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

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

**"Deed of Charge"** means the English law deed of charge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

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

**"Defaulted Amount"** means, as at the end of each Collection Period, in respect of a Receivable which has become a Defaulted Receivable during such Collection Period, the Outstanding Principal of such Defaulted Receivable.

**"Defaulted Receivables"** means (i) any Receivables arising from Loan Agreements in relation to which (i) as at the end of any Collection Period, there are at least 7 (seven) Late Instalments outstanding or (ii) any Receivables which has been qualified as "*sofferenza*" ("bad loans") in accordance with the Bank of Italy Regulations; or (iii) in respect of which a Life Damage (*Sinistro Vita*) has occurred and the Servicer has notified the relevant Insurance Company of the occurrence thereof; or (iv) in respect of which a Job Damage (*Sinistro Impiego*) has occurred and the Servicer has notified the relevant Insurance Company of the occurrence thereof and 3 (three) months have elapsed from the date of notification of the relevant Job Damage without the Insurance Company having paid in full the Indemnity to the Issuer nor the Servicer having registered a change of Employer and/or Pension Authority by the relevant Debtor.

**"Delinquency Ratio"** means the ratio between, as calculated on each Calculation Date, between A and B defined as follows:

- (A) the Outstanding Principal of all Receivables (other than Defaulted Receivables) which have 3 or more Late Instalments outstanding, as at the end of the relevant Collection Period; and
- (B) the Outstanding Principal of the Collateral Portfolio as at the end of the relevant Collection Period.

**"Determination Date"** means (A) with reference to each Interest Period, the second Business Day before each Payment Date on which such Interest Period begins, provided that the first

Determination Date is the second Business Day before the Issue Date and (B) following the delivery of a Trigger Notice, any day on which the relevant determination is required to be made by the Representative of the Noteholders in accordance with the Transaction Documents.

“**EBA**” means the European Banking Authority.

“**EBA Guidelines on STS Criteria**” means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named “*Guidelines on the STS criteria for non-ABCP securitisation*”.

“**Effective Date**” means 17 September 2019 which is the date on which the Master Receivables Purchase Agreement, the relevant Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement and the Corporate Services Agreement have been executed.

“**Eligible Institution**” (*Istituzione Eleggibile*) means a depository institution organised under the laws of any State which is a member of the European Union or of England or Wales or of the United States of America whose debt obligations (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of England or Wales or of the United States of America, whose unsecured and unsubordinated debt obligations) are rated as follows:

- a) (1) the higher of (i) the rating one notch below the relevant institution’s Critical Obligations Rating (COR) given by DBRS; and (ii) the long-term debt, public or private, rating by DBRS, is at least “A”; or (2) in case the institution does not have a COR rating by DBRS, the long-term debt, public or private, rating by DBRS is at least “A”; or (3) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least “A”; and
  - b) at least “P-2” by Moody’s as a short-term deposit rating or at least “Baa2” by Moody’s as a long term deposit rating,
- or such other rating or ratings as may be agreed by the relevant rating agency from time to time as would maintain the then current ratings of the Rated Notes.

“**Eligible Insurance Company**” means each of the following Insurance Companies:

- 1) Axa France Iard S.A., Axa France Vie S.A., Sogecap S.A., Net Insurance Life S.p.A., Net Insurance S.p.A., Cardif Assur. Risques Divers, Cardif Assurance Vie, HDI Assicurazioni S.p.A., HDI Assicurazioni S.p.A. Life, Genertel S.p.A. and Genertellife S.p.A.; and
- 2) subject to compliance with the Purchase Conditions, any further Insurance Company which (as of the relevant Valuation Date) (i) insures CQS / DP loans in the Italian market and (ii) whose relevant debt obligations (or, where the relevant debt obligations of such Insurance Company are not rated, the debt obligations of the relevant parent company being the owner (directly or indirectly) of at least 50.1% of the shares of such Insurance Company) are rated not lower than the lowest “investment grade” rating level by the Rating Agencies or other rating agencies.

“**Eligible Investments**” means:

- a) euro-denominated money market funds which have a long-term rating of “Aaamf” by Moody’s and, if rated by DBRS, “AAA” by DBRS and, if rated by S&P, “AAA” by S&P and, if rated by Fitch, “AAA” by Fitch and permit daily liquidation of investments or have a maturity date falling before the next following Liquidation Date provided that such money market funds are disposable without penalty or loss for the Issuer;
- b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Liquidation Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) and (iii) in case of securities, such securities are in dematerialized form; and
- c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities

underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided that with exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction or, in case of deposits (including time deposit), the relevant depository bank, are rated at least:

1. “Baa1” by Moody’s in respect of long-term debt and “P-2” by Moody’s in respect of short-term debt; and
2. if such debt securities or other debt instruments are rated by DBRS (i) “R-1 (low)” by DBRS in respect of short-term debt or “A” by DBRS in respect of long-term debt, with regard to investments having a maturity of 30 days or less; (ii) “R-1 (middle)” by DBRS in respect of short-term debt or “AA (low)” by DBRS in respect of long-term debt, with regard to investments having a maturity between 30 days and 90 days;

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) tranches of other ABSs, credit-linked notes swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time, or (iv) any instrument not considered to be a “cash equivalent” for purposes of the Volcker Rule.

**“Emir Reporting Agent”** means NATIXIS or any other entity which shall act as Emir reporting agent with respect to the Cap Agreement.

**“Emir Reporting Agreement”** means the agreement that the Issuer and the Emir Reporting Agent may enter into (to the extent necessary) on or about the Issue Date, pursuant to which the EMIR Reporting Agent will agree to carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer in respect of the Cap Agreement.

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

**“English Law Transaction Documents”** means collectively the Notes Subscription Agreements, the Cap Agreement and the Deed of Charge.

**“EU Disclosure Requirements”** means the requirements under article 7 of the Securitisation Regulation, together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards. Any reference to the EU Disclosure Requirements shall be deemed to include any successor or replacement provisions of article 7 of the Securitisation Regulation included in any European Union directive or regulation.

**“Euribor”** has the meaning ascribed to such term under Condition 7.5 (*Rate of Interest*).

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

**“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 the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

**“Expenses”** means:

- (i) 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
- (ii) 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 the Account Bank, with IBAN number IT72U0356601600000128472053, or such other substitute account 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.

**“EU Insolvency Regulation”** means Regulation EU 848/2015 of the European Parliament and of the Council on Insolvency Proceedings.

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

**“First Optional Redemption Date”** means the Payment Date falling in March 2022.

**“First Payment Date”** means the Payment Date falling in October 2019.

**“Guarantor”** means any subject which has issued a Collateral Security.

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

**“Holding Company”** means, in relation to a person, any other person in respect of which it is a Subsidiary;

**“Indemnity”** means the amount which the Insurance Company is bound to pay to Creditis upon occurrence of a Job Damage and/or Life Damage, pursuant to the terms and conditions indicated in the relevant Insurance Policy.

**“Individual Purchase Price”** means, with respect to any Receivable, the sum of the following amounts:

- (i) the Outstanding Principal of such Receivable as of the relevant Valuation Date (hereinafter, the **“Principal Components of the Individual Purchase Price”**); plus
- (ii) Accrued Interest of such Receivable as of the relevant Valuation Date (hereinafter the **“Interest Component of the Individual Purchase Price”**); plus
- (iii) with exclusive reference to the Initial Portfolio, the Premium.

**“Initial Interest Period”** means the period from (and including) the Issue Date to (but excluding) the First Payment Date.

**“Initial Portfolio”** means the initial portfolio of Receivables purchased on 17 September 2019 by the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement.

**“Inside Information Report”** means the report named as such to be prepared and delivered, by the Originator in accordance with the Intercreditor Agreement.

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

- 1) such company or corporation is declared insolvent or the competent judicial authorities instated a special administration proceedings, liquidation of such company/corporation or the appointment of liquidator/administrator 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); or
- 2) 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 at cost of the Issuer), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- 3) 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
- 4) 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
- 5) 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.

**“Insolvency Proceedings”** means bankruptcy (*fallimento*) or any other insolvency proceedings (*procedura concorsuale*) including, but not limited to, an arrangement with creditors prior to bankruptcy (*accordi di ristrutturazione dei debiti e/o concordato preventivo*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) and the extraordinary administration of large companies in a state of insolvency (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*).

**“Instalment”** means, with respect to each Loan Agreement, from which the Receivables are originated, each instalment due from time to time by the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

**“Insurance Company”** means each insurance company which issued or will issue an Insurance Policy to Creditis.

**“Insurance Master Agreement”** means each convention entered into between Creditis and the Insurance Companies which govern terms and conditions for the issuance of the relevant Insurance Policies to the benefit of Creditis.

**“Insurance Policy”** means, with respect to each Loan, the Insurance Policies issued by the Insurance Companies to the benefit of Creditis, in accordance with the Insurance Master Agreements and/or in the form of group policy relating to more Loans, for the coverage of some risks related to the relevant Debtor, which rights and actions are included in the Receivables transferred to the Issuer pursuant to the Receivables Purchase Agreement.

**“Intercreditor Agreement”** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

**“Interest Collections”** means all amounts on account of interest, fees and prepayment penalties received by the Issuer in respect of the Receivables (other than the Defaulted Receivables).

**“Interest Available Funds”** means, with reference to each Payment Date, the aggregate of:

- (a) all Interest Collections received by the Issuer in respect of the immediately preceding Collection Period;
- (b) all Recoveries received by the Issuer in respect of the immediately preceding Collection Period;
- (c) any Cap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (d) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than: (i) in respect of Collateral, (ii) any Replacement Cap Premium paid to the Issuer, (iii) any Cap Tax Credit Amounts and (iv) any termination payment received by the Issuer from the Cap Counterparty upon any early termination of the Cap Transaction, each of which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments;
- (e) all amounts on account of interest, premium or other profit received, in respect of the immediately preceding Collection Period up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement;
- (f) the Cash Reserve Released Amount, provided that this amount shall only be available for covering any Interest Available Funds Shortfall;
- (g) on the earlier of (i) the Payment Date following the delivery of a Trigger Notice; (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (iii) the date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Amount as at such Payment Date;
- (h) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer’s Accounts (other than the Expenses Account and the Collateral Accounts) during the immediately preceding Collection Period;
- (i) any Principal Available Funds Surplus;
- (j) on the Cancellation Date, the balance standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes;
- (k) the Interest Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer Report in a timely manner in accordance with the provisions of the Servicing Agreement;
- (l) any amount (other than any amount on account of Principal Collections and any amount received from the Cap Counterparty) received by the Issuer from any Transaction Party



during the immediately preceding Collection Period and not already included in any of the other items of this definition of Interest Available Funds;

- (m) any Principal Available Funds applied in order to remedy a Remaining Interest Shortfall;
- (n) up to (but excluding) the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, an amount equal to the excess (if any) of the Prepayment Reserve Amount over the Prepayment Reserve Target Amount as at such Payment Date;
- (o) on the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, the Prepayment Reserve Amount as at such Payment Date; and
- (p) exclusively on the Payment Date falling in December 2019, any remaining portion of the proceeds raised through issuance of the Class X Notes which (i) were credited to the Payments Account in order to finance certain upfront costs of the Securitisation and (ii) have remained unused as of such Payment Date;

provided that, prior to the delivery of a Trigger Notice if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), only a portion of the Interest Available Funds corresponding to the amounts necessary to make payments under items from (i) (*first*) to (vii) (*seventh*) (inclusive) and (ix) (*ninth*), (xi) (*eleventh*), (xiii) (*thirteenth*), (xvi) (*sixteenth*) and (xviii) (*eighteenth*) of the Pre-Enforcement Interest Priority of Payments will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Interest Priority of Payments.

**“Interest Available Funds Shortfall”** means, on any Payment Date, an amount equal to the excess, if any, of the amounts required to make payments under items (i) (*first*) to (xiv) (*fourteenth*) (inclusive), of the Pre-Enforcement Interest Priority of Payments on such Payment Date (provided that items (vii) (*seventh*), (ix) (*ninth*), (xi) (*eleventh*) and (xiii) (*thirteenth*) will include both interest accrued on the Class A Notes, Class B Notes, Class C Notes and Class D Notes on such Payment Date and any interest due on any of such Class of Notes on any preceding Payment Date which has remained unpaid) over the Interest Available Funds for such Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Cash Reserve Account.

**“Interest Instalment”** means the interest component of each instalment under each relevant Loan.

**“Interest Payment Amount”** has the meaning ascribed to that term in Condition 7.8 (*Calculation of Interest Payment Amounts*).

**“Interest Period”** means the Initial Interest Period and, thereafter, each successive period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**“Investment Account”** means the euro denominated account which may be established in the name of the Issuer in accordance with the Cash Allocation Management and Payments Agreement.

**“Investors Report”** has the meaning ascribed to it in clause 7.7.1 of the Cash Allocation Management and Payments Agreement.

**“Investors Report Date”** means the date falling 5 (five) Business Days after each Payment Date, on which the Investors Report shall be sent by the Calculation Agent, to the Issuer, the Representative of the Noteholders, the Cash Manager, the Corporate Servicer, the Account Bank,

the Paying Agents and the Servicer in accordance with the Cash Allocation Management and Payments Agreement.

**“Issue Date”** means 9 October 2019.

**“Issuer”** means Brignole CQ 2019-1 S.r.l., a *società a responsabilità limitata con unico socio* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at via Vittorio Betteloni n. 2, Italy, fiscal code and enrolment with the companies register of Milano Monza Brianza Lodi number 10858340960, enrolled with No. 35601.4 in the *elenco delle società veicolo* held by the Bank of Italy pursuant to the resolution of the Bank of Italy dated 7 June 2017 and having as its sole corporate object the realisation of securitisation transactions under the Securitisation Law.

**“Issuer Available Funds”** means collectively the Interest Available Funds and the Principal Available Funds.

**“Issuer’s Accounts”** means, collectively, the Collection Account, the Payments Account, the Cash Reserve Account, the Prepayment Reserve Account, the Investment Account, the Expenses Account, each Collateral Account, the Quota Capital Account and the Securities Account and **“Issuer’s Account”** means any of them.

**“Issuer's Rights”** means any monetary right of the Issuer against the Debtors and any other monetary right arising in favour of the Issuer in the context of the Securitisation (whether or not arising under the Transaction Documents), including the Collections and the Eligible Investments acquired with the Collections.

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

**“Italian Law Transaction Documents”** means the Transaction Documents other than the English Law Transaction Documents.

**“Italian Paying Agent”** means, Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies’ register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy, and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**“Job Damage”** (*Sinistro Impiego*) means each event related and/or connected to the employment relationship of a Debtor covered under the relevant Insurance Policy, upon occurrence of which the relevant Insurance Company shall pay the indemnity to Creditis and, upon transfer of the Receivables to the Issuer, to the Issuer in accordance with the terms and conditions of such Insurance Policy.

**“Junior Notes”** means collectively the Class E Notes and the Class X Notes.

**“Last Offer Date”** means, with reference to each Additional Portfolio, the date falling within the second Business Day following each Servicer Report Date.

**“Late Instalment”** means, with reference to each Calculation Date, any Instalment which is due and remains fully unpaid.

**“Legal Final Maturity Date”** means the Payment Date falling in March 2036.

**“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.

**“Life Damage”** (*Sinistro Vita*) means the death of a Debtor covered under the relevant Insurance Policy, upon occurrence of which the relevant Insurance Company shall pay the indemnity to

Creditis and, upon transfer of the Receivables to the Issuer, to the Issuer in accordance with the terms and conditions of such Insurance Policy.

**“Limited Recourse Loan”** means each limited recourse loan granted by the Originator to the Issuer pursuant to clause 3.1 of the Warranty and Indemnity Agreement.

**“Liquidation Date”** means the date falling 6 (six) Business Days before each Payment Date.

**“Listed Notes Subscription Agreement”** means the subscription agreement entered into on or about the Issue Date by and between, among others, the Issuer, the Joint Lead Managers, the Arranger, Creditis and the Representative of the Noteholders, under which, *inter alia*, the Joint Lead Managers have agreed to subscribe and pay for or procure subscription and payment for a portion of the Listed Notes, subject to the terms and conditions set out therein.

**“Listing Agent”** means Banque Internationale à Luxembourg.

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

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

**“Loan Agreement Subject to Prepayment Risk”** means each Loan Agreement entered into by Creditis with the relevant Debtor on or before 21 May 2017 (inclusive).

**“Loan Early Termination”** means the full redemption of a Loan made by the relevant Debtor, before the maturity provided by the amortisation plan set out in the relevant Loan Agreement.

**“Mandate Agreement”** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as amended and supplemented from time to time.

**“Mezzanine Notes”** means collectively the Class B Notes, the Class C Notes and the Class D Notes.

**“Monte Titoli”** means Monte Titoli S.p.A., a joint stock company 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.

**“Moody’s”** means Moody’s Investors Service.

**“Most Senior Class of Notes”** means:

- (a) the Class A Notes (for so long as there are Class A Notes outstanding); or
- (b) if no Class A Notes are then outstanding, the Class B Notes (for so long as there are Class B Notes outstanding); or
- (c) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (for so long as there are Class C Notes outstanding); or
- (d) if no Class A Notes or Class B Notes or Class C Notes are then outstanding, the Class D Notes (for so long as there are Class D Notes outstanding); or
- (e) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes or, following the delivery of a Trigger Notice, Class X Notes are then outstanding, the Class E Notes (for so long as there are Class E Notes outstanding);
- (f) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes or, prior to the delivery of a Trigger Notice, Class E Notes are then outstanding, the Class X Notes (for so long as there are Class X Notes outstanding);
- (g) if no Senior Notes, Mezzanine Notes or Junior Notes are then outstanding, the Class R Notes (for so long as there are Class R Notes outstanding).

**“Noteholders”** means, collectively, the Senior Noteholders, the Mezzanine Noteholders, the Junior Noteholders and the Class R Noteholders.

**“Notes”** means, together, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes and each of them a **“Note”**.

**“Notes Subscription Agreements”** means collectively the Listed Notes Subscription Agreement and the Retained Notes Subscription Agreement and **“Notes Subscription Agreement”** means each of them as the context requires.

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

**“Offer”** means each *“Proposta di Cessione”* made by the Originator to the Issuer for the sale of an Additional Portfolio, in accordance with the Master Receivables Purchase Agreement.

**“Offer Date”**: means (i) with reference to the Initial Portfolio, the Effective Date; and (ii) with reference to each Additional Portfolio, each date falling in the period included between each Servicer Report Date and the immediately following Last Offer Date, in which the Originator delivers an Offer of an Additional Portfolio pursuant to the Master Receivable Purchase Agreement.

**“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 Creditis.

**“Originator Call Option”** means the call option to purchase the Aggregate Portfolio attributed to the Originator pursuant to clause 12.7 of the Intercreditor Agreement.

**“Other Issuer Creditors”** means the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Italian Paying Agent, the Account Bank, the Cap Counterparty, the Emir Reporting Agent, the Custodian, the Listing Agent, the Cash Manager and any party who at any time accedes to the Intercreditor Agreement.

**“Outstanding Balance”** means, on any given date and in relation to any Receivable, (i) the aggregate of the Outstanding Principal Due and the Interest Instalments due but not yet paid as at that date, plus (ii) any credits for default interests accrued on any Unpaid Instalments due but not yet paid as at that date, net of (iii) any Instalment not yet due but already paid by the Debtor (if any).

**“Outstanding Principal”** means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments (or part of those) due and unpaid as at that date and (ii) the Principal Instalments not yet due as at that date.

**“Outstanding Principal Due”** means, on any relevant date in relation to any Receivable, the aggregate of (i) the Outstanding Principal as at such date and (ii) the Accrued Interest as at such date.

**“Parapublic Company”** means a company majority owned by a Public Administration.

**“Paying Agents”** means, together, the Principal Paying Agent and the Italian Paying Agent and **“Paying Agent”** each of them indistinctively.

**“Payment Date”** means: (a) prior to the delivery of a Trigger Notice, the 24<sup>th</sup> calendar day of each month in each year or, if such day is not a Business Day, the immediately following 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 Post-Enforcement Priority of Payments, the Conditions and the Intercreditor Agreement.

**“Payment Delegation”** (or **“DP”**) means the payment delegation issued, pursuant to the relevant Loan Agreement, by a Debtor in favour of Creditis according to which the Debtor (delegator) has

delegated its Employer (delegate) to retain a fixed amount of the Debtor's salary and to transfer it to Creditis (delegatee) in order to repay the Loan pursuant article 1269 and 1723 second paragraph of the Italian Civil Code and the further regulation applicable on the subject matter.

**"Payments Account"** means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN number IT11S0356601600000128472037, 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 Priority of Payments, which shall be prepared and delivered on each Calculation Date prior to the delivery of a Trigger Notice by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

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

**"Pension Fund"** means any pension fund set up pursuant to legislative decree n. 252 dated 5 Dicembre 2005 to which a Debtor has adhered pursuant to the conditions set forth under such legislative decree.

**"Performance Event"** means on any Offer Date of the relevant Additional Portfolio, each of the following events:

- (a) the Cumulative Gross Default Ratio, determined as at the immediately preceding Calculation Date, is greater than 2%;
- (b) the Rolling Average Delinquency Ratio, determined as at the immediately preceding Calculation Date, is greater than 1.5%.

**"Person(s)"** means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint-stock partnership or company joint venture, governmental entity, unincorporated organisation or other entity or association.

**"Portfolio"** (or, also, **"Aggregate Portfolio"**) means the aggregate of the Initial Portfolio and any Additional Portfolio, purchased by the Issuer pursuant to the Master Receivables Purchase Agreement and any relevant Receivables Purchase Agreement.

**"Portfolio Subject to Prepayment Risk"** means the portion of the Initial Portfolio which includes the Receivables arising from Loan Agreements Subject to Prepayment Risk. The Portfolio Subject to Prepayment Risk had, as at the Valuation Date of the Initial Portfolio, an Outstanding Principal equal to Euro 76,657,815.99 and the relevant amortisation shall be indicated in each Servicer Report.

**"Post-Enforcement Priority of Payments"** means the Priority of Payments under Condition 6.3 (*Post-Enforcement Priority of Payments*).

**"Post-Enforcement Payments Report"** means the report setting out all the payments to be made on the following Payment Date under the Post-Enforcement 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.

**"Pre-Enforcement Priority of Payments"** means the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments.

**"Pre-Enforcement Interest Priority of Payments"** means the Priority of Payments for the Interest Available Funds under Condition 6.1 (*Pre-Enforcement Interest Priority of Payments*).

**"Pre-Enforcement Principal Priority of Payments"** means the Priority of Payments for the Principal Available Funds under Condition 6.2 (*Pre-Enforcement Principal Priority of Payments*).

**“Premium”** means an amount equal to Euro 4,822,283 representing a premium over par for the Purchase Price of the Initial Portfolio, which is funded through part of the proceeds of the Class X Notes and of the Notes issued above par.

**“Prepayment Amount”** means any amount owed to a Debtor in the event of prepayment of the relevant Loan, in connection with fees, expenses and/or other amounts anticipated by the Debtor to the Originator on the date of disbursement of the relevant Loan, to the extent that the Issuer is required to pay such amount to the Debtor.

**“Prepayment Reserve Account”** means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN number IT37F0356601600000128472088, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Prepayment Reserve Amount”** means, at any time, the balance of the amounts standing to the credit of the Prepayment Reserve Account, net of any interest accrued and paid thereon.

**“Prepayment Reserve Initial Amount”** means an amount equal to Euro 521,273 to be credited on the Prepayment Reserve Account on the Issue Date.

**“Prepayment Reserve Target Amount”** means, in relation to each Payment Date, an amount equal to 0.68% of the Outstanding Principal of the Portfolio Subject to Prepayment Risk, it being understood that, on the earlier of: (i) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are redeemed in full; and (ii) the Payment Date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, such amount will be equal to 0 (zero).

**“Principal Amount Outstanding”** means, on any date, with reference to a Note or a Class of Note, (i) the principal amount of a Note or a Class of Notes as of the Issue Date, 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, with reference to each Payment Date, the aggregate of:

- (a) all Principal Collections received by the Issuer in respect of the immediately preceding Collection Period (including, without double counting, all amounts on account of principal received, in respect of the immediately preceding Collection Period up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement);
- (b) any Principal Deficiency Ledger Amount to be credited to a Principal Deficiency Ledger in respect of such Payment Date;
- (c) the proceeds deriving from (a) the repurchase by the Originator of individual Receivables from the Issuer pursuant to (i) the Warranty and Indemnity Agreement and (ii) the Master Receivables Purchase Agreement during the immediately preceding Collection Period and (b) any Limited Recourse Loan advanced by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement during the immediately preceding Collection Period;
- (d) the proceeds deriving from any amount paid by the Originator to the Issuer as an adjustment to the Purchase Price pursuant to the Master Receivables Purchase Agreement during the immediately preceding Collection Period;
- (e) the proceeds deriving from the sale of the Portfolio in order for the Issuer to redeem the Notes early pursuant to Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), Condition 8.4 (*Optional Redemption*) or Condition 8.5 (*Optional Redemption in whole for taxation reasons*);
- (f) the Principal Available Funds relating to the immediately preceding Payment Date, to the extent not applied on that Payment Date: (a) due to the failure of the Servicer to deliver the Servicer Report in a timely manner in accordance with the provisions thereof or (b) to meet payments under item (ii) (*second*) of the Pre-Enforcement Principal Priority of Payments

during the Revolving Period and, therefore, credited into the Collection Account pursuant to item (iii) (*third*) of the Pre-Enforcement Principal Priority of Payments;

- (g) any amount on account of principal received by the Issuer from any Transaction Party during the immediately preceding Collection Period and not already included in any of the other items of this definition of Principal Available Funds or the definition of Interest Available Funds,
- (h) any amounts (which would otherwise constitute Interest Available Funds) deemed to be Principal Available Funds in accordance with item (xxi) (*twenty-first*) of the Pre-Enforcement Interest Priority of Payments,

provided that, prior to the delivery of a Trigger Notice, if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no Principal Available Funds will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Principal Priority of Payments.

**“Principal Available Funds Surplus”** means, on any Payment Date, an amount equal to the excess, if any, of the Principal Available Funds over the amounts required to make payments under items (i) (*first*) to (viii) (*eighth*) (inclusive) of the Pre-Enforcement Principal Priority of Payments on such Payment Date.

**“Principal Collections”** means all amounts on account of principal received in respect of the Receivables (other than the Defaulted Receivables), including any refund of premia made by an Insurance Company upon early redemption of the relevant Loan or early termination of the relevant Insurance Policy.

**“Principal Deficiency Ledger Amount”** means the amount of any Interest Available Funds determined by the Calculation Agent on each Calculation Date to be applied to credit a Principal Deficiency Ledger pursuant to items (viii) (*eighth*), (x) (*tenth*), (xii) (*twelfth*), (xiv) (*fourteenth*) and (xvii) (*seventeenth*) of the Pre-Enforcement Interest Priority of Payments on the immediately following Payment Date.

**“Principal Deficiency Ledgers”** means, collectively, the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger, the Class C Notes Principal Deficiency Ledger, the Class D Notes Principal Deficiency Ledger and the Class E Notes Principal Deficiency Ledger.

**“Principal Instalment”** means the principal component of each Instalment under each relevant Loan.

**“Principal Paying Agent”** means Citibank, N.A. London branch, a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at 33 Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018, and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**“Principal Payment Amount”** means the amount that the Issuer will have available on any Payment Date starting from the First Payment Date for the redemption of the Notes of each Class of Notes according to the relevant Priority of Payments.

**“Priority of Payments”** means the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

**“Private Company”** means a company not belonging to the Public Administration (but excluding, for the avoidance of doubts, Parapublic Companies).

**“Prospectus”** means this prospectus dated 7 October 2019 prepared in connection with the issuance of the Notes pursuant to the Securitisation Law and the Prospectus Regulation.

**“Prospectus Regulation”** means Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended and supplemented from time to time.

**“Public Administration”** means any entity to which the provisions of articles 69 and 70 of the Royal Decree no. 2440 of 18 November 1923 apply (but excluding, for the avoidance of doubt, Parapublic Companies).

**“Purchase Conditions”** means the conditions which shall be met for the purchase of each Portfolio specified in schedule 9 under the Master Receivables Purchase Agreement.

**“Purchase Price”** means an amount equal to the sum of the Individual Purchase Price of the Receivables included in the Initial Portfolio or any Additional Portfolio calculated as at the relevant Valuation Date.

**“Purchase Termination Events”** means any of the following events:

- (i) *Breach of obligations by the Originator:*
  - (a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable 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 5 (five) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 5 (five) calendar days after the Representative of the Noteholders has given such written notice, unless the relevant breach has been cured by the Originator and written evidence hereof has been given to the Representative of the Noteholders; or
  - (b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (a) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 20 (twenty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 10 (ten) calendar days after the Representative of the Noteholders has given such written notice; or
- (ii) *Breach of representations and warranties by the Originator:*

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading in any material respect unless (A) in case of representations and warranties given by the Originator with respect to the Portfolio, (i) the relevant affected Receivable(s) has been repurchased in accordance with clause 4.6 of the Warranty and Indemnity Agreement and/or (ii) the Originator has granted a Limited Recourse Loan in accordance with clause 3.1 of the Warranty and Indemnity Agreement and/or (B) the Originator provides a remedy within 10 (ten) calendar days of receipt of a written notice of such breach from the Representative of the Noteholders to remedy the matter giving rise thereto; or
- (iii) *Insolvency of the Originator:*



- (a) the Originator or a different Servicer becomes subject to any *amministrazione straordinaria*, *liquidazione coatta amministrativa* or any other bankruptcy proceedings pursuant to Title IV of legislative decree No. 385 of 1 September 1993 or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or
- (b) the Originator or a different Servicer takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment and the Representative of the Noteholders, in its reasonable opinion, determines that any of the aforementioned events has or may have material adverse effects on the financial situation of the Originator or the different Servicer; or
- (iv) *Winding up of the Originator or a different Servicer:*  
an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator or a different Servicer; or
- (v) *Performance Event:*  
the occurrence of a Performance Event determined by the Calculation Agent; or
- (vi) *Insufficiency of the Cash Reserve:*  
the Cash Reserve Amount on any Payment Date is lower than the Cash Reserve Target Amount;
- (vii) *Termination or withdrawal of the Originator's appointment as Servicer:*  
the Issuer has terminated the appointment of the Originator as Servicer following the occurrence of a Servicer Termination Event set forth in clause 9.1 of the Servicing Agreement or the Originator has withdrawn from the relevant appointment pursuant to clause 10 of the Servicing Agreement;
- (viii) *Delivery of a notice for Optional Redemption in whole for taxation reasons:*  
the Issuer has delivered a notice pursuant to Condition 8.5 (*Optional Redemption in whole for taxation reasons*);
- (ix) *failure to use the Principal Available Funds for the purchase of Additional Portfolios:*  
on any Calculation Date, the balance of the Principal Available Funds deposited in the Collection Account (also taking into account the payments made by the Issuer for the payment of the Principal Components of the Individual Purchase Price of each Additional Portfolio on the Payment Date immediately following) is higher than 10% of the Outstanding Principal of the Initial Portfolio;
- (x) *Principal Deficiency:*  
on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments.

**“Quota Capital Account”** means the euro denominated account established in the name of the Issuer with Igea Banca S.p.A. with IBAN number IT15F0356601600000128472096, or such other substitute account as may be opened by the Issuer for the purpose of depositing its quota capital.

**“Quotaholder”** means Special Purpose Entity Management S.r.l., a company with a sole quotaholder organised as a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Republic of Italy, having its registered office at Milan,

via Vittorio Betteloni n. 2, fiscal code and enrolment with the companies register of Milan number 09262340962, quota capital Euro 20,000, fully paid-up.

**“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 amended and supplemented from time to time.

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

**“Rated Notes”** means collectively the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

**“Rating Agencies”** means Moody’s, DBRS and any other rating agency appointed from time to time by the Issuer in order to obtain a rating for the Rated Notes.

**“Receivables”** means each right of the Issuer, with reference to the Loan Agreements, as from or at the relevant Valuation Date (excluded), including by way of example:

- (a) each right and claim with reference to all the Principal Instalments (or part thereof) not yet due and payable as at the relevant Valuation Date and the Principal Instalments (or part thereof) which have or will become due and payable after the relevant Valuation Date but are unpaid;
- (b) each right and claim with reference to payment of interest accrued, including default interest, on the Loans and not yet collected, including the Accrued Interest, as at the relevant Valuation Date (excluded);
- (c) each right and claim with reference to the payment of interest, including default interest, which shall accrue on the Loans as from the relevant Valuation Date (included);
- (d) each right and claim with reference to the payment of any expenses, damage, costs, penalty, commission, taxes and accessory expenses pursuant to the Loan Agreements;
- (e) each Collateral Security assisting the relevant Loan Agreement, including each right and claim with reference to the payment of the quotas of salary, stipend pension and/or any other indemnity (including sums due as severance payment) due as a consequence of the Payment Delegation and/or Salary Assignment assisting the relevant Loan, as well as each right and claim with reference to the Insurance Policies;
- (f) each privilege or pre-emption right assignable pursuant to the Securitisation Law which is incorporated to the above mentioned right and claims, as well as any other right, claim, accessory, legal action, substantial or judicial (including damage recovery suits) and counterclaims connected to said rights and privileges, including the termination for non performance and the acceleration towards the relevant Debtor,

notwithstanding that (i) the amounts collected in any capacity in relation to a Loan, with reference to the period preceding the relevant Valuation Date, will be paid exclusively to the Originator and, therefore, in case of amounts collected en bloc in relation to a Loan without distinction between the period preceding the relevant Valuation Date and the period subsequent to the relevant Valuation Date, such amounts will be allocated *pro rata* between the Originator and the Issuer and (ii) the Principal Instalments (or part thereof) due and unpaid as at the relevant Valuation Date shall not be assigned to the Issuer.

**“Receivables Purchase Agreement”** means each receivables purchase agreement to be entered into through an Offer and an Acceptance by and between the Issuer and the Originator in relation to the purchase of any Additional Portfolio, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**“Recoveries”** means all amount received by the Issuer in respect of the Defaulted Receivables (including, for the avoidance of doubt, any payment received from the Insurance Companies).

**“Reference Laws”** means each and every statute, regulation and practice applicable to the Originator, the Loan Agreements, the Loans, the Debtors, the Guarantors, the Pension Funds, the

Pension Authorities, the Assigned Employers, the Collateral Securities, including, by way of example, the statutes and regulations on consumer credit and the statutes and regulations on consumer protection and transparency of contractual conditions, including all the primary and secondary legislation and any other legislation enacted by the State and the Public Bodies applicable to the Salary Assignment and/or Payment Delegation (as the case may be), including articles 1260 and followings, 1269 and followings and 1723 of the Italian Civil Code, the Royal Decree 180, the DPR n. 895/1950, Law n. 80/2005, the Royal Decree dated 29 July 1914 n. 850, Law n. 2248/1865, the Royal Decree dated 18 November 1923 n. 2440, the Decree of the Ministry for the Communications dated 28 May 1929 n. 2708, the Decree of the Ministry for the Communications dated 5 July 1932 n. 34, the Circular of the Ministry of the Treasury dated 8 August 1996 n. 46, the Circular of the Ministry of Treasury dated 16 October 1996 n. 63, the Circular of the Ministry of Treasury dated 15 January 2015 n. 2, the Law Decree n. 141/2010, the Decree of the Ministry of Economy and Finance dated 27 December 2006 n. 313, the INPDAP Circular dated 30 March 2007 n. 8, the INPS Circular dated 31 May 2007 n. 91, the Circular of the Ministry of Economy and Finance dated 17 January 2011 n. 1, the Circular of the Ministry of Economy and Finance dated 15 January 2015 n. 2, and any subsequent amendment and/or supplement thereto.

**“Relevant Entity for Notices** means any legal entity whose relevant corporate name, fiscal code (or equivalent) and addresses for notices have been communicated by Creditis:

- 1) with respect to the original Transaction Parties, before the Issue Date; and
- 2) with respect to any new Transaction Party appointed after the Issue Date, as soon as the relevant appointment is legally effective.

**“Relevant Portfolio Outstanding Principal”** means, on any Offer Date, the Outstanding Principal of the Receivables arising from all Loans comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

**“Remaining Interest Shortfall”** means, on any Payment Date, after the application of any Cash Reserve Released Amount to cover any Interest Available Funds Shortfall on such Payment Date, an amount equal to the excess, if any, of: (A) the amounts required to make the following payments under the Pre-Enforcement Interest Priority of Payments: (i) (*first*) to (vii) (*seventh*) (inclusive) and, upon redemption in full of the Class A Notes, amounts necessary to pay interest due and payable on the Most Senior Class of Listed Notes (other than the Class E Notes and the Class X Notes) (provided that items (vii) (*seventh*), and any other interest items referring to the Most Senior Class of Listed Notes (other than the Class E Notes and the Class X Notes) will include both interest accrued on the Class A Notes or the Most Senior Class of Listed Notes (other than the Class E Notes and the Class X Notes), as the case may be on such Payment Date and any interest due on any of such Class of Notes on any preceding Payment Date which has remained unpaid) over (B) the Interest Available Funds (excluding letter (m) of the relevant definition) for such Payment Date.

**“Reporting Entity”** means the Originator acting as the reporting entity pursuant to the Securitisation Regulation.

**“Replacement Cap Premium”** means the amount payable by the Issuer to any replacement cap counterparty or by any replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement.

**“Representative of the Noteholders”** means Zenith Service S.p.A or any successor or assignee thereto in accordance with the Conditions and the Rules of Organisation of the Noteholders.

**“Re-Securitisation”** has the meaning ascribed to that term as per Securitisation Regulation;

**“Residual Payments on the Class R Notes” or “Residual Payments”** means:

- (i) in respect of each Payment Date prior to the delivery of a Trigger Notice, the amount (if any) by which the Interest Available Funds exceed the amounts required to satisfy items

- (i) (*first*) to (xxi) (*twenty-first*) of the Pre-Enforcement Interest Priority of Payments on that Payment Date; or
- (ii) following the delivery of a Trigger Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount (if any) by which the Issuer Available Funds exceed the amounts required to satisfy items (i) (*first*) to (xiii) (*thirteenth*) of the Post-Enforcement Priority of Payments on that date.

**“Retention Amount”** means an amount equal to €25,000, provided that on the Payment Date on which the Notes are redeemed or cancelled in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the Expenses of the Issuer following full redemption of the Notes.

**“Retained Notes Subscription Agreement”** means the subscription agreement entered into on or about the Issue Date by and between, among others, the Issuer, Creditis and the Representative of the Noteholders, under which, *inter alia*, Creditis has agreed to subscribe for a portion equal to 5% of the Listed Notes and the whole of the Class R Notes to comply with its retention obligations under the Securitisation Regulation, subject to the terms and conditions set out therein.

**“Revolving Period”** means the period starting from the Issue Date and ending on the earlier of:

- (a) the Payment Date falling in March 2020 (included); and
- (b) the date on which the Representative of the Noteholders has delivered a notice confirming a Purchase Termination Event has occurred or a Trigger Notice to the Issuer.

**“Rolling Average Delinquency Ratio”** means the ratio, in respect of a Calculation Date following the first Calculation Date after the Issue Date, as follows:

- A. with respect to the second Calculation Date following the Issue Date, the ratio determined by (i) the sum of the products obtained by multiplying the Delinquency Ratio on such Calculation Date and the immediately preceding Calculation Date by the Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the corresponding preceding two Collection Periods, divided by (ii) the sum of the Aggregate Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the preceding two Collection Periods; or
- B. with respect to the third Calculation Date following the Issue Date and any subsequent Calculation Dates, the ratio determined by (i) the sum of the products obtained by multiplying the Delinquency Ratio on such Calculation Date and the two immediately preceding Calculation Dates by the Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the corresponding preceding three Collection Periods, divided by (ii) the sum of the Aggregate Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the preceding three Collection Periods.

**“Royal Decree 180”** means the Royal Decree N. 180 dated 5 January 1950, as amended and supplemented from time to time.

**“Rules of the Organisation of the Noteholders”** means the Rules of the Organisation of the Noteholders attached to these Conditions, as from time to time modified in accordance with the provisions therein contained.

**“Salary Assignment”** (or also “CQS”) means the assignment of up to one-fifth of the salary and/or pension with reference to the relevant Loan Agreement, made by the Debtor in favour of Creditis, pursuant to the Royal Decree 180 and implementing regulation.

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

**“Secured Creditors”** means the Noteholders and the Other Issuer Creditors which have the benefit of the Deed of Charge.

**“Securities Account”** means the euro denominated account which may be established in the name of the Issuer in accordance with the Cash Allocation Management and Payments Agreement.

**“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 the Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**“Securitisation Regulation”** means the Regulation (EU) 2017/2402 of the European Parliament and of the Council, as subsequently amended and supplemented from time to time, and any other rule or official interpretation implementing and/or supplementing the same including the Technical Standards.

**“Sec Reg Asset Level Report”** means the quarterly report to be prepared and delivered by the Originator, on each Sec Reg Report Date, in compliance with article 7(1)(a) of the Securitisation Regulation, pursuant to the Intercreditor Agreement.

**“Sec Reg Investor Report”** means the quarterly report to be prepared and delivered by Calculation Agent, on behalf of the Originator, or by the Originator, directly or through agents, on each Sec Reg Report Date, in compliance with article 7(1)(e) of the Securitisation Regulation, pursuant to the Intercreditor Agreement and the Cash Allocation Management and Payments Agreement.

**“Sec Reg Report Date”** means the 15<sup>th</sup> Business Day following each Payment Date falling in March, June, September and December of each year, starting from December 2019.

**“Security”** means the security created pursuant to the Deed of Charge and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

**“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.

**“Senior Notes”** means the Class A Notes.

**“Servicer”** means Creditis or any successor or assignee thereto which has been appointed in accordance with the Servicing Agreement.

**“Servicer Report”** means the monthly report to be prepared and delivered by the Servicer, on each Servicer Report Date, pursuant to the Servicing Agreement.

**“Servicer Report Date”** means the 9<sup>th</sup> Business Day following the end of each Collection Period.

**“Servicer Termination Event”** means each of the following events provided for under the Servicing Agreement, which causes the termination of the appointment of the Servicer, in accordance with the provisions set forth thereunder:

1) *Servicer Insolvency*

an Insolvency Event occurs in respect of the Servicer; or

2) *Winding-up of the Servicer*

a court order is made or an effective resolution is passed by the Servicer for the winding up or dissolution of the Servicer;

3) *Failure to Pay*

failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited by it under the Servicing Agreement within 5 (five) Business Days after the due date thereof, except where such failure is attributable to strikes, technical delays, force majeure or other justified reason, in which case the 5 (five) Business Days remedy period shall commence on the date on which the relevant strikes, technical delays, force majeure or other justified reasons cease to persist;

4) *Breach of Obligations*

failure by the Servicer to comply in any material respect with any other terms and conditions of the Servicing Agreement or any other Transaction Document to which it is a party (other than the obligation of paragraph 3 above and the obligation to prepare and deliver the Servicer Report) which failure to comply is not remedied, where a cure is possible, within a period of 20 (twenty) Business Days from the date on which the Servicer receives written notice of such non-compliance from the Issuer;

5) *Missing Servicer Report*

failure on the part of the Servicer to deliver the Servicer Report, within 5 Business Days of each Servicer Report Date, or delivery by the Servicer of an incomplete Servicer Report, unless such failure is due to force majeure and/or technical delays not attributable to the Servicer, provided that it is delivered within 5 (five) Business Days after such events cease to persist;

6) *Breach of Representation and Warranties*

any of the representations and warranties given by the Servicer in the Servicing Agreement or in any other Transaction Document to which it is a party is incorrect or incomplete in any material respect when given or repeated, unless the Servicer, to the extent such breach is curable, provides a remedy within 25 (twenty-five) Business Days from the date on which such breach of representation or warranty is contested;

7) *Other*

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 or the Servicer has been removed from the register of financial intermediaries held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act (unless the Servicer is simultaneously enrolled in the register of the banks held by Bank of Italy pursuant to article 13 of the Consolidated Banking Act) or the Servicer no longer meets the requirements set forth by the law or by the Bank of Italy for the entities that assume the tasks provided for under the Servicing Agreement in the context of a securitisation transaction or the Servicer is or will be unable to meet the current or future legal requirements required to entities acting as servicers in the context of a securitisation transaction by Bank of Italy or other competent authorities.

**“Servicing Agreement”** means the agreement entered into on the Effective Date as amended on or about the Issue Date between the Issuer and the Servicer, as amended and supplemented from time to time.

**“Significant Event Report”** means the report named as such to be prepared and delivered, by the Originator in accordance with the Intercreditor Agreement.

**“Southern Italy”** means the following regions: Sicily, Calabria, Basilicata, Campania, Molise, Puglia and Sardinia.

**“Specific Criteria”** means the specific criteria which might be used for the selection of each Additional Portfolio specified in schedule 3 under the Master Receivables Purchase Agreement.

**“Specified Office”** means with respect to an Agent, or any additional Agent appointed pursuant to Condition 10.4 (*Change of 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 Agent in accordance with Condition 10.4 (*Change of 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 Payment Agreement.

“**Stock Exchange**” means the Luxembourg Stock Exchange.

“**STS Verification Agent**” means Prime Collateralised Securities (PCS) UK Limited with registered office at 40 Gracechurch Street, London EC3V 0BT.

“**Subsidiary**” or “**Subsidiaries**” means:

- (a) in respect of any company incorporated in Italy, a *società controllata* or *società collegata* within the meaning of article 2359 of the Italian Civil Code;
- (b) in respect of a company or corporation incorporated in England and Wales, a subsidiary within the meaning of section 1159 of the Companies Act 2006 or a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006; and
- (c) otherwise, a “**Subsidiary**” of a company or corporation shall be construed as a reference to any company or corporation:
  - i. which is controlled, directly or indirectly, by the first mentioned company or corporation;
  - ii. more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
  - iii. which is a subsidiary of another subsidiary of the first mentioned company or corporation

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Synthetic Securitisation**” has the meaning ascribed to that term as per Securitisation Regulation.

“**TAN**” means the nominal annual rate (“*tasso annuo nominale*”).

“**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.

“**Tax**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any authority having power to tax.

“**Tax Deduction**” has the meaning ascribed to it under the Condition 11 (*Taxation*).

“**Technical Standards**” means:

- (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or
- (ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

“**Top 5 Employers Relevant Portfolio Outstanding Principal**” means, on any Offer Date, the Outstanding Principal of the Receivables arising from Loans granted to the employees of the first 5 (five) Employers (excluding any Pension Authority) with the highest debt exposure (in terms of Outstanding Principal) and comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer

Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

**“Top 10 Employers Relevant Portfolio Outstanding Principal”** means, on any Offer Date, the Outstanding Principal of the Receivables arising from Loans granted to the employees of the first 10 (ten) Employers (excluding any Pension Authority) with the highest debt exposure (in terms of Outstanding Principal) and comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

**“Top Employer Relevant Portfolio Outstanding Principal”** means, on any Offer Date, the Outstanding Principal of the Receivables arising from Loans granted to the employees of the Employer (excluding any Pension Authority) with the highest debt exposure (in terms of Outstanding Principal) and comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

**“Transaction Documents”** means, together, the Master Receivables Purchase Agreement, any Receivables Purchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Warranty and Indemnity Agreement, the Notes Subscription Agreements, the Intercreditor Agreement, the Cash Allocation Management and Payments Agreement, the Deed of Charge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder’s Agreement, the Cap Agreement, the Emir Reporting Agreement, the Conditions and any other document which may be entered into by the Issuer, from time to time in connection with the Securitisation.

**“Trigger Event”** means any of the events described in the Condition 12 (*Trigger Events*).

**“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 the Condition 12 (*Trigger Events*).

**“Unpaid Instalment”** means, with reference to a Loan, an Instalment which is due and unpaid.

**“Valuation Date”** means hours 23:59 of 4 September 2019 for the Initial Portfolio and hours 23:59 of each second Business Day preceding each Last Offer Date for each Additional Portfolio.

**“Warranty and Indemnity Agreement”** means the agreement entered into between the Issuer and the Originator pursuant to which the Originator has made certain representations and warranties to the Issuer in relation to, *inter alia*, the Aggregate Portfolio.

**“Weighted Average TAN”** means, as at each Offer Date, with reference to all the Receivables included in the Collateral Portfolio (including the Additional Portfolios offered for sale to the Issuer), the ratio between A and B determined as follows:

- A the sum for all Receivables included in the Collateral Portfolio (including, for the avoidance of doubt, the Additional Portfolios offered for sale to the Issuer), of the product (calculated for each Receivable) of:
  - (i) the Outstanding Principal of the relevant Receivable, as at the last day of the Collection Period immediately preceding such Offer Date (or, with reference to each Receivable included in any Additional Portfolio offered for sale to the Issuer, as at the relevant Valuation Date);
  - (ii) the TAN applicable to the relevant Receivable pursuant to the relevant Loan Agreement;
- B the Aggregate Outstanding Principal of each Receivable in the Collateral Portfolio, as at the last day of the Collection Period immediately preceding the relevant Offer Date (or, with reference to each Receivable included in the Additional Portfolios offered for sale to the Issuer, as at the relevant Valuation Date).



“**Zenith**” means Zenith Service S.p.A.

## **2.2 Interpretation**

### *2.2.1 References in the Condition*

Any reference in these Conditions to:

“**holder**” and “**Holder**” of a Class A Note, Class B Note, Class C Note, Class D Note, Class E Note, Class X Note and a Class R Note, or to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class X Noteholders and the Class R Noteholders mean the ultimate owners of Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class X Notes and Class R Notes, as the case may be 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 any document defined as a “**Transaction Document**” or any other agreement or document shall be construed as a reference to such 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 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.

## **3. DENOMINATION, FORM AND TITLE**

### **3.1 Denomination**

The denomination of the Senior Notes, the Mezzanine Notes and the Junior Notes is Euro 100,000 and integral multiples of Euro 1,000 for the excess thereof. The denomination of the Class R Notes is Euro 1,000.

### **3.2 Form**

The Notes of each Class are issued in bearer form and held in 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 jointly issued by the Bank of Italy and CONSOB on 13 August 2018, as amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes.

### **3.3 Title and Monte Titoli**

The Notes will be held by Monte Titoli on behalf of the Noteholders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder with effect from the Issue Date. Monte Titoli shall act as depository for Clearstream and Euroclear.

### **3.4 Holder Absolute Owner**

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Italian Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for the purposes of payments to be made to the holder of such Note (whether or not the Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Note or any notice of any previous loss or theft of the Note) and shall not be liable for doing so.

### **3.5 The Rules**

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

## **4. STATUS, SEGREGATION AND RANKING**

### **4.1 Status**

The Notes of each Class constitute limited recourse obligations of the Issuer and, accordingly, the obligation of the Issuer to make payments under the Notes is limited to the amounts received or recovered by the Issuer in respect of the Aggregate Portfolio and pursuant to the exercise of the Issuer's Rights, as further specified in Condition 9 (*Limited recourse and non-petition*). The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including, but not limited to, the provisions of article 1469 of the Italian Civil Code.

### **4.2 Segregation by law and security**

4.2.1 By virtue of the Securitisation Law, the Issuer's right, title and interest in and to (i) the Receivables comprised in the Aggregate Portfolio, (ii) the Collections, (iii) any monetary claims accrued by the Issuer in the context of the Securitisation and arising under the Italian Law Transaction Documents, as well as (iv) any financial asset (including those constituting Eligible Investments) from time to time owned by the Issuer and held in an account located in Italy resulting from the investment of the cash referred to above is segregated from all other assets of the Issuer. Any amount deriving from the Receivables 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.

4.2.2 The Notes of each Class have the benefit of the Security over certain assets of the Issuer pursuant to the Deed of Charge.

### **4.3 Ranking, status and subordination**

Both prior to and after the delivery of a Trigger Notice, in respect of the obligations of the Issuer to pay interest on the Listed Notes and Residual Payments on the Class R Notes, the Transaction Documents will provide that:

- the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;

- the Class C Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and the Class B Notes and in priority to the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class D Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes and in priority to the Class E Notes, the Class X Notes and the Class R Notes;
- the Class E Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and (after the delivery of a Trigger Notice), the Class X Notes but, prior to the delivery of a Trigger Notice, in priority to interest and principal payable on the Class X Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes.
- the Class X Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and, prior to the delivery of a Trigger Notice, the Class E Notes, but, after the delivery of a Trigger Notice, in priority to interest and principal payable on the Class E Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes.
- the Class R Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class X Notes.

Both prior to and after the delivery of a Trigger Notice during the Amortisation Period, in respect of the obligations of the Issuer to repay principal on the Notes, the Transaction Documents will provide that:

- the Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class B Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and in priority to the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class C Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes and the Class B Notes and in priority to the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes;
- the Class D Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes and the Class C Notes and in priority to the Class E Notes, the Class X Notes and the Class R Notes;
- the Class E Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and (after the delivery of a Trigger Notice), the Class X Notes but, prior to the delivery of a Trigger Notice, in priority to interest and principal payable on the Class X Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes;
- the Class X Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and, prior to the delivery of a Trigger Notice, the Class E Notes, but, after the delivery of a Trigger Notice, in priority to interest and principal payable on the Class E Notes and, in any case, in priority to payment of the Residual Payments on the Class R Notes.

The obligations of the Issuer to each Noteholder as well as to each of the Other Issuer Creditors will be limited recourse obligations. Therefore, each Noteholder and Other Issuer Creditor will

have a claim against the Issuer only to the extent of the Issuer Available Funds available after taking into account any claims ranking in priority to or *pari passu* with such claims in accordance with the Priority of Payments. The Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall be liable in respect of any failure by the Issuer to make payment of any amount due on the Notes. The Intercreditor Agreement and 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:

- (a) different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the holders of the Most Senior Class of Notes, until the Most Senior Class of Notes has been redeemed in full; and
- (b) the Noteholders and of the Other Issuer Creditors, the Representative of the Noteholders will have regard solely to the interests of the Noteholders.

#### **4.4 Obligations of Issuer only**

The Notes of each Class 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 prior written consent of the Representative of the Noteholders or as expressly provided in or contemplated by any of the Transaction Documents:

#### **5.1 Negative pledge**

(1) create or permit to subsist any Security Interest whatsoever over the Portfolio or any part thereof or any of its present or future business, undertaking, assets or revenues relating to the Securitisation and/or (2) sell, lend, part with or otherwise dispose of all or any part of the Portfolio or any of its present or future business, undertaking, assets or revenues relating to the Securitisation whether in one transaction or in a series of transactions, except in connection with further securitisations permitted pursuant to Condition 5.12 (*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 or any further securitisation complying with Condition 5.12 (*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 affiliate company (*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 Document; or

5.2.4 become the owner of any real estate assets; or

#### **5.3 Use of assets**

use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of the Receivables or an interest, right or benefit in respect of any thereof or grant any option or right to acquire the same or agree or attempt or purport to do to any of the same; or

#### **5.4 Dividends or distributions**

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

#### **5.5 De-registrations**

ask for de-registration from the “*elenco delle società veicolo*” held by Bank of Italy under article 4 of the Bank of Italy resolution dated 7 June 2017, for as long as the Securitisation Law, the Consolidated Banking Act or any other applicable law or regulation requires issuers of notes issued under the Securitisation Law or companies incorporated pursuant to the Securitisation Law to be registered thereon; or

#### **5.6 Borrowings and guarantees**

incur any indebtedness in respect of borrowed money whatsoever (save for the indebtedness incurred in respect of the Securitisation or any further securitisation permitted pursuant to Condition 5.12 (*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

#### **5.7 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

#### **5.8 No variation or waiver**

- (i) permit any of the Transaction Documents to which it is a party: (a) to be amended, terminated or discharged, or (b) to become invalid or ineffective or the priority of the Security created thereby to be reduced or consent to any variation thereof; or
- (ii) consent to any variation or novation of, or exercise any powers of consent or waiver pursuant to, the terms of any of the Transaction Documents to which it is a party; or
- (iii) permit any party to any of the Transaction Documents to which it is a party, to be released from its respective obligations or to dispose of any part of the Security, save as envisaged by the Transaction Documents to which it is a party; or

#### **5.9 Bank accounts**

open or have an interest in any bank account other than the Issuer’s Accounts, the Quota Capital Account, or any bank accounts opened in relation to any further securitisation permitted pursuant to Condition 5.12 (*Further securitisations*) below; or

#### **5.10 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

#### **5.11 Corporate records, financial statements and book of account**

permit or consent to any of the following occurring:

- (i) its books and records being maintained with or co-mingled with those of any other person or entity;
- (ii) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;
- (iii) its books and records (if any) relating to the Securitisation being maintained with or co-mingled with those relating to any other securitisation transaction perfected by the Issuer; or
- (iv) its assets or revenues being co-mingled with those of any other person or entity;

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

- (A) separate financial statements in relation to its financial affairs are maintained;
- (B) all corporate formalities with respect to its affairs are observed;
- (C) separate stationery, invoices and cheques are used;
- (D) it always holds itself out as a separate entity; and
- (E) any known misunderstandings regarding its separate identity are corrected as soon as possible; or

## **5.12 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) Moody's confirms that any such securitisation transaction would not adversely affect the then current rating of any of the Rated Notes and the transaction documents relating to any such securitisation are notified to DBRS and the then current rating assigned by DBRS on the Rated Notes is not negatively affected by such securitisation, (b) the Noteholders have expressly authorized the Issuer to carry out any such other securitisation transaction in accordance with the Rules of the Organisation of the Noteholders, (c) the assets relating to any such further securitisation are segregated in accordance with the Securitisation Law and (d) the Issuer confirms in writing to the Representative of the Noteholders or the Representative of the Noteholders (which, for such purpose, may rely on the advice of any certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert) is satisfied that:

- (i) the transaction documents entered into in the context of any such securitisation transaction constitute valid, legally binding and enforceable obligations of the parties thereto under the relevant governing law;
- (ii) in the context of any further securitisation the Quotaholder gives undertakings in relation to the management of the Issuer, the exercise of its rights as quotaholder or the disposal of the quotas of the Issuer which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to the undertakings provided for in the Quotaholder's Agreement;
- (iii) the terms and conditions of the notes issued under any such securitisation transaction contain provisions to the effect that the obligations of the Issuer whether in respect of interest, principal, premium or other amounts in respect of such notes, are limited recourse obligations of the Issuer, limited to some or all of the assets comprised therein;
- (iv) all the participants to any such securitisation transaction and the holders of the notes issued in the context of such securitisation transaction (a) will accept non-petition provisions and limited recourse provisions in all material respects equivalent to those provided in Condition 9 (*Limited Recourse and Non Petition*) and (b) will agree and acknowledge that the obligations of the Issuer to such party in connection with such securitisation transaction are limited recourse obligations of the Issuer, limited to some or all of the assets of such securitisation transaction and that each creditor in respect of such securitisation transaction or the representative of the holders of such further notes will agree to limitations on its ability to take action against the Issuer, including in respect of Insolvency Proceedings relating to the Issuer, on terms in all significant respects equivalent to those contained in the Intercreditor Agreement;
- (v) the security deeds or agreements (if any) entered into in connection with such further securitisation do not comprise (or extend over) any of the Receivables or any of the Issuer's Rights;
- (vi) the notes to be issued in the context of such further securitisation:

- (a) are not cross-collateralised or cross-defaulted with the Notes or any note issued by the Issuer in the context of any other securitisation carried out by the Issuer; and
- (b) include provisions which are the same as, or (in the sole discretion of the Representative of the Noteholders) equivalent to this Condition 5 (*Covenants*);
- (vii) the Issuer has notified in writing the Rating Agencies of its intention to carry out a further securitisation and provided that any such further securitisation would not adversely affect the then current rating of any of the Rated Notes.

### **5.13 Compliance**

cease to comply with all relevant laws and regulations and/or all corporate formalities necessary to ensure its corporate existence and good standing; or

### **5.14 Centre of main interest - no branch outside the Republic of Italy**

move its “centre of main interest” as that term is used in article 3(1) of the EU Insolvency Regulation, outside the Republic of Italy and not to establish any “establishment”, as that term is used in article 2(1) n. 10 of the EU Insolvency Regulation, outside the Republic of Italy or maintain its central management and that of its business outside the territory of the Republic of Italy.

In giving any confirmation on the foregoing, the Representative of the Noteholders may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents (as may itself consent thereto on behalf of the Noteholders subject to the provisions of the Rules of the Organisation of the Noteholders) or may impose such other conditions or requirements as the Representative of the Noteholders may deem expedient or appropriate (in its reasonable discretion) in the interests of the Noteholders and may rely on any written confirmation from the Issuer or as to the matters contained therein. For the avoidance of doubt, the provisions contained in article 28 of the Rules of the Organisation of the Noteholders (*Exoneration of the Representative of the Noteholders*) will also apply (where appropriate) to the Representative of the Noteholders when acting under this Condition 5 (*Covenants*).

### **5.15 Derivatives**

enter into derivative contracts save as expressly permitted by article 21(2) of the Securitisation Regulation.

## **6. PRIORITY OF PAYMENTS**

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

During the Revolving Period and the Amortisation Period prior to the delivery of a Trigger Notice, 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):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *second*, to credit to the Expenses Account the amount necessary to bring the balance standing to the credit of the Expenses Account up to (but not exceeding) the Retention Amount;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer, the Corporate Servicer, the Account Bank, the Cash Manager, the

Custodian, the Calculation Agent, the Paying Agents, the Rating Agencies, the STS Verification Agent and the Listing Agent;

- (v) *fifth*, to pay all amounts due to the Cap Counterparty pursuant to the Cap Agreement including any interest amount due under the Credit Support Annex but excluding (i) Cap Premium Amounts, (ii) any other amounts in respect of Collateral (including any return thereof) and (iii) any Cap Tax Credit Amounts, each of which shall be payable to the Cap Counterparty outside the Priority of Payments and in accordance with the Cap Agreement and the Intercreditor Agreement;
- (vi) *sixth*, to pay on any date on which such amount may be due, any Replacement Cap Premium due and payable to a replacement cap counterparty by the Issuer pursuant to a replacement cap agreement;
- (vii) *seventh*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class A Notes;
- (viii) *eighth*, in or towards reduction of the Class A Notes Principal Deficiency Ledger to zero;
- (ix) *ninth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class B Notes;
- (x) *tenth*, in or towards reduction of the Class B Notes Principal Deficiency Ledger to zero;
- (xi) *eleventh*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class C Notes;
- (xii) *twelfth*, in or towards reduction of the Class C Notes Principal Deficiency Ledger to zero;
- (xiii) *thirteenth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class D Notes;
- (xiv) *fourteenth*, in or towards reduction of the Class D Notes Principal Deficiency Ledger to zero;
- (xv) *fifteenth*, to credit to the Cash Reserve Account an amount necessary to bring the Cash Reserve Amount up to (but not exceeding) the Cash Reserve Target Amount;
- (xvi) *sixteenth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class E Notes;
- (xvii) *seventeenth*, in or towards reduction of the Class E Notes Principal Deficiency Ledger to zero;
- (xviii) *eighteenth*, to pay, *pari passu* and *pro rata*, any amount of interest due and payable on the Class X Notes;
- (xix) *nineteenth*, to repay, *pari passu* and *pro rata*, the Class X Notes up to the Class X Notes Target Amortisation Amount;
- (xx) *twentieth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (i) any indemnities due and payable by the Issuer to any party to the Transaction Documents not otherwise payable above and (ii) during the Revolving Period only, to the Originator any amount due as Interest Component of the Individual Purchase Price of any Additional Portfolio purchased by the Issuer on the Transfer Date falling immediately prior to such Payment Date or on any prior Transfer Date to the extent still due and unpaid (in full or in part);
- (xxi) *twenty-first*, from the third Payment Date immediately following the First Optional Redemption Date and on any Payment Date thereafter, an amount equal to the lesser of:
  - (i) the remaining Interest Available Funds after making payments under item (i) (*first*) to (xx) (*twentieth*) (inclusive) (if any); and
  - (ii) the amount required by the Issuer to pay in full all amounts payable under items (i) (*first*) to (viii) (*eighth*) (inclusive) of the Pre-Enforcement Principal Priority of



Payments, less any Principal Available Funds (other than item (h) of the relevant definition) otherwise available to the Issuer,

will be applied as Principal Available Funds;

(xxii) *twenty-second*, to pay, *pari passu* and *pro rata*, any Residual Payments to the holders of the Class R Notes;

(xxiii) *twenty-third*, on the Legal Final Maturity Date, to pay, *pari passu* and *pro rata*, the principal due and payable on the Class R Notes.

On any Payment Date falling prior to the earlier of (i) the Payment Date following the delivery of a Trigger Notice; (ii) the Legal Final Maturity Date; and (iii) the date on which the Outstanding Principal of the Portfolio is equal to zero, if the Calculation Agent determines that (A) there will be an Interest Available Funds Shortfall following the application of the Interest Available Funds (other than amounts under item (f) of the relevant definition) on such Payment Date, the Issuer shall apply the Cash Reserve Released Amount (as item (f) of the Interest Available Funds) to cover any such Interest Available Funds Shortfall, up to the Cash Reserve Amount according to the Pre-Enforcement Interest Priority of Payments; and/or (B) there will be a Remaining Interest Shortfall notwithstanding the application of the Cash Reserve Released Amount under (A) above on such Payment Date, the Issuer shall apply the Principal Available Funds to pay any such Remaining Interest Shortfall

The Cash Reserve Released Amount shall only be applied in meeting such Interest Available Funds Shortfall and the Principal Available Funds will be applied in order to meet such Remaining Interest Shortfall

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

During the Revolving Period and the Amortisation Period prior to the delivery of a Trigger Notice, 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):

- (i) *first*, to meet any Remaining Interest Shortfall;
- (ii) *second*, during the Revolving Period, to pay to the Originator any amount due as Principal Components of the Individual Purchase Price of each Additional Portfolio purchased by the Issuer on the Transfer Date falling immediately prior to such Payment Date or on any prior Transfer Date to the extent still due and unpaid (in full or in part);
- (iii) *third*, during the Revolving Period, to credit any remaining Principal Available Funds to the Collection Account;
- (iv) *fourth*, during the Amortisation Period, to repay, *pari passu* and *pro rata*, principal due and payable on the Class A Notes;
- (v) *fifth*, during the Amortisation Period following redemption in full of the Class A Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class B Notes;
- (vi) *sixth*, during the Amortisation Period following redemption in full of the Class B Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class C Notes;
- (vii) *seventh*, during the Amortisation Period following redemption in full of the Class C Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class D Notes;
- (viii) *eighth*, during the Amortisation Period following redemption in full of the Class D Notes, to repay, *pari passu* and *pro rata*, principal due and payable on the Class E Notes;
- (ix) *ninth*, to apply any Principal Available Funds Surplus as Interest Available Funds.

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

Following the delivery of a Trigger Notice, the Issuer 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):

- (i) *first*, if the relevant Trigger Event is not an Insolvency Event, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that the

- amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);
- (ii) *second*, if the relevant Trigger Event is not an Insolvency Event, to credit to the Expenses Account an amount necessary to bring the balance standing to the credit of the Expenses Account up to (but not exceeding) the Retention Amount;
  - (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Representative of the Noteholders;
  - (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all fees, costs and expenses of, and all other amounts due and payable to, the Servicer, the Back-up Servicer, the Corporate Servicer, the Account Bank, the Calculation Agent, the Cash Manager, the Custodian, the Rating Agencies, the STS Verification Agent and the Listing Agent;
  - (v) *fifth*, to pay all amounts due to the Cap Counterparty pursuant to the Cap Agreement including any interest amount due under the Credit Support Annex but excluding (i) Cap Premium Amounts, (ii) any other amounts in respect of Collateral (including any return thereof) and (iii) any Cap Tax Credit Amounts, each of which shall be payable to the Cap Counterparty outside the Priority of Payments and in accordance with the Cap Agreement and the Intercreditor Agreement;
  - (vi) *sixth*, to pay on any date on which such amount may be due, any Replacement Cap Premium due and payable to a replacement cap counterparty by the Issuer pursuant to a replacement cap agreement;
  - (vii) *seventh*, to pay and repay, *pari passu* and *pro rata*, respectively interest and principal due and payable on the Class A Notes until the Class A Notes are redeemed in full;
  - (viii) *eighth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class B Notes until the Class B Notes are redeemed in full;
  - (ix) *ninth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class C Notes until the Class C Notes are redeemed in full;
  - (x) *tenth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class D Notes until the Class D Notes are redeemed in full;
  - (xi) *eleventh*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class X Notes until the Class X Notes are redeemed in full;
  - (xii) *twelfth*, to pay and repay, *pari passu* and *pro rata*, interest and principal due and payable on the Class E Notes until the Class E Notes are redeemed in full;
  - (xiii) *thirteenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any indemnities due and payable by the Issuer any party under any of the Transaction Documents;
  - (xiv) *fourteenth*, to pay, *pari passu* and *pro rata*, any Residual Payments to the holders of the Class R Notes;
  - (xv) *fifteenth*, on the Legal Final Maturity Date, to repay, *pari passu* and *pro rata*, the principal due and payable on the Class R Notes.

#### **6.4 Principal Deficiency Ledgers**

- A. On each Calculation Date, the Calculation Agent will record as a debit the (i) Defaulted Amount arisen in connection with the immediately preceding Collection Period in the Principal Deficiency Ledgers by debiting any Defaulted Amount and (ii) Remaining Interest Shortfall Amount to be used on the immediately following Payment Date in the Principal Deficiency Ledgers by debiting any Remaining Interest Shortfall Amount as follows:

- *first*, to the Class E Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class E Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class E Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class E Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
  - *second*, to the Class D Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class D Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class D Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class D Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
  - *third*, to the Class C Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class C Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class C Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class C Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
  - *fourth*, to the Class B Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class B Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class B Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class B Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments);
  - *fifth*, to the Class A Notes Principal Deficiency Ledger so long as, and to the extent that, the debit balance of the Class A Notes Principal Deficiency Ledger is less than or equal to the Principal Amount Outstanding on the Class A Notes (taking into account any Defaulted Amount and Remaining Interest Shortfall Amount previously debited to such Class A Notes Principal Deficiency Ledger and in respect of which funds have not yet been allocated in accordance with the Pre-Enforcement Interest Priority of Payments); and
- B. the Issuer shall apply any Interest Available Funds, in accordance with the Pre-Enforcement Interest Priority of Payments, to extinguish or reduce any balance on the Principal Deficiency Ledgers. Such Interest Available Funds will be applied on any Payment Date as follows:
- *first*, provided that interest due on the Class A Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class A Notes Principal Deficiency Ledger;
  - *second*, provided that interest due on the Class B Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class B Notes Principal Deficiency Ledger;
  - *third*, provided that interest due on the Class C Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class C Notes Principal Deficiency Ledger;
  - *fourth*, provided that interest due on the Class D Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class D Notes Principal Deficiency Ledger; and
  - *fifth*, provided that interest due on the Class E Notes has been paid in full, in or towards satisfaction of the amounts necessary to reduce to zero the debit balance on the Class E Principal Notes Deficiency Ledger prior to payment of interest due on Class E Notes.

## **7. INTEREST AND RESIDUAL PAYMENTS**

### **7.1 Accrual of interest and Residual Payments**

- (a) Each Listed Note bears interest on its respective Principal Amount Outstanding from (and including) the Issue Date until the date on which final redemption and/or cancellation occurs, as provided for in Condition 8 (*Redemption, purchase and cancellation*).
- (b) A remuneration amount may or may not be payable on the Class R Notes on each Payment Date in an amount equal to the Residual Payments (if any) calculated on the Calculation Date immediately preceding such Payment Date.

## 7.2 Payment Dates and Interest Periods

Interest in respect of the Listed Notes 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, in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Listed Notes will be due on the Payment Date falling on 24 October 2019 (the “**First Payment Date**”) in respect of the period from (and including) the Issue Date to (but excluding) the First Payment Date. The period from (and including) the Issue Date to (but excluding) the First Payment Date is referred to herein as the “**Initial Interest Period**” and each successive period from (and including) a Payment Date to (but excluding) the next Payment Date is referred to as an “**Interest Period**”.

## 7.3 Termination of interest accrual

Each Listed Note shall cease to bear interest from (and including) the Legal 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 Listed Note (or the relevant portion thereof), as the case may be, will continue to bear interest in accordance with this Condition (both before and after judgment) at the rate from time to time applicable to such Listed Note, as the case may be, until the day on which either all sums due in respect of such Listed Note, as the case may be, up to that day are received by the relevant Noteholder or the Representative of the Noteholders or the Paying Agents receive all amounts due on behalf of all such Noteholders.

## 7.4 Calculation of interest

Interest on the Listed Notes in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 day year.

## 7.5 Rate of Interest

The rate of interest payable from time to time in respect of each of the Listed Notes (the “**Rate of Interest**”) will be:

- A. in respect of the Listed Notes, a floating rate equal to Euribor, plus the following respective margins:
  - (i) from and including the Initial Interest Period to and including the Interest Period ending on the First Optional Redemption Date:
    - for the Class A Notes: 0.70 % (zero point seventy per cent.) per annum;
    - for the Class B Notes: 1.15 % (one point fifteen per cent.) per annum;
    - for the Class C Notes: 1.50 % (one point fifty per cent.) per annum;
    - for the Class D Notes: 1.85 % (one point eighty-five per cent.) per annum;
    - for the Class E Notes: 3.04 % (three point zero-four per cent.) per annum;
  - (ii) from and including the Interest Period commencing on the First Optional Redemption Date and any Interest Period thereafter:
    - for the Class A Notes: 1.40 % (one point forty per cent.) per annum;
    - for the Class B Notes: 2.15 % (two point fifteen per cent.) per annum;
    - for the Class C Notes: 2.50 % (two point fifty per cent.) per annum;

- for the Class D Notes: 2.85 % (two point eighty-five per cent.) per annum;
- for the Class E Notes: 4.04 % (four point zero-four per cent.) per annum;
- (iii) with exclusive reference to the Class X Notes, from and including the Initial Interest Period and on any Interest Period thereafter:
  - 3.17 % (three point seventeen per cent.) per annum;

provided that, for the above purpose, if such rate of interest falls below 0 (zero), the applicable Rate of Interest on the Listed Notes will be equal to 0 (zero); and

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

For the purposes of these Conditions,

**Euribor** means: Euro-zone inter-bank offered rate for one-month Euro deposits which appears on Reuters Screen EURIBOR01 (except with respect to the Initial Interest Period, where it shall be the rate per annum obtained by the linear interpolation of the Euribor for 1 week and 1 month deposits in Euro) or (a) such other page as may replace Reuters Screen EURIBOR01 on that service for the purpose of displaying such information or (b) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is selected by the Italian Paying Agent) as may replace the Reuters Screen EURIBOR01) at or about 11.00 a.m. (Brussels time) on the Determination Date (rounded to four decimal places with the mid-point rounded upwards) (the “**Screen Rate**” or in case of the Initial Interest Period, the “**Additional Screen Rate**”),

provided that, if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period (the “**Reference Rate**”) shall be determined in accordance with Condition 7.6 (*Fallback provisions*) below.

## 7.6 Fallback provisions

- (a) Notwithstanding anything to the contrary, including Condition 7.5 (*Rate of Interest*) above, the following provisions will apply if the Issuer (acting on the advice of the Servicer) determines that any of the following events (each a “**Base Rate Modification Event**”) has occurred:
- (i) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or to be published;
  - (ii) the insolvency or cessation of business of the EURIBOR administrator (in circumstances where no successor EURIBOR administrator has been appointed);
  - (iii) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR or will be changed in an adverse manner);
  - (iv) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (v) a public statement by the supervisor of the EURIBOR administrator which means that EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences;
  - (vi) a public announcement of the permanent or indefinite discontinuity of EURIBOR as it applies to the Listed Notes; or
  - (vii) the reasonable expectation of the Issuer (acting on the advice of the Servicer) that any of the events specified in sub-paragraphs (i), (ii), (iii), (iv), (v) or (vi) will

occur or exist within six months of the proposed effective date of such Base Rate Modification.

- (b) Following the occurrence of a Base Rate Modification Event, the Issuer (acting on the advice of the Servicer) (i) will inform the Originator and the Representative of the Noteholders of the same and (ii) will appoint a rate determination agent (which must be the investment banking division of a bank of international repute and which is not an affiliate of the Originator) to carry out the tasks referred to in this Condition 7.6 (the “**Rate Determination Agent**”).
- (c) The Rate Determination Agent shall determine an alternative base rate (the “**Alternative Base Rate**”) to be substituted for EURIBOR as the Reference Rate of the Listed Notes and those amendments to these Terms and Conditions and the Transaction Documents to be made by the Issuer as are necessary or advisable to facilitate such change (the “**Base Rate Modification**”), provided that no such Base Rate Modification will be made unless the Rate Determination Agent has determined and confirmed to the Representative of the Noteholders in writing (such certificate, a “**Base Rate Modification Certificate**”) that:
  - (i) such Base Rate Modification is being undertaken due to the occurrence of a Base Rate Modification Event and, in each case, such modification is required solely for such purpose and it has been drafted solely to such effect; and
  - (ii) such Alternative Base Rate is:
    - i. a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing;
    - ii. a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
    - iii. such other base rate as the Rate Determination Agent reasonably determines (and in relation to which the Rate Determination Agent has provided reasonable justification of its determination to the Issuer and the Representative of the Noteholders),

provided that, for the avoidance of doubt (I) in each case, the change to the Alternative Base Rate will not, in the Servicer’s opinion, be materially prejudicial to the interest of the Noteholders; and (II) for the avoidance of doubt, the Servicer may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this paragraph (c) are satisfied.

- (d) It is a condition to any such Base Rate Modification that:
  - (i) the Originator pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer and the Servicer and each other applicable party including, without limitation, any of the agents to the Issuer, in connection with such modifications. For the avoidance of doubt, such costs shall not include any amount in respect of any reduction in the interest payable to a Noteholder or any change in the amount due to the Cap Counterparty or any change in the mark-to-market value of the Cap Agreement;
  - (ii) with respect to each Rating Agency, the Servicer has notified such Rating Agency of the proposed modification and, in the Servicer’s reasonable opinion, formed on the basis of due consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency or (y) such Rating Agency placing the Rated Notes on rating watch negative (or equivalent); and

- (iii) the Issuer (or the Servicer on its behalf) provides at least 30 (thirty) days' prior written notice to the Listed Noteholders of the proposed Base Rate Modification. If the proposed Alternative Base Rate is determined by the Rate Determination Agent on the basis of paragraph (c) above and if the holders of the Most Senior Class of Notes representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing, then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class of Noteholders is passed in favour of such modification in accordance with the Rules of the Organisation of the Noteholders;
- (e) When implementing any modification pursuant to this Condition 7.6 (*Fallback provisions*), the Rate Determination Agent, the Issuer and the Servicer, as applicable, shall act in good faith and (in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*)), shall have no responsibility whatsoever to the Issuer, the Noteholders or any other party.
- (f) If a Base Rate Modification is not made as a result of the application of paragraph (c) above, and for so long as the Issuer (acting on the advice of the Servicer) considers that a Base Rate Modification Event is continuing, the Servicer may or, upon request of the Originator, must, initiate the procedure for a Base Rate Modification as set out in this Condition 7.6 (*Fallback provisions*).
- (g) Any modification pursuant to this Condition 7.6 (*Fallback provisions*) must comply with the rules of any stock exchange on which the Notes are from time to time listed or admitted to trading and may be made on more than one occasion.
- (h) As long as a Base Rate Modification is not deemed final and binding in accordance with this Condition 7.6 (*Fallback provisions*), the Reference Rate applicable to the Listed Notes will be equal to the last Reference Rate available on the relevant applicable screen rate pursuant to (a) above.
- (i) This Condition 7.6 (*Fallback provisions*) shall be without prejudice to the application of any higher interest under applicable mandatory law.

## 7.7 Residual Payments

Residual payments may or may not be payable on the Class R Notes (the “**Residual Payments**”) in Euro on each Payment Date, in accordance with the applicable Priority of Payments.

On each Payment Date the Residual Payments will be equal to:

- (i) prior to the delivery of a Trigger Notice, the amount (if any) by which the Interest Available Funds exceed the amounts required to satisfy items (i) (*first*) to (xxi) (*twenty-first*) of the Pre-Enforcement Interest Priority of Payments on that Payment Date; or
- (ii) following the delivery of a Trigger Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount (if any) by which the Issuer Available Funds exceed the amounts required to satisfy items (i) (*first*) to (xiii) (*thirteenth*) of the Post-Enforcement Priority of Payments on that date.

## 7.8 Calculation of Interest Payment Amounts

The Principal Paying Agent shall on each Determination Date determine:

- 7.8.1 the Euribor, the Rate of Interest applicable to each of the Listed Notes for the Interest Period beginning after such Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);
- 7.8.2 the Euro amount (the “**Interest Payment Amount**”) payable as interest on each Euro 1,000 of nominal amount of Listed Notes in respect of such Interest Period calculated by applying the relevant Rate of Interest to the Principal Amount Outstanding of the relevant 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 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up);

- 7.8.3 The calculation of Interest Payment Amount made by the Principal Paying Agent shall (in the absence of manifest error) be final and binding upon all parties.

## **7.9 Calculation of the Residual Payments Amount**

- 7.9.1 The Calculation Agent shall, on each Calculation Date, calculate the Euro amount (the “**Residual Payments Amount**”) payable on each Class R Note in respect of such Interest Period.
- 7.9.2 The Residual Payments Amount payable in respect of any Interest Period in respect of each Class R Note is calculated by multiplying the amounts available to make the payment in respect of Residual Payments on the Class R Notes, in accordance with the relevant Priority of Payments, by a fraction, the numerator of which is the then Principal Amount Outstanding of a nominal amount of Euro 1,000 of each Class R Note and the denominator of which is the Principal Amount Outstanding of all the Class R Notes, and rounding down the resultant figure to the nearest cent.

The calculation of Residual Payments Amount made by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

## **7.10 Notification of Interest Payment Amount, Residual Payments 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 Principal Paying Agent will notify to the Calculation Agent, the Issuer, the Representative of the Noteholders, the Servicer, the Back-Up Servicer and the Corporate Servicer and will cause the same to be published in accordance with Condition 16 (*Notices*) on or as soon as possible after the relevant Determination Date:

- (i) the Interest Payment Amount for each Listed Note for the immediately following Interest Period;
- (ii) the Residual Payments Amount for each of the Class R Notes for the immediately following Interest Period; and
- (iii) the Payment Date in respect of each such Interest Payment Amount and Residual Payments Amount.

## **7.11 Amendments to publications**

The Interest Payment Amount for the Listed Notes and/or the Residual Payments Amount 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.

## **7.12 Determination by the Representative of the Noteholders**

- 7.12.1 If the Principal Paying Agent does not at any time for any reason calculate the Interest Payment Amount for the Listed Notes in accordance with Condition 7.8 (*Calculation of Interest Payment Amounts*) and/or (ii) the Calculation Agent does not at any time for any reason calculate the Residual Payments Amount for the Class R Notes in accordance with Condition 7.9 (*Calculation of the Residual Payments Amount*), the Representative of the Noteholders as the legal representative of the Organisation of the Noteholders shall determine (or cause to be determined) the Interest Payment Amount for each Listed Notes in the manner specified in Condition 7.8 (*Calculation of Interest Payment Amounts*) and/or the Residual Payments Amount for each Class R Note in the manner specified in Condition 7.9 (*Calculation of the Residual Payments Amount*). Any such determination shall be deemed to have been made by the Issuer.
- 7.12.2 It is understood that the Representative of the Noteholders shall not be responsible for the calculations and determinations duly made pursuant to this Condition 7.12, save in



the event of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders. It is being understood that the Representative of the Noteholders shall be kept indemnified and held harmless against any costs and expenses related to such calculation and determinations set out under this Condition.

#### **7.13 Interest deferral**

Without prejudice to Condition 12.1 (*Trigger Events*), payments of Interest Payment Amount on the Listed Notes then outstanding will be subject to deferral to the extent that there are insufficient Interest Available Funds on any Payment Date in accordance with the applicable Priority of Payments to pay in full the relevant Interest Payment Amount which would otherwise be payable on the Listed Notes then outstanding. The amount by which the aggregate amount of interest paid on each Class of Listed Notes on any Payment Date in accordance with this Condition 7.13 (*Interest deferral*) falls short of the aggregate amount of Interest Payment Amount which otherwise would be payable on the relevant Class of Listed Notes on that date shall be aggregated with the amount of, and treated for the purposes of, this Condition 7.13, (*Interest deferral*) as if it were interest due on each such Class of Listed Notes and, subject as provided below, payable on the next succeeding Payment Date.

If, on the Cancellation Date, there remains any such shortfall, the amount of such shortfall will become due and payable on such date, subject in each case to the amounts of Issuer Available Funds and, to the extent unpaid, will be cancelled.

#### **7.14 Notification of Interest Deferral**

If, on any Calculation Date, the Calculation Agent determines that any deferral of interest in respect of one or more Classes of Listed Notes will arise on the immediately succeeding Payment Date, notice to this effect shall be given or procured to be given by the Issuer to the Representative of the Noteholders, the Paying Agents, Monte Titoli and the Noteholders in accordance with Condition 16 (*Notices*), specifying the amount of interest to be deferred on such following Payment Date in respect of each Class of Notes.

#### **7.15 Service of a Trigger Notice**

Following the service of a Trigger Notice, to the extent permitted under Italian law, each Note will bear interest and Residual Payments as set out in this Condition 7 (*Interest and Residual Payments*), *provided that* such interest and Residual Payments will be payable in accordance with Condition 6.3 (*Post-Enforcement Priority of Payments*) and subject to Condition 10 (*Payments*) and *provided further that*, to the extent that the methodology for determining EURIBOR in respect of the Listed Notes and calculating the interest from time to time accrued on the Listed Notes, as set out in this Condition 7 (*Interest and Residual Payments*), is inconsistent or otherwise conflicting with the *Post-Enforcement Priority of Payments* and the actual dates on which the payments provided thereunder will be made, the Italian Paying Agent and/or the Representative of the Noteholders may (without incurring, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person as a result) agree (but shall not be bound to do so) an alternative methodology (which will be binding on the Issuer and the Noteholders) which comes as close as reasonably possible to the one set out in this Condition 7 (*Interest and Residual Payments*).

#### **7.16 Italian Paying Agent**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be the Italian Paying Agent. Pursuant to the Cash Allocation, Management and Payments Agreement, the Italian Paying Agent may not resign until a successor has been appointed, in which case notice of appointment will be published in accordance with Condition 16 (*Notices*).

#### **7.17 Unpaid interest in respect of the Notes**

Unpaid interest on the 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 Condition 8 (*Redemption, purchase and cancellation*), the Issuer shall redeem the Notes of each Class at their Principal Amount Outstanding, plus any accrued but unpaid interest or Residual Payments, as the case may be on the Legal Final Maturity Date.
- 8.1.2 The Issuer may not redeem the Notes in whole or in part prior to the Legal Final Maturity Date except as provided below in Condition 8.2 (*Mandatory Redemption*), Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*), or but without prejudice to Condition 12 (*Trigger Events*) and Condition 13 (*Enforcement*).
- 8.1.3 If the Issuer has insufficient Issuer Available Funds to repay the Notes in full on the Cancellation Date, then the 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 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 during the Amortisation Period on which there are Issuer Available Funds available for payments of principal in respect of the Notes of each relevant Class in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*), the Issuer will cause each Note of each relevant Class to be redeemed on such Payment Date in an amount equal to the Principal Payment Amount in respect of such Note as determined on the Calculation Date immediately preceding the relevant Payment Date.

In particular, the Class A Notes will be subject to mandatory redemption in full (or in part *pro rata*) on the first Payment Date of the Amortisation Period and on each Payment Date thereafter, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

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

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

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

The Class E Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date falling after the repayment in full of the Class D Notes and (only to the extent the Post-Enforcement Priority of Payments would apply as a consequence of a Trigger Notice having been served) of the Class X Notes, in each case if on such dates there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

The Class X Notes will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date (during the Revolving Period and Amortisation Period) after the Issue Date, on which there are sufficient Interest Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

The Class R Notes will be subject to mandatory redemption in full (or in part *pro rata*) after all the other Notes have been redeemed in full, on the Legal Final Maturity Date, in each case if on such date there are sufficient Issuer Available Funds which may be applied for this purpose in accordance with the applicable Priority of Payments.

However, in respect of each Payment Date, prior to the delivery of a Trigger Notice, if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no amount of principal will be due and payable in respect of the Notes on such Payment Date.

### **8.3 Early redemption upon exercise of the Originator Call Option**

On the First Optional Redemption Date (included) and on any Payment Date thereafter on which the Originator has exercised the Originator Call Option, the Issuer will cause the proceeds received by it from the Originator (or from any third party appointed by the Originator at its sole discretion) deriving from the sale of the Portfolio to the Originator (or to any third party appointed by the Originator at its sole discretion) pursuant to the Originator Call Option, together with the other Issuer Available Funds available to the Issuer for such purpose, to redeem all (but not some only) of the Notes of each Class (other than the Class R Notes) at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to such Payment Date and any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed. It remains understood that the Originator Call Option can only be exercised by the Originator (or by any third party appointed by the Originator at its sole discretion), should the relevant conditions described in the Intercreditor Agreement be met, to the extent that the purchase price paid by the Originator (or by any third party appointed by the Originator at its sole discretion) for the purchase of the Aggregate Portfolio together with the other Issuer Available Funds available for such purpose in compliance with the Pre-Enforcement Priority of Payments would allow the Issuer to discharge all of its outstanding liabilities (in whole but not in part) in respect of the Notes of each Class (other than the Class R Notes), at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the applicable Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed.

### **8.4 Optional Redemption**

Prior to the delivery of a Trigger Notice, on the third Payment Date immediately following the First Optional Redemption Date and on any Payment Date thereafter, the Issuer may redeem (in whole but not in part) the Notes of each Class (other than the Class R Notes), at their Principal Amount Outstanding together with all accrued but unpaid interest thereon up to the date fixed for redemption and any amounts required under the Pre-Enforcement Priority of Payments to be paid in priority to or *pari passu* with each Class of Notes to be so redeemed, subject to the Issuer:

- (i) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders, to the Cap Counterparty, to the Noteholders and the Rating Agencies of its intention to redeem the Notes 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 Notes to be redeemed and any other payment in priority to or *pari passu* with the Notes in accordance with the applicable Priority of Payments.

The Issuer may obtain the necessary funds in order to effect the early redemption of the Notes to be redeemed in accordance with Condition 8.4 (*Optional Redemption*) through the sale of the Aggregate Portfolio to a third party or third parties, which may be the Originator, and the relevant sale proceeds shall form part of the Issuer Available Funds. It remains understood that if the Issuer decides to exercise the Optional Redemption, it shall first offer the Aggregate Portfolio to the Originator.

### **8.5 Optional Redemption in whole for taxation reasons**

If, at any time prior to the delivery of a Trigger Notice, the Issuer:

- (A) provides the Representative of the Noteholders, prior to the delivery of the notice referred to below, with a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from an Italian counsel opining that on the next Payment Date: (i) as a result of legislative or regulatory changes (other than a change in a “relevant covered tax agreement” as such term is defined under article 2(1)(a) of the multilateral convention to implement tax treaty) or official interpretations thereof by competent authorities, the Issuer (also through any Issuer’s agents) would be required to deduct or withhold (other than in respect of a Decree 239 Deduction) from any payment of principal or interest on the Notes of any Class (other than the Class R Notes) any amount for or on account of any present or future taxes, duties, assessments or governmental charges by the Republic of Italy or any political subdivision thereof or any authority thereof or therein or by any applicable authority having jurisdiction, or (ii) as a result of legislative or regulatory changes or official interpretations thereof by competent authorities, the Issuer (also through any Issuer’s agents) would incur increased costs or charges of a fiscal nature in respect of the Noteholders or the Issuer’s assets in respect of the Securitisation which would materially affect any Class of Notes (other than the Class R Notes); and
- (B) certifies to the Representative of the Noteholders that the Issuer will have the necessary funds, not subject to the interest of any other Person, to discharge all of its outstanding liabilities in respect of all of the Classes of Notes (other than the Class R Notes) and any amounts required under the Conditions to be paid in priority to or *pari passu* with such Notes to be redeemed,

then the Issuer may redeem, on the next Payment Date, all (but not some only) of the Notes (other than the Class R Notes) at their Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Payment Date and any amounts required under the Conditions to be paid in priority to or *pari passu* with the Notes (other than the Class R Notes), having given not more than 45 and not less than 15 days' prior written notice to the Representative of the Noteholders, to the Noteholders, the Cap Counterparty and the Rating Agencies.

## 8.6 Conclusiveness of certificates and legal opinions

Any certificate or opinion given by or on behalf of the Issuer pursuant to Condition 8.4 (*Optional Redemption*) or Condition 8.5 (*Optional Redemption in whole 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.

## 8.7 Calculation of Principal Payment Amount and Principal Amount Outstanding

8.7.1 On each Calculation Date, the Calculation Agent shall calculate:

- (j) the amount of the Interest Available Funds;
- (k) the amount of the Principal Available Funds;
- (l) the Principal Payment Amount, if any, in respect of each Note of each Class of Notes; and
- (m) the Principal Amount Outstanding of each Note of each Class of Notes on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to such Note),
- (n) the Cash Reserve Target Amount and the Prepayment Reserve Target Amount in respect of the immediately following Payment Date;
- (o) the debit balance that will be outstanding in respect of the Class A Notes Principal Deficiency Ledger on the next Payment Date;
- (p) the debit balance that will be outstanding in respect of the Class B Notes Principal Deficiency Ledger on the next Payment Date;
- (q) the debit balance that will be outstanding in respect of the Class C Notes Principal Deficiency Ledger on the next Payment Date;
- (r) the debit balance that will be outstanding in respect of the Class D Notes Principal Deficiency Ledger on the next Payment Date;

- (s) the debit balance that will be outstanding in respect of the Class E Notes Principal Deficiency Ledger on the next Payment Date;
- (t) the Principal Deficiency Ledger Amount;
- (u) the Interest Available Funds Shortfall;
- (v) the Remaining Interest Shortfall;
- (w) the Remaining Interest Shortfall Amount; and
- (x) whether a Purchase Termination Event has occurred,

relating to the immediately following Payment Date, in accordance with these Conditions.

8.7.2 The principal amount redeemable in respect of each Note of each Class of Notes (the “**Principal Payment Amount**”) on any Payment Date shall be a *pro rata* share of the principal payment due in respect of such Class of Notes, 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 a Class of 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 a nominal amount of euro 1,000 of each Note of such Class and the denominator of which is the then Principal Amount Outstanding of all the Notes of the same Class, 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 a nominal amount of euro 1,000 of the relevant Note.

Each determination by or on behalf of the Issuer pursuant to this Condition 8.7 shall in each case (in the absence of manifest error) be final and binding on all parties.

#### **8.8 Calculation in case of default by the Calculation Agent**

If the Calculation Agent does not at any time for any reason calculate the Issuer Available Funds, the Principal Payment Amount in respect of each Note of each Class of Notes or the Principal Amount Outstanding of each Notes of each Class of Notes in accordance with this Condition, the Cash Allocation, Management and Payments Agreement contains provisions to allow such calculations and each such calculation shall be deemed to have been made by the Issuer and, in particular, the Cash Allocation, Management and Payments Agreement expressly provides that if the Calculation Agent fails to make such calculations, each such calculation shall be prepared (or caused to be prepared) by the Representative of the Noteholders, subject to terms set out in the Cash Allocation, Management and Payments Agreement.

#### **8.9 Notice of calculation of Principal Payment Amount and Principal Amount Outstanding**

The Calculation Agent will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to each Class of Notes to be notified immediately after calculation (through the Payments Report or the Post-Enforcement Payments Report) to the Issuer, the Corporate Servicer, the Servicer, the Representative of the Noteholders, the Back-up Servicer and the Paying Agents and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to each Class of Notes to be given by the Principal Paying Agent in accordance with Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

#### **8.10 Notice Irrevocable**

Any such notice as is referred to in Condition 8.3 (*Early Redemption upon exercise of the Originator Call Option*) Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*) and Condition 8.9 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Condition 8.4 (*Optional Redemption*) or Condition 8.5 (*Optional Redemption in whole for taxation reasons*), the Issuer shall be bound to redeem the Notes of each relevant Class according to the relevant notice.

#### **8.11 No purchase by Issuer**

The Issuer is not permitted to purchase any of the Notes at any time.

## **8.12 Cancellation**

- (a) All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.
- (b) All Notes shall be in any case cancelled on the Cancellation Date.

## **8.13 Limitation on transfer**

The Notes are subject to certain selling restrictions, as set out in the Notes Subscription Agreements. In particular, the Notes: (i) may not be offered or sold within the United States, subject to certain exceptions; and (ii) may be sold in other jurisdictions (including the Republic of Italy and other Member States of the European Economic Area) only in compliance with applicable laws and regulations.

## **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 against the Issuer and no Noteholder shall be entitled to directly proceed against the Issuer to obtain any payment from the Issuer or to enforce any guarantee granted by the Issuer. In particular:

- 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;
- 2) until the date falling two years and one day after the date on which the Notes and any notes issued in the context of any further securitisation undertaken by the Issuer have been redeemed in full or cancelled in accordance with their terms and conditions, no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders when so directed by an Extraordinary Resolution of all Noteholders and only if the representative(s) of the noteholders of all other securitisations undertaken by the Issuer, if any, have been so directed by the appropriate resolutions of their respective noteholders in accordance with the relevant transaction documents) shall initiate or join any person in initiating an Insolvency Event in relation to the Issuer; and
- 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 applicable 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 or property of the Issuer or any incorporator, Quotaholder(s), officer, director or any agent of the Issuer;
- 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 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, in a manner satisfactory to the latter, that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) 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 or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and discharged in full.

## **10. PAYMENTS**

### **10.1 Payments through Monte Titoli**

Payment of principal, interest and Residual Payments in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the relevant 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 additional 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 Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders and in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, as the case may be, at any time to vary or terminate the appointment of the Principal Paying Agent or the Italian Paying Agent, as the case may be, and to appoint additional or other Paying Agent(s). The Issuer will cause at least 90 (ninety) days' prior notice of any change in or addition to the Paying Agents or their Specified Offices to be given in accordance with Condition 16 (*Notices*).

## **11. TAXATION**

### **11.1 Tax - gross up**

All payments of principal and interest in respect of the Notes as well as any other payment under the Transaction Documents will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for or on account of, any Tax imposed, levied, collected, withheld or assessed by applicable law unless the withholding or deduction of such taxes is required by law (a "**Tax Deduction**"). In that event the Issuer, the Representative of the Noteholders or the Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted. Subject to the completion of certain requirements and procedures, non-Italian institutional investors established in States allowing for an adequate exchange of information with the Italian tax authority (as currently listed in the Italian Ministerial Decree of 4 September 1996 as amended and supplemented by the Italian Ministerial Decree dated 23 March 2017) are generally entitled to receive interest, premium and any difference between the redemption amount and the issue price under Notes free from Decree 239 Deduction.

### **11.2 No payment of additional amounts**

None of the Issuer, the Representative of the Noteholders, the Paying Agent nor any other person will be obliged to pay any additional amounts to the 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 Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction, as applicable.

### **11.4 Tax Deduction not Trigger Event**

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agents or any other person are required to make a Tax Deduction this shall not constitute a Trigger Event.

## **12. TRIGGER EVENTS**

### **12.1 Trigger Events**

If any of the following events (each, a “**Trigger Event**”) occurs:

*1. Non-payment of principal:*

the Issuer defaults in the payment of principal on the Most Senior Class of Notes when due or on the payment of principal on any Notes on the Legal Final Maturity Date, and such default is not remedied within a period of 5 (five) Business Days from the due date thereof (provided however that, for the avoidance of doubt, non-payment of any principal on the Most Senior Class of Notes, due to the Servicer not having provided the Servicer Report (as described in Condition 6.2 (*Pre-Enforcement Principal Priority of Payments*)) shall not constitute a Trigger Event); or

*2. Non-payment of interest:*

the Issuer defaults in the payment of the amount of interest on any Payment Date, as accrued on the Most Senior Class of Notes (other than the Class E Notes), and such default is not remedied within a period of 5 (five) Business Days of the due date thereof; or

*3. Breach of other obligations:*

the Issuer defaults in the performance or observance of any of its material obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any “Non-payment of principal” referred to under 1) above and/or any “Non-payment of interest” referred to under (2) above) and (except where, in the 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 30 (thirty) days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

*4. Misrepresentation:*

any of the representations and warranties made by the Issuer under any of the Transaction Documents proves to be untrue, incorrect or misleading when made or repeated in any respect which is material for the interests of the Most Senior Class of Noteholders, provided that such breach remains unremedied for 10 (ten) Business Days after the occurrence thereof (except where such breach is not capable of remedy, in which case no remedy period will apply); or

*5. Security Interest:*

any Security Interest granted by the Issuer under the Transaction Documents becomes invalid, unenforceable or unlawful;

*6. Insolvency of the Issuer:*

an Insolvency Event occurs with respect to the Issuer; or

*7. 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,

- (1) in the case of a Trigger Event under item (1), (2) or (7) above, shall; and
- (2) in the case of a Trigger Event under items (3), (4), (5) or (6) above, may or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding, shall,

in each case subject to being indemnified and/or secured to its satisfaction against all liabilities, expenses, costs which it may incur by so doing, serve a Trigger Notice on the Issuer (with copy to each of the Other Issuer Creditors, the Rating Agencies and the Cap Counterparty) declaring the Notes to be due and repayable, whereupon they shall become so due and repayable, following which all payments of principal, interest and other amounts due in respect of the Notes shall be made according to the order of priority set out in Condition 6.3 (*Post-Enforcement Priority of Payments*).

## **12.2 Consequences of delivery of Trigger Notice**

12.2.1 Upon the delivery of a Trigger Notice, all payments of principal, interest and Residual Payments and any 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 Condition 6.3 (*Post-Enforcement Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

12.2.2 Upon the delivery of a Trigger Notice, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly payments of the amounts due under the Notes in accordance with the Post-Enforcement Priority of Payments and pursuant to the terms of the Transaction Documents, as required by article 21(4)(a) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

12.2.3 Following the delivery of a Trigger Notice, to the extent that the Payment Dates are modified by the Representative of the Noteholders, the Representative of the Noteholders may (without incurring, in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*), any liability to any person) determine (but shall not be bound to do so) that any reference to Collection Period set out in the definitions of Issuer Available Funds shall be deemed to be a reference to such date and period which, in its opinion, are most consistent with the new Payment Dates and the relevant Interest Periods and appropriate to allow payments of such funds in accordance with the Post-Enforcement Priority of Payments.

## **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, Residual Payments thereon, including enforcing the Security, 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 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 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 Class 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 Issuer may (subject to the consent of the Representative of the Noteholders) or the Representative of the Noteholders may (or shall if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) direct the Issuer to dispose of the Portfolio (in whole or in part), provided, however, that a sufficient amount shall be realised to allow discharge in full of all amounts owing to the holders of the Listed Notes (including interests) and amounts ranking in priority thereto or *pari passu* therewith and provided further that the following certificates are delivered by the purchaser:

- (a) a certificate issued by the competent Register of Enterprises stating that no Insolvency Proceedings are pending against the purchaser as of a date not earlier than 10 Business Days before the date of the purchase;
- (b) a solvency certificate signed by the legal representative or a director of the purchaser dated the date of the purchase; and, except where the issuance of the certificate is not permitted by the internal rules applied by the relevant court, also
- (c) a solvency certificate issued by the bankruptcy court (*tribunale fallimentare*) stating that no Insolvency Proceedings are pending against the purchaser (to the extent such certificate may be released by the relevant court).

The sale of the Portfolio pursuant to this Condition 13.3 will be in any case subject to receipt by the Issuer of the relevant purchase price and will be governed by article 58 of the Consolidated Banking Act and shall be construed as a “*vendita a rischio e pericolo del compratore*” pursuant to article 1488, second paragraph, of the Italian Civil Code with express derogation by the relevant parties of article 1266 of the Italian Civil Code with reference to the guarantee, granted by the transferor, of the existence of the Receivables and to the maximum extent permitted by the Italian Law of any other guarantee on the transfer of the Receivables.

It remains understood that no provisions of the Transaction Documents shall require the automatic liquidation of the Portfolio or any part thereof pursuant to article 21(4)(d) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

## **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. The appointment of the Representative of the Noteholders, as the 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 who has been appointed by the initial holders of the Notes at the time of the issue of the Notes, subject to and in accordance with the provisions of the Notes Subscription Agreements. Each Noteholder is deemed to accept such appointment.

## **15. STATUTE OF LIMITATION**

Claims against the Issuer for payments in respect of the Notes shall be barred by the statute of limitation 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**

So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

In addition, so long as the Listed Notes are listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, any notice regarding the Notes to such Noteholders shall be deemed to have been duly given if published on the Luxembourg Stock Exchange website (<http://www.bourse.lu>). 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 required in a newspaper as referred to above.

Any notices given to the Noteholders by the Issuer or the Representative of the Noteholders shall also be sent concurrently to the Cap Counterparty.

### **16.2 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 Notes of the relevant Class are 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 Conditions, whether by the Principal Paying Agent, the Italian Paying Agent, the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of wilful misconduct and gross negligence) be binding on the Principal Paying Agent, the Italian Paying Agent, 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, the Italian Paying Agent, 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 discretions under the Transaction Documents (in the absence of wilful misconduct and gross negligence).

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

### **18.1 Governing Law of Notes**

The Notes are governed by Italian law.

### **18.2 Governing Law of Transaction Documents**

All the Transaction Documents are governed by Italian law, except for the Deed of Charge, the Notes Subscription Agreements, the Cap Agreement, which are governed by English law and the Emir Reporting Agreement, which is governed by French law.

### **18.3 Jurisdiction of courts**

The Courts of Milan shall have exclusive jurisdiction to settle any disputes (including all non-contractual obligations arising out or in connection with the Notes) which may arise out of or in connection with the Notes.

### **18.4 Jurisdiction of courts in relation to the Transaction Documents**

The Courts of Milan shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents governed by Italian law and any non-contractual obligations arising out thereof or in connection therewith. The Courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the English Law 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 Establishment**

The Organisation of the Noteholders is created concurrently with the issue by Brignole CQ 2019-1 S.r.l. of and subscription for € 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036 (the “**Class A Notes**” or the “**Senior Notes**”), the € 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036 (the “**Class B Notes**”), the € 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036 (the “**Class C Notes**”), the € 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036 (the “**Class D Notes**”; the Class D Notes together with the Class B Notes and the Class C Notes, the “**Mezzanine Notes**”); the € 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036 (the “**Class E Notes**”; the Class E Notes together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the “**Rated Notes**”) and the € 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036 (the “**Class X Notes**”; the Class X Notes together with the Class E Notes, the “**Junior Notes**”; the Senior Notes, the Mezzanine Notes and the Junior Notes are hereinafter referred to the “**Listed Notes**”) and the € 20,000 Class R Asset Backed Variable Return Notes due March 2036 (the “**Class R Notes**” or the “**Residual Notes**”; the Class R Notes together with the Listed Notes are, collectively, referred to as the “**Notes**” and each of them a “**Note**”) the and is governed by these Rules of the Organisation of the Noteholders (the **Rules**).

**1.2 Validity**

These Rules shall remain in force and effect until the later of (i) full repayment or cancellation of all the Notes or the (ii) Legal Final Maturity Date.

**1.3 Integral part of the Notes**

These Rules are deemed to be an integral part of each Note issued by the Issuer.

**2 DEFINITIONS AND INTERPRETATION**

**2.1 Interpretation**

- 2.1.1 Unless otherwise provided in these Rules, any capitalised term shall have the meaning attributed to it in the Terms and Conditions.
- 2.1.2 Any reference herein to an “Article” shall be a reference to an article of these Rules.
- 2.1.3 Headings and subheadings used herein are for ease of reference only and shall not affect the construction of these Rules.

**2.2 Definitions**

In these Rules, the terms set out below shall have the following meanings:

“**Basic Terms Modification**” means:

- (a) a modification of the Legal Final Maturity Date of any Class of Notes;
- (b) a modification that would have the effect of postponing any date for payment of interest and/or Residual Payments or repayment of principal on any Class of Notes;
- (c) a modification which would have the effect of reducing or cancelling the amount of principal repayable in respect of any Class of Notes (other than any reduction or cancellation permitted under the Terms and Conditions) or the rate of interest applicable in respect of any Class of Notes or any other modification of the methods of calculating the amounts payable in respect of the Notes;

- (d) a modification which would have the effect of altering the majority of votes required to pass a specific resolution of any Class of Notes or the quorum required to validly hold any meeting of the Noteholders of any Class of Notes;
- (e) a modification which would have the effect of altering the currency of payment of any Class of Notes or any alteration of the date of redemption or priority of any Class of Notes;
- (f) a modification which would have the effect of altering the authorisation or consent by the Noteholders, to applications of funds as provided for in the Transaction Documents;
- (g) a modification which would have the effect of substituting any Person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (h) a modification which would have the effect of sanctioning any scheme or proposal for the exchange or substitution or sale of any of the Notes or of any Class of Notes for, or the cancellation of any of the Notes or any Class of Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
- (i) any amendment to the Priority of Payments;
- (j) any amendment of a Trigger Event as defined in the Conditions;
- (k) an amendment of this definition.

**“Blocked Notes”** means Notes which have been blocked by an authorised intermediary in an account with a clearing system.

**“Block Voting Instruction”** means in relation to a Meeting, the document issued by the Paying Agent stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting;
- (b) that the Paying Agent has been instructed by the holder of the relevant Notes to cast the votes attributable to such Blocked Notes in a particular way on each resolution to be put to the relevant Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked; and
- (c) authorising a Proxy to vote in accordance with such instructions.

**“Business”** means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting.

**“Chairman”** means, in relation to any Meeting, the individual who takes the chair in accordance with Title II, Article 7 of these Rules.

**“Extraordinary Resolution”** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 18.

**“Group Companies”** means each company controlled by or controlling Creditis Servizi Finanziari S.p.A. pursuant to article 2359 of the Italian Civil Code.

**“Issuer”** means Brignole CQ 2019-1 S.r.l.

**“Meeting”** means a meeting of Noteholders of any Class or Classes (whether originally convened or resumed following an adjournment).

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

**“Ordinary Resolution”** means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules to resolve on the object set out in Article 17.

**“Proxy”** means any person to which the powers to vote at a Meeting have been duly granted under a Voting Certificate or a Block Voting Instruction.

**“Resolution”** means an Ordinary Resolution and/or an Extraordinary Resolution, as the case may be.

**“Terms and Conditions”** or **“Conditions”** means the terms and conditions of the Notes, as from time to time modified in accordance with the provisions herein contained and including any agreement or other document expressed to be supplemental thereto, and any reference to a numbered **Condition** is to the corresponding numbered provision thereof.

**“Voter”** means, in relation to any Meeting, the holder of a Voting Certificate or a Proxy;

**“Voting Certificate”** means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder in accordance with Regulation 13 August 2018, as subsequently amended and supplemented, stating *inter alia*:

- (a) that the Blocked Notes specified therein will not be released until a specified date which falls after the conclusion of the Meeting; and
- (b) that the bearer of such certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

**“24 hours”** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its specified office.

**“48 hours”** means 2 consecutive periods of 24 hours

### **3 ORGANISATION PURPOSE**

#### **3.1 Membership**

Each Noteholder, as a consequence of the subscription or purchase of the relevant Note, is a member of the Organisation of the Noteholders.

#### **3.2 Purpose**

The purpose of the Organisation of the Noteholders is to coordinate the exercise of the rights of the Noteholders and, more generally, the taking of any action for the protection of their interests.

## **TITLE II THE MEETING OF NOTEHOLDERS**

### **4 VOTING CERTIFICATES AND VALIDITY OF THE PROXIES AND VOTING CERTIFICATES**

#### **4.1 Participation in Meetings**

Noteholders may participate in any Meeting by obtaining a Voting Certificate or by depositing a Block Voting Instruction at the specified office of the Representative of the Noteholders not later than 24 hours before the relevant Meeting.

#### **4.2 Validity**

A Block Voting Instruction or a Voting Certificate shall be valid only if deposited at the specified office of the Representative of the Noteholders, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to discuss the items on the agenda. If the Representative of the Noteholders so requires, notarised copy of each Voting Certificate or Block Voting Instruction and satisfactory evidence of the identity of each Proxy named therein shall be produced at the Meeting,

but the Representative of the Noteholders shall not be obliged to investigate the validity of a Voting Certificate, a Block Voting Instruction or the identity of any Proxy.

#### **4.3 Mutually exclusive**

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

#### **4.4 Blocking and release of Notes**

References to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

### **5 CONVENING THE MEETING**

#### **5.1 Meetings convened by the Representative of the Noteholders**

The Representative of the Noteholders may convene a Meeting at any time.

The Representative of the Noteholders shall convene a Meeting at any time it is requested to do so in writing by (a) the Issuer, or (b) Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of all the Notes outstanding for the Class in respect of which the Meeting is to be convened.

#### **5.2 Request from the Issuer**

Whenever the Issuer requests the Representative of the Noteholders to convene a Meeting, it shall immediately send a communication in writing to that effect to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting and the items to be included in the agenda.

#### **5.3 Time and place of the Meeting**

Subject to what is provided for in Article 6.1 (*Notice of meeting*) below, every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

#### **5.4 Meeting in audio- or video-conference**

Meetings may be held via audio-conference or video-conference where Voters are located at different places, provided that:

- (a) 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;
- (b) the person drawing up the minutes may hear well the meeting events being the subject matter of the minutes;
- (c) each Voter attending via audio-conference or video-conference may follow and intervene in the discussions and vote the items on the agenda in real time;
- (d) the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or videoconference equipment; and
- (e) for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes are located (such place being in the European Union).

### **6 NOTICE OF MEETING AND DOCUMENTS AVAILABLE FOR INSPECTIONS**

#### **6.1 Notice of meeting**

At least 21 (twenty-one) days' notice (exclusive of the day on which notice is delivered and of the day on which the relevant Meeting is to be held), specifying the date (falling no later than 30 days after the date of delivery of such notice), time and place (being in the European Union) of the Meeting, must be given by the Paying Agent (upon instruction from the Representative of the Noteholders) to the relevant Noteholders, with copy to the Issuer and the Representative of the Noteholders.

#### **6.2 Content of the notice**



The notice of any resolution to be proposed at the Meeting shall specify at least the following information:

- (a) subject to what is provided for in Articles 6.1 (*Notice of meeting*), 9 (*Adjournment for lack of quorum*) and 10 (*Adjourned meeting*), the date, time and place of the Meeting, on first and second call;
- (b) agenda of the Meeting; and
- (c) nature of the Resolution.

### **6.3 Validity notwithstanding lack of notice**

Notwithstanding the formalities required by this Article 6, a Meeting is validly held if the entire Principal Amount Outstanding of the relevant Class or Classes of Notes is represented thereat and the Issuer and the Representative of the Noteholders are present.

### **6.4 Documentation Available for Inspection**

All the documentation (including, if possible, the full text of the resolution to be proposed at the Meeting) which is necessary, useful or appropriate for the Noteholders to (i) determine whether or not to take part in the relevant Meeting and (ii) exercise their right to vote on the items on the agenda, shall be deposited at the specified office of the Representative of the Noteholders at least 7 days before the date set for the relevant Meeting.

## **7 CHAIRMAN OF THE MEETING**

### **7.1 Appointment of the Chairman**

The Meeting is chaired by an individual (who may, but need not be, a Noteholder) appointed by the Representative of the Noteholders. If the Representative of the Noteholders fails to make such appointment or the individual so appointed declines or is not present within 15 (fifteen) minutes after the time fixed for the Meeting, the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman.

### **7.2 Duties of the Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate and defines the terms for voting.

### **7.3 Assistance**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

## **8 QUORUM**

### **8.1 Quorum and Passing of Resolution**

The quorum (*quorum constitutivo*) at any Meeting shall be:

- (a) in respect of a Meeting convened to vote on an Ordinary Resolution:
  - (i) on first call, one or more Voters holding or representing at least one tenth of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (b) in respect of a Meeting convened to vote on an Extraordinary Resolution, other than in respect of a Basic Terms Modification:

- (i) on first call, one or more Voters holding or representing at least two thirds of the Principal Amount Outstanding of the Notes outstanding for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, such fraction of the Principal Amount Outstanding of the outstanding Notes as is represented or held by Voters present at the Meeting;
- (c) in respect of a Meeting convened to vote on an Extraordinary Resolution in respect of a Basic Terms Modification:
- (i) on first call, one or more Voters holding or representing at least three quarters of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened; or
  - (ii) on second call, following any adjournment pursuant to Article 9, one or more Voters holding or representing at least one half of the Principal Amount Outstanding of the outstanding Notes for the Class in respect of which the Meeting is convened,

*provided that*, in order to avoid conflict of interest that may arise as a result of the Originator having multiple roles in the Securitisation, those Notes which are for the time being held by the Originator and/or by Group Companies shall (unless and until ceasing to be so held) be deemed not to remain “outstanding” for the purposes of the right to vote at any Meeting of Noteholders duly convened by the Representative of the Noteholders in accordance with the Conditions and these Rules to transact one of the following Business:

- (i) the revocation of the Originator in its capacity as Servicer in the context of the Securitisation;
- (ii) the enforcement of any of the Issuer’s Rights against the Originator under the Securitisation;
- (iii) the direction of the sale of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event in accordance with Condition 12 (*Trigger Events*);
- (iv) Business related to any other matter in relation to which, in the reasonable opinion of the Representative of the Noteholders taking into account any legal advice it may procure in connection with making such determination, may exist a conflict of interest between the Noteholders (in such capacity) and the Originator and/or Group Companies.

It remains understood that the above restriction on voting rights does not apply in case the then outstanding Notes are entirely held by the Originator and/or Group Companies.

## **8.2 Passing of a Resolution**

A Resolution shall be deemed validly passed if voted by the following majorities:

- (a) in respect of an Ordinary Resolution, a majority of the votes cast; and
- (b) in respect of an Extraordinary Resolution, a majority of not less than three quarters of the votes cast.

For the purposes above, abstentions shall not be considered as votes cast, although the relevant Voters are present or represented at the Meeting

## **9 ADJOURNMENT FOR LACK OF QUORUM**

If a quorum is not reached within 30 (thirty) minutes after the time fixed for any Meeting:

- (a) if such Meeting was requested by Noteholders, the Meeting shall be dissolved; or
- (b) in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall be adjourned to a new date no earlier than 14 (fourteen) days and no later than 42 (forty-two) days after the original date of such Meeting, and to such place (being in the European Union) and time as the Chairman determines with the approval of the Representative

of the Noteholders, *provided however that* no Meeting may be adjourned more than once for want of quorum.

## **10 ADJOURNED MEETING**

Except as provided in Article 9, the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place (being in the European Union). No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

## **11 NOTICE FOLLOWING ADJOURNMENT**

### **11.1 Notice required**

If a Meeting is adjourned in accordance with the provisions of Article 9, Articles 5 and 6 above shall apply to the resumed Meeting except that:

- (a) 10 (ten)-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

### **11.2 Notice not required**

It shall not be necessary to give notice to resume any Meeting adjourned for reasons other than those described in Article 9.

## **12 PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

- (a) Voters;
- (b) the director(s) and the auditors of the Issuer;
- (c) the Servicer;
- (d) the Representative of the Noteholders;
- (e) financial and/or legal advisers to the Issuer and the Representative of the Noteholders; and
- (f) any other person authorised by the Issuer, the Representative of the Noteholders or by virtue of a resolution of the relevant Meeting.

## **13 VOTING BY SHOW OF HANDS**

### **13.1 First instance vote**

Every question submitted to a Meeting shall be decided in the first instance by a vote by show of hand.

### **13.2 Demand of poll**

If, before the vote by show of hands, the Issuer, the Representative of the Noteholders, the Chairman or one or more Voters who represent or hold at least one-tenth of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes request to vote by poll, the question shall be voted on in compliance with the provisions of Article 14. No request to vote by poll shall hinder the continuation of the Meeting in relation to the other items on the agenda.

### **13.3 Approval of a resolution**

A resolution is only passed on a vote by show of hands if the Meeting has been validly constituted and the relevant resolution is unanimously approved by all the Voters at the Meeting. The Chairman's declaration that on a show of hands a resolution has been passed or rejected shall be conclusive. Whenever it is not possible to approve a resolution by show of hands, voting shall be carried out by poll.

## **14 VOTING BY POLL**

### **14.1 Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-tenth of the Principal Amount Outstanding of the outstanding Notes entitled to vote at the Meeting. A poll may be taken immediately or after any adjournment as decided by the Chairman, but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

#### **14.2 Conditions of a poll**

The Chairman sets the conditions for voting by poll, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the conditions set by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

### **15 VOTES**

#### **15.1 Votes**

Each Voter shall have:

- (a) one vote, when voting by a show of hands; and
- (b) one vote for each € 1,000 of Principal Amount Outstanding of each Note represented or held by the Voter, when voting by poll.

#### **15.2 Exercise of multiple votes**

Unless the terms of any Block Voting Instruction or Voting Certificate borne by a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes which he exercises in the same manner.

#### **15.3 Voting tie**

In case of a voting tie, the Chairman shall have the casting vote.

### **16 VOTING BY PROXY**

#### **16.1 Validity**

Any vote by a Proxy appointed in accordance with the relevant Block Voting Instruction or Voting Certificate shall be valid even if such Block Voting Instruction or Voting Certificate or any other instruction pursuant to which it has been given had been amended or revoked *provided that* none of the Paying Agent, the Issuer, the Representative of the Noteholders or the Chairman has been notified in writing of such revocation at least 24 hours prior to the time set for the relevant Meeting.

#### **16.2 Adjournment of Meeting**

Unless revoked, the appointment of a Proxy in relation to a Meeting shall remain valid also in relation to a resumption of such Meeting following an adjournment, unless such Meeting was adjourned for lack of quorum pursuant to Article 9. If a Meeting is adjourned pursuant to Article 9, any person appointed to vote in such Meeting must be re-appointed by virtue of a Block Voting Instruction or Voting Certificate in order to vote at the resumed Meeting.

### **17 ORDINARY RESOLUTIONS**

Save as provided by Article 18 and subject to the provisions of Article 19, a Meeting shall have the power exercisable by Ordinary Resolution to:

- (a) waive (including to waive a prior breach) any breach by the Issuer of its obligations arising under the Transaction Documents or the Notes, or waive a Trigger Event, if such waivers are not previously authorised by the Representative of the Noteholders in accordance with the Transaction Documents;
- (b) determine any other matters submitted to the Meeting, other than matters required to be the subject of an Extraordinary Resolution, in accordance with the provisions of these Rules and the Transaction Documents; and

- (c) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

## **18 EXTRAORDINARY RESOLUTIONS**

The Meeting, subject to Article 19, shall have power exercisable by Extraordinary Resolution to:

- (a) approve any Basic Terms Modification;
- (b) approve any proposal by the Issuer or the Representative of the Noteholders for any alteration or waiver of the rights of the Noteholders against the Issuer;
- (c) save as provided by Article 29, approve any amendments of the provisions of (i) these Rules, (ii) the Terms and Conditions, (iii) the Intercreditor Agreement, (iv) the Cash Allocation, Management and Payment Agreement, or (v) any other Transaction Document in respect of the obligations of the Issuer under or in respect of the Notes which is not a Basic Terms Modification be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;
- (d) discharge or exonerate (including prior or retrospective discharge or exoneration) the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Terms and Conditions or any other Transaction Document;
- (e) grant any authority, order or sanction which, under the provisions of these Rules or of the Terms and Conditions, must be granted by Extraordinary Resolution (including the issue of a Trigger Notice as a result of a Trigger Event pursuant to Condition 12 (*Trigger Events*) and the decision on the sale of the Portfolio as a consequence of a Trigger Notice being served);
- (f) authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;
- (g) authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution; and
- (h) authorise or object to individual actions or remedies of Noteholders under Article 23.

## **19 RELATIONSHIP BETWEEN CLASSES AND CONFLICT OF INTERESTS**

### **19.1 Relationship between Classes**

- (a) No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Classes of Notes (if any).
- (b) Any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Most Senior Class of Notes shall be binding on the holders of the other Classes of Notes irrespective of the effect thereof on their interest.
- (c) No Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of a Class of Notes which is not the Most Senior Class of Notes shall be effective unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution, as the case may be, of the Most Senior Class of Noteholders. Notwithstanding the above, the Class R Noteholders holding at least 51% of the Principal Amount Outstanding of the Class R Notes shall have the power, by way of a Written Resolution: (i) to instruct the Issuer to open the Investment Account and/or the Security Account and to appoint the Cash Manager and the Custodian pursuant to the provisions of the Cash Allocation Management and Payments Agreement and to make any amendments to the Cash Allocation Management and Payments Agreement which might be needed in order to implement the functioning of the Investment Account and/or Security Account and the appointment of the Cash Manager and the Custodian; and (ii) to provide to the Issuer (which shall provide to the Cash Manager) with the initial instructions on the Eligible Investments pursuant to the Cash Allocation Management and Payments Agreement and to amend from time to time such instructions pursuant to the Cash Allocation Management and Payments Agreement.

## **19.2 Binding nature of the Resolutions**

Any Resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting and, except in the case of Meeting relating to a Basic Terms Modification, any Resolution passed at a meeting of the then Most Senior Class of Noteholders duly convened and held as aforesaid shall also be binding upon all the other Classes of Noteholders. In each such case, all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly.

## **19.3 Conflict between Noteholders and Other Issuer Creditors**

The Representative of the Noteholders, as regards to the exercise and performance of all its powers, authorities, duties and discretion under the Transaction Documents (except where expressly provided otherwise), shall have regard to the interests of both the Noteholders and the Other Issuer Creditors provided that if, in the opinion of the Representative of the Noteholders, there is a conflict between the interests of the Noteholders and the Other Issuer Creditors, the Representative of the Noteholders shall have regard solely to the interests of the Noteholders.

In addition, if at any time there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the Other Issuer Creditors, then the Representative of the Noteholders shall have regard to the interests of whichever of the Other Issuer Creditors ranks higher in the applicable Priority of Payments for the payment of the amounts therein specified.

Finally, if there is, in the opinion of the Representative of the Noteholders, a conflict between the interests of the holders of different Classes of Notes, then the Representative of the Noteholders shall have regard only to the interests of the Most Senior Class of Noteholders.

## **19.4 Resolution of the Junior Noteholders and Class R Noteholders**

For the avoidance of doubt, amendments or modifications which do not affect the payment of interest and/or the repayment of principal in respect of any of the Senior Notes and the Mezzanine Notes and/or any other interest or rights of the holders of the Senior Notes and Mezzanine Notes and that do not constitute Basic Terms Modifications may be passed at a Meeting of the Junior Noteholders or Class R Noteholders, as the case may be, without any sanction being required by the holders of the Senior Notes and the Mezzanine Notes.

## **19.5 Joint Meetings**

Subject to the provisions of these Rules and the Terms and Conditions, if the Representative of the Noteholders considers it is not detrimental to the holders of any relevant Class of Notes, joint meetings of the holders of the Noteholders may be held to consider the same Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

## **19.6 Separate and combined Meetings of the Noteholders**

Subject to the aforesaid provisions of this Article 19, the following provisions shall apply where outstanding Notes belong to more than one Class:

- (a) business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;
- (b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Classes of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes, as the Representative of the Noteholders shall determine in its absolute discretion; and
- (c) business which, in the opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of the other Classes of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

In this paragraph **business** includes (without limitation) the passing or rejection of any Resolution.

### **19.7 Notice of Resolution**

Within 14 (fourteen) days after the conclusion of each Meeting, the Issuer shall give notice, in accordance with Condition 16 (*Notices*), of the result of the votes on each resolution put to the Meeting. Such notice shall also be sent by the Issuer (or its agents) to the Paying Agent and the Representative of the Noteholders.

## **20 CHALLENGE OF RESOLUTION**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

## **21 MINUTES**

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

## **22 WRITTEN RESOLUTION**

Notwithstanding the formalities required by Article 6, a Meeting is validly held if a resolution in writing is signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders (the **Written Resolution**).

A Written Resolution shall take effect as if it were an Extraordinary Resolution or an Ordinary Resolution, as the case may be.

## **23 INDIVIDUAL ACTIONS AND REMEDIES**

### **23.1 Individual actions of the Noteholders**

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non petition provisions of Condition 9 (*Non Petition and Limited Recourse*). Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

- (a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;
- (b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;
- (c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
- (d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

### **23.2 Individual actions subject to Resolution**

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 23

### **23.3 Breach of Condition 9 (*Limited Recourse and Non Petition*)**

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 9 (*Limited Recourse and Non Petition*).

#### **23.4 Exclusive power of the Representative of the Noteholders**

Save as provided in this Article 23, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

### **24 FURTHER REGULATIONS**

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

## **TITLE III**

### **THE REPRESENTATIVE OF THE NOTEHOLDERS**

#### **25 APPOINTMENT, REMOVAL AND REMUNERATION**

##### **25.1 Appointment**

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 25, except for the appointment of the first Representative of the Noteholders which will be Zenith Service S.p.A.

##### **25.2 Requirements for the Representative of the Noteholders**

The Representative of the Noteholders shall be:

- (a) a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- (b) a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act; or
- (c) any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

##### **25.3 Directors and auditors of the Issuer**

The director/s and auditors of the Issuer cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

##### **25.4 Duration of appointment**

Unless the Representative of the Noteholders is removed by Extraordinary Resolution pursuant to Title II above or it resigns in accordance with Article 27, it shall remain in office until full repayment or cancellation of all the Notes.

##### **25.5 Removal**

The Representative of the Noteholders may be removed by Extraordinary Resolution of the Most Senior Class of Noteholders at any time.

##### **25.6 Office after termination**

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until a substitute Representative of the Noteholders, which shall be a subject among those listed in Article 25.2, paragraphs (a), (b), and (c) above, accepts its appointment, and the powers and authority of the Representative of the Noteholders whose appointment has been terminated shall, pending the



acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

## **25.7 Remuneration**

As consideration for its duties and services carried out in connection with the Securitisation, the Issuer will pay to the Representative of the Noteholders for its services as Representative of the Noteholders as from the date hereof an annual fee separately agreed and documented in a fee letter, payable monthly in arrears on each Payment Date. In the event of the Representative of the Noteholders considering it expedient or necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, the Issuer will pay to the Representative of the Noteholders such additional remuneration as will be agreed between them. In any event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon such additional remuneration, then such matter will be determined by three investment banks (acting as experts and not as arbitrators), two of which will be selected by the Representative of the Noteholders and one of which will be selected by the Issuer (the expenses involved in such nomination and the fees of such investment banks being payable by the Issuer), and the joint determination (which may be taken by majority and does not need to be unanimous) of such investment banks will be final and binding upon the Representative of the Noteholders and the Issuer. The above fees and remuneration will be payable in accordance with the applicable Priority of Payments up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Terms and Conditions.

## **26 DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

### **26.1 Legal representative of the Organisation of the Noteholders**

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it pursuant to the Transaction Documents in order to protect the interests of the Noteholders.

### **26.2 Meetings and implementation of Resolutions**

Subject to Article 28.9, the Representative of the Noteholders is responsible for implementing all resolutions of the Noteholders and has the right to convene Meetings to propose any course of action which it considers from time to time necessary or desirable.

### **26.3 Delegation**

26.3.1 The Representative of the Noteholders may also, whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) specific activities vested in it as aforesaid.

26.3.2 The terms and conditions (including power to sub-delegate) of such appointment shall be established by the Representative of the Noteholders depending on what it deems suitable in the interests of the Noteholders.

26.3.3 The Representative of the Noteholders shall not, other than in the normal course of its business, 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 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 (*culpa in eligendo*).

26.3.4 As soon as reasonably practicable, the Representative of the Noteholders shall 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.

### **26.4 Judicial proceedings**

The Representative of the Noteholders is authorised to represent the Organisation of the Noteholders, *inter alia*, in any judicial proceedings.

## **27 RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

### **27.1 Resignation**

The Representative of the Noteholders may resign at any time by giving at least 3 (three) calendar months' written notice to the Issuer, with no need to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation.

### **27.2 Effectiveness**

The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed by an Extraordinary Resolution of the Most Senior Class of Noteholders and such new Representative of the Noteholders has accepted its appointment *provided that* if the Noteholders fail to select a new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 25.

## **28 EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

### **28.1 Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

### **28.2 Other limitations**

Without limiting the generality of Article 28.1, the Representative of the Noteholders:

- (i) shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document has occurred, and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event has occurred;
- (ii) shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in the Terms and Conditions and hereunder or, as the case may be, in any Transaction Document to which each such party is a party, and until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are carefully observing and performing all of their respective obligations;
- (iii) except as otherwise required under these Rules or the Transaction Documents, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- (iv) shall not be responsible for (or for investigating) the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
  - (1) the nature, status, creditworthiness or solvency of the Issuer;
  - (2) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;
  - (3) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
  - (4) 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 Aggregate Portfolio; and

- (5) any accounts, books, records or files maintained by the Issuer, the Servicer, and the Paying Agents or any other person in respect of the Aggregate Portfolio or the Notes;
- (v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;
- (vi) shall have no responsibility to procure that the Rating Agencies or any other credit or rating assessment institution or any other subject maintain the rating of the Rated Notes;
- (vii) shall not be responsible for (or for investigating) any matter which is the subject of any recital, statement, warranty or representation by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- (viii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Aggregate Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- (ix) shall not be liable for any failure, omission or defect in registering or filing or procuring the registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- (x) shall not be under any obligation to guarantee or procure the repayment of the Aggregate Portfolio or any part thereof;
- (xi) shall not be obliged to evaluate the consequences that any modification of these Rules or any of the Transaction Documents or exercise of its rights, powers and authorities may have for any individual Noteholder;
- (xii) shall not (unless and to the extent ordered to do so by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules and no Noteholder, Other Issuer Creditor or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;
- (xiii) shall not be responsible for reviewing or investigating any report relating to the Aggregate Portfolio provided by any person;
- (xiv) shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Aggregate Portfolio or any part thereof;
- (xv) shall not be responsible for (except as otherwise provided in the Terms and Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Aggregate Portfolio and the Notes; and
- (xvi) shall not be deemed responsible for having acted pursuant to instructions received from the Meeting, even if it is later discovered that the Meeting had not been validly convened or constituted, and that such resolution had not been duly approved or was not otherwise valid or binding for the Noteholders.

### **28.3 Discretion**

#### **28.3.1 The Representative of the Noteholders:**

- (i) save as expressly otherwise provided herein and in the Intercreditor Agreement, shall have absolute discretion as to the exercise, non-exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law, and the Representative of the Noteholders shall not be responsible for any loss, cost, damage, expense or inconvenience resulting from the exercise, non-exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its wilful misconduct (*dolo*) or gross negligence (*colpa grave*);
- (ii) in connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its rights, powers, discretion under the Transaction Documents, the Representative of the Noteholders has the right - but not the obligation - to convene a Meeting or Meetings in order to obtain the Noteholders' instructions as to how it should act. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request that the Noteholders indemnify

it and/or provide it with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

- (iii) may certify whether or not a Trigger Event is in its opinion prejudicial to the interest of the Noteholders and any such certification shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other subject party to the Transaction Documents;
- (iv) may determine whether or not a default in the performance by the Issuer or the Originator of any obligation under the provisions of these Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Originator, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

28.3.2 Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders deems appropriate.

## **28.4 Certificates**

The Representative of the Noteholders:

- (i) may act on the advice of or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, and shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders;
- (ii) may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless it has information which casts a doubt on the truthfulness of the certificates signed by the Issuer;
- (iii) shall have the right to call for (or have the Issuer call for) and to rely on written attestations issued by any one of the parties to the Intercreditor Agreement, or by any Other Issuer Creditor. The Representative of the Noteholders shall not be required to seek additional evidence and shall not be held responsible for any loss, liability, cost, damage, expense or charge incurred as a result of having failed to do so.

## **28.5 Ownership of the Notes**

28.5.1 In order to ascertain ownership of the Notes, the Representative of the Noteholders may fully rely on the certificates issued by any authorised institution listed in accordance with article 83-*bis* of the Financial Laws Consolidated Act and Regulation 13 August 2018, which are conclusive proof of the statements attested to therein.

28.5.2 The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

## **28.6 Certificates of Monte Titoli Account Holders**

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with Regulation 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

## **28.7 Certificates of Clearing Systems**

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any

particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

## **28.8 Rating Agencies**

The Representative of the Noteholders shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules, that such exercise will not be materially prejudicial to the interest of the Noteholders if, along with other factors, the Rating Agencies have confirmed that the then current ratings of the Rated Notes would not be adversely affected by such exercise, or have otherwise given their consent. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend any actual or contingent liability for the Rating Agencies to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise. If the Representative of the Noteholders, in order to exercise properly its rights or fulfil its obligations, deems it necessary to obtain the valuation of the Rating Agencies regarding how a specific act would affect the ratings of the Rated Notes, the Representative of the Noteholders shall so 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 wishes to seek and obtain the valuation itself.

## **28.9 Illegality**

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend or otherwise risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretion, and the Representative of the Noteholders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

# **29 AMENDMENTS AND WAIVERS TO THE TRANSACTION DOCUMENTS**

## **29.1 Modifications and waivers**

The Representative of the Noteholders may or, as set out in Condition 29.2 (*Additional modifications and waivers*) and subject to the provisions therein, shall, without the consent or sanction of the holders of any Class of Notes or any of the Other Issuer Creditors, concur with the Issuer or any other relevant parties in making:

- (i) any modification (other than in respect of a Basic Terms Modification) of the Terms and Conditions or any other Transaction Document which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the Most Senior Class of Noteholders; or
- (ii) any modification of the Terms and Conditions or any other Transaction Document if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Representative of the Noteholders may, without the consent of the Noteholders or the Other Issuer Creditors, authorise or waive any proposed breach or breach of these Terms and Conditions or any other Transaction Document (other than a proposed breach or breach relating to the subject of a Basic Terms Modification) if, in the sole opinion of the Representative of the Noteholders, the interests of the Most Senior Class of Noteholders will not be materially prejudiced thereby. Unless the Representative of the Noteholders agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

The prior written consent of the Cap Counterparty is required to modify or supplement any provision of the Transaction Documents or the Terms and Conditions if, in the reasonable opinion of the Cap Counterparty, such modification or supplement would (A) constitute a Basic Terms Modification, (B) modify or supplement clause 11 or clause 27 of the Intercreditor Agreement or any definitions referred to therein or (C) adversely affect any of the following:

- (i) the amount, timing or priority of any payments or deliveries due to be made by or to the Cap Counterparty under the Terms and Conditions or any Transaction Document;
- (ii) the ranking of the Cap Counterparty under any of the Priorities of Payment or the Collateral Account Priority of Payments;
- (iii) the Issuer's ability to make such payments or deliveries to the Cap Counterparty;
- (iv) the Cap Counterparty's rights in relation to any security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such security) granted by the Issuer in favour of the Representative of the Noteholders on behalf of the Secured Creditors;
- (v) the Cap Counterparty's status as a Secured Creditor;
- (vi) any amendment to Condition 8 (*Redemption, Repurchase and Cancellation*) of the Terms and Conditions or any additional redemption rights in respect of the Notes; or
- (vii) the definition of "Basic Terms Modification".

The Issuer shall notify in writing the Cap Counterparty and the Representative of the Noteholders of any proposed modification or supplement to any provisions of the Transaction Documents or the Terms and Conditions of the Notes that may (A) constitute a Basic Terms Modification, (B) modify or supplement clause 11 or clause 27 of the Intercreditor Agreement or any definitions referred to therein or (C) affect any of the other items listed in the previous paragraph at least 21 days (exclusive of the day on which the notice is given and of the day that the modification or supplement is intended to be effected, such period the "**Cap Counterparty Modification Notice Period**") prior to such modification or supplement being effected, notwithstanding any other provision of the Transaction Documents or the Terms and Conditions of the Notes. The Cap Counterparty shall notify the Representative of the Noteholders and the Issuer as soon as reasonably practicable in writing as to whether it consents to the proposed modification or supplement (in the case of a modification or supplement which would (A) constitute a Basic Terms Modification, (B) modify or supplement clause 11 or clause 27 of the Intercreditor Agreement or any definitions referred to therein) or if, in the Cap Counterparty's reasonable opinion, such modification or supplement would adversely affect any of the other items listed in the previous paragraph. If the Issuer and the Representative of the Noteholders receive notification (the "**Notification**") from the Cap Counterparty that the Cap Counterparty has determined that the modification and/or supplement would not adversely affect any of the items listed in the previous paragraph or that the Cap Counterparty otherwise consents to such modification and/or supplement, as applicable, such modification and/or supplement may take effect at any time from and including the date of receipt of the Notification. If the Issuer and the Representative of the Noteholders do not receive any such determination or a Notification by the expiry of the Cap Counterparty Modification Notice Period, the Cap Counterparty shall be deemed to have consented to such modification or supplement. If the Cap Counterparty has not received notice in accordance with this paragraph, the proposed modification or supplement shall not be effective.

## **29.2 Additional modifications and waivers**

Notwithstanding the provisions of Condition 29.1 (*Modification and waivers*), the Representative of the Noteholders shall be obliged, without any consent or sanction of the Noteholders or any of the Other Issuer Creditors, to concur with the Issuer or any other relevant parties in making any modification (other than in respect of a Basic Terms Modification) to the Terms and Conditions or any other Transaction Document that the Issuer considers necessary:

- (a) for the purposes of effecting a Base Rate Modification pursuant to Condition 7.6 (*Fallback provisions*) provided that, solely in circumstances in which the proposed Alternative Base Rate is determined by the Rate Determination Agent on the basis of Condition 7.6(c)(ii), if, prior to the expiry of the 30 (thirty) day notice period described in Condition 7.6(d)(iii), the Issuer is notified

by the Most Senior Class of Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes that they object to the proposed modification, then following such a notification of objection the modification will only be made if it is approved by a resolution of the Most Senior Class of Noteholders representing at least a majority of the Outstanding Principal Amount of the Most Senior Class of Notes passed in accordance with the Rules of the Organisation of the Noteholders;

- (b) to give effect to any modifications to the Cap Agreement following the occurrence of a Benchmark Trigger Event (as defined therein) provided that the Servicer (on behalf of the Issuer or the Cap Counterparty, as appropriate) certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (c) in order to enable the Issuer and/or the Cap Counterparty to comply with any obligation which applies to it under EMIR, provided that the Servicer on behalf of the Issuer or the Cap Counterparty, as appropriate, certifies to the Representative of the Noteholders in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;
- (d) for so long as the Class A Notes are intended to be held in a manner which will allow for Eurosystem eligibility (the criteria in respect of which are currently set out in the Guideline), for the purposes of maintaining such eligibility, provided that the Servicer on behalf of the Issuer certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and has been drafted solely to such effect; or
- (e) for the purposes of complying with the Securitisation Regulation, provided that the Servicer on behalf of the Issuer certifies to the Representative of the Noteholders in writing that such modification has been advised by a firm providing verification services in relation to the Securitisation pursuant to article 28 of the Securitisation Regulation or a reputable international law firm, is required solely for such purpose and has been drafted solely to such effect; or
- (f) for the purposes of opening any Collateral Account and making any related modifications to any Transaction Document provided that the Servicer, on behalf of the Issuer, certifies to the Representative of the Noteholders in writing that such modification is required solely for such purpose and it has been drafted solely to such effect;

(the certificate to be provided by the Servicer on behalf of the Issuer or the Cap Counterparty, as the case may be, pursuant to paragraphs (b) to (f) (inclusive) above being a **Modification Certificate**).

The Representative of the Noteholders is only obliged to concur with the Issuer in making any modification for the purposes referred to in paragraphs (b) to (f) (inclusive) above if the following conditions have been satisfied (the **Modification Conditions**):

- (i) at least 30 (thirty) days' prior written notice of any such proposed modification has been given to the Representative of the Noteholders;
- (ii) the Modification Certificate in relation to such modification shall be provided to the Representative of the Noteholders both at the time the Representative of the Noteholders is notified of the proposed modification and on the date that such modification takes effect;
- (iii) the Issuer provides the Representative of the Noteholders with such legal opinions as the Representative of the Noteholders considers necessary in connection with the implementation of such modifications;
- (iv) the consent of each Other Issuer Creditor which is party to the relevant Transaction Document and any Other Issuer Creditor which has a right to consent to such modification pursuant to the provisions of the Transaction Documents has been obtained;
- (v) the person who proposes such modification pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Representative of the Noteholders in connection with such modification;
- (vi) the Issuer, and/or the Servicer on its behalf, certifies to the Representative of the Noteholders (which certification may be in the Modification Certificate) that the proposed modification is not, in the reasonable opinion of the Issuer and/or the Servicer (as applicable) formed on the basis of due consideration, a modification in respect of a Basic Terms Modification;

- (vii) either:
  - (a) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by such Rating Agency and would not result in any Rating Agency placing the Rated Notes on rating watch negative (or equivalent) and delivers a copy of such confirmation to the Issuer and the Representative of the Noteholders; or
  - (b) the Servicer, on behalf of the Issuer, certifies in the Modification Certificate that it has notified each of the Rating Agencies of the proposed modification and in its opinion, formed on the basis of due consideration and consultation with the Rating Agencies, such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Rated Notes by any Rating Agency or (y) any Rating Agency placing the Rated Notes on rating watch negative (or equivalent); and
- (viii) (I) the Issuer (or the Servicer on its behalf) certifies in writing to the Representative of the Noteholders (which certification may be in the Modification Certificate) that, in relation to such modification, the Issuer (or the Paying Agent on its behalf) has provided at least 30 (thirty) days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 16 (*Notices*) specifying the date and time by which Noteholders must respond and has made available, at the time of publication, the modification documents for inspection at the registered office of the Representative of the Noteholders for the time being during normal business hours and (II) Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes have not contacted the Issuer and the Paying Agent in accordance with the then current practice of the clearing system through which such Notes may be held notifying them by the time specified in such notice that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes have notified the Issuer and the Paying Agent, in accordance with the notice and the then current practice of any applicable clearing system through which such Notes may be held, by the time specified in such notice that they do not consent to the modifications set out in paragraphs (c) to (e) above, then such modification will not be made unless an Extraordinary Resolution of the Most Senior Class of Noteholders is passed in favour of such modification in accordance with the Rules of the Organisation of the Noteholders.

Objections made in writing other than through the clearing systems must be accompanied by evidence to the Representative of the Noteholders' satisfaction (having regard to the prevailing market practices) of the relevant Noteholder's holding of the Notes.

Any modification made in accordance with this Condition 29.2 shall be binding on all Noteholders and shall be notified by the Issuer (or the Paying Agents on its behalf) without undue delay to, so long as any of the Rated Notes remains outstanding, each Rating Agency and, in any event, the Other Issuer Creditors and the Noteholders in accordance with Condition 16 (*Notices*).

The Representative of the Noteholders shall not be obliged to agree to any modification which, in the sole opinion of the Representative of the Noteholders, would have the effect of (i) exposing the Representative of the Noteholders to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Representative of the Noteholders in the Transaction Documents and/or the Terms and Conditions.

### **29.3 Representative of the Noteholders consideration of other interests**

When implementing any modification pursuant to Condition 29.2 (*Additional modifications and waivers*) (*save to the extent that the proposed matter is a Basic Terms Modification*), the Representative of the Noteholders shall not consider the interests of the Noteholders, any Other Issuer Creditors or any other person and shall act and rely solely without further investigation on any certificate (including any Modification Certificate) or evidence provided to it by the Issuer (or the Servicer on its behalf) or the Cap Counterparty, as the case may be, pursuant to Condition 29.2 (*Additional modifications and*



*waivers*) and shall not be liable to the Noteholders, any Other Issuer Creditors or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

#### **29.4 Deed of Charge**

#### **29.5 Exercise of rights under the Deed of Charge**

The Representative of the Noteholders shall have the right to exercise all the rights granted by the Issuer to Noteholders and the Other Issuer Creditors which have the benefit of the Deed of Charge. The beneficiaries of the Deed of Charge are referred to as the “**Secured Creditors**”.

#### **29.6 Rights of the Representative of the Noteholders**

The Representative of the Noteholders, acting on behalf of the Secured Creditors, shall be entitled to:

- (a) appoint and entrust the Issuer to collect, in the Secured Creditors’ interest and on their behalf, any amounts deriving from the Security and may instruct, jointly with the Issuer, the obligors whose obligations form part of the Security to make any payments to be made thereunder to the relevant Account;
- (b) procure that the Issuer’s Accounts to which payments have been made in respect of the Security are operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement. For such purpose and until a Trigger Notice is served, the Representative of the Noteholders, acting in the name and on behalf of the Secured Creditors, shall appoint the Issuer to manage such Accounts in compliance with the Cash Allocation, Management and Payment Agreement;
- (c) procure that all funds credited to the relevant Accounts from time to time are applied in accordance with the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement; and
- (d) procure that the funds from time to time deriving from the Security and the amounts standing to the credit of the relevant Accounts are applied towards satisfaction not only of the amounts due to the Secured Creditors, but also of such amounts due and payable to any other parties that rank prior to the Secured Creditors according to the applicable Priority of Payments set forth in the Terms and Conditions, and to the extent that all amounts due and payable to the Secured Creditors have been paid in full, that any remaining amount be used towards satisfaction of any amounts due to any other parties that rank below the Secured Creditors.

#### **29.7 Waiver of the Noteholders as Secured Creditors**

The Noteholders as Secured Creditors irrevocably waive any right they may have in relation to any amount deriving from time to time from the pledged receivables or credited to the Issuer’s Accounts which is not in accordance with the provisions of this Article 29.7.

### **30 INDEMNITY**

#### **30.1 Indemnification**

Pursuant to the Subscription Agreements and the Intercreditor 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, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, receivables and demand (including, without limitation, legal fees and any applicable tax, value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or any subject 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, authority and discretion and the performance of its duties under and otherwise in relation to these Rules and the Transaction Documents, including but not limited to legal and travelling expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the Notes or the Transaction Documents.

### **30.2 Liability**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

## **TITLE IV**

### **THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF A TRIGGER NOTICE**

#### **31 POWERS**

It is hereby acknowledged that, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as the legal representative of the Organisation of the Noteholders, shall be entitled - also in the interest of the Other Issuer Creditors, pursuant to articles 1411 and 1723 of the Italian Civil Code - to exercise certain rights in relation to the Aggregate Portfolio. The Representative of the Noteholders, in its capacity as the 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**

#### **32 GOVERNING LAW AND JURISDICTION**

##### **32.1 Governing law**

These Rules and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with the laws of the Republic of Italy.

##### **32.2 Jurisdiction**

The Courts of Milan shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with these Rules.

## 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 amended through law decree No. 145 of 23 December 2013, called “*Decreto Destinazione Italia*” (the ***Destinazione Italia Decree***) converted into law No. 9 of 21 February 2014, which provides for, *inter alia*, simplified perfection formalities for the assignment of public receivables and trade receivables and implements legal mitigants to address the commingling and claw-back risks, and excludes the application of article 65 of the Bankruptcy Law to payments effected by the assigned debtors to the securitisation vehicle.

On 24 June 2014, the Securitisation Law has again been amended through the law decree No. 91, called “*Decreto Competitività*” (the ***Law Decree Competitività***) converted, with amendments, into law No. 116 of 11 August 2014, which, *inter alia*, (i) introduces the possibility for issuers to perform lending activity ensuring an adequate regulatory control through the involvement of regulated entities acting as servicers of the securitisation; and (ii) clarifies the segregation mechanics provided under the amended article 3 of the Securitisation Law, as better described under the paragraph headed (*Ring fencing of the assets*) below.

The recent law decree No. 50 of 24 April 2017, as converted with amendments into law No. 96 of 21 June 2017, further amended the Securitisation Law by introducing new provisions aimed at fostering the securitisation of non-performing loans (NPLs) and leasing portfolios. In particular, securitisation special purpose vehicles that buy and securitise NPLs are now allowed to (i) grant new loans to certain categories of distressed debtors or acquire holding in their company, where this helps restructuring debtors’ financial position and facilitate repayment; and (ii) buy and manage the immovable or other property placed as collateral of the securitised exposure through dedicated special purpose entities.

The Securitisation Law has been recently further amended by law No. 145 of 30 December 2018 and law decree No. 34 of 30 April 2019, as converted with amendments into law No. 38 of 30 June 2019.

As at the date of this Prospectus, only limited interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for limited regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer, or any other party to the Transaction Documents as at the date of this Prospectus.

### The Assignment

The assignment of the claims under the Securitisation Law is governed by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. According to the prevailing interpretation of such provisions, which has been strengthened by article 4 of the Securitisation Law, the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of the relevant notice in the Official Gazette and registration of the transfer in the companies’ register where the Issuer is enrolled, so avoiding the need for notification to be served on each assigned debtor.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

- (a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment

in the companies' register where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;

- (b) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of the Bankruptcy Law; and (ii) the liquidator of the originator (*provided that* the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the companies' register where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the companies' register where the assignee is enrolled, no legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notice of the assignment of the Receivables comprised in the Initial Portfolio pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement has been published in the Official Gazette No. 111 of 21 September 2019, Part II, and registered with the Register of Enterprises of Milan – Monza - Brianza - Lodi on 23 September 2019.

Assignments executed under the Securitisation Law are subject to revocation upon bankruptcy under article 67 of the Bankruptcy Law but only in the event that the securitisation transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or, in cases where paragraph 1 of article 67 of the Bankruptcy Law applies, within six months of the adjudication of bankruptcy.

### **Ring Fencing of the assets**

Pursuant to operation of article 3 of the Securitisation Law, the assets relating to each securitisation transaction are segregated, by operation of law, for all purposes from all other assets of the company which purchases the claims (including, for the avoidance of doubt, any other portfolio purchased by the company pursuant to the Securitisation Law). Prior to and on the winding up of such a company, such assets (for so long as such amounts are credited to one of the Issuer's accounts under the Transaction and not commingled with other sums) will only be available to holders of the notes issued to finance the acquisition of the relevant claims and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer. However, under Italian law, any other creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

In addition to the above, it should be noted that, pursuant to the amendments recently introduced to the Securitisation Law by Law 9/2014 and Law 116/2014, it has been provided for that *inter alia*:

- (i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of Law 130 with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilised only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant

insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

- (ii) in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer, the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan. Under Italian law, however, any creditor of the Issuer would be able to commence insolvency or winding-up proceedings against the Issuer in respect of any unpaid debt.

### **Claw-Back of the sale of the Receivables**

The sale of the Receivables by the Originator to the Issuer may be clawed back by a receiver of the Originator under article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and was executed within three months of the admission of the Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraphs 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law apply, within six months of the admission to compulsory liquidation.

On 11 October 2017, Italian Parliament approved Law No. 155 of 19 October 2017 (*Legge Delega*) conferring to the Italian Government the powers to reform the Bankruptcy Law. On 14 February 2019, Legislative Decree No. 14 of 12 January 2019, enacting Law No. 155 of 19 October 2017, has been published on the Official Gazette of the Republic of Italy and will enter into force as of 15 August 2020 except for certain amendments which will enter into force as of 16 March 2019.

### **Claw-Back Action against the payments made to companies incorporated under the Securitisation Law**

According to article 4 of the Securitisation Law (as amended by Law 9/2014 – please see paragraph named “*Securitisation*” above), the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to articles 67 and 65 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the year/six months suspect period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 paragraphs 1 or 2, as applicable, of the Bankruptcy Law. The relevant payment will be set aside and clawed back if the receiver gives evidence that the recipient of the payments had knowledge of the state of insolvency when the payments were made. The question as to whether or not the Issuer had actual or constructive knowledge of the state of insolvency at the time of the payment is a question of fact with respect to which a court may in its discretion consider all relevant circumstances.

### **Italian Usury Law**

The interest payments and other remuneration paid by the Debtors under the Loans are subject to Italian law No. 108 of 7 March, 1996, as amended from time to time (the “**Usury Law**”), which introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the “**Usury Rates**”) set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific situations of the transaction and the average rate usually applied for similar transactions); and (ii) the person who paid or agreed to pay them was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

If the Loans are found to contravene the Usury Regulations, the Debtors might be able to claim relief on any interest previously paid and oblige the Issuer to accept a reduced rate of interest, or potentially no interest on the relevant Loan. In such cases, the ability of the Issuer to maintain scheduled payments of interest and principal on the Notes may be adversely affected.

In a scenario in which market rates decline, interest can be below the threshold at the outset of the financing, but result in an excess at a later stage. In this context, law decree No. 394 of 29 December, 2000 clearly states that interest is deemed usurious if it exceeds the maximum threshold set by the law at the time that the interest is agreed by the parties, "independently from the time of its actual payment". As clarified by the Italian Supreme Court in Decision No. 24,675/17, this provision is to be taken literally – compliance with the usury threshold is relevant only at the time of execution of the contract, regardless of the time of payment and of any subsequent change to the reference threshold. This ruling applies to contracts entered into both before and after the enactment of law No. 108/1996 and law-decree No. 394/2000.

For the risks arising from the possible presence in the Aggregate Portfolio of Loan Agreement including Usury Rates, kindly see the section “*Risk Factors*” “*Italian Usury Law*”.

### **Compounding of interest**

Pursuant to article 1283 of the Italian Civil Code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices (*usi normativi*) to the contrary. Banks and financial companies in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the ground that such practice could be characterised as a customary practice (*uso normativo*). However, a number of judgments from Italian courts (including the judgment from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/99) have held that such practices are not *uso normativo*. Consequently, if customers of the Originator were to challenge this practice and such interpretation of the Italian Civil Code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Loans.

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

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 Banking Act, providing that interest (other than defaulted interest) shall not accrue on capitalised interest. Article 120, paragraph 2 of the 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 interest and principal are to be accounted separately; (ii) in accordance with the new provision of article 120 of the Banking Act, interest are due as from 1 March of the year following the year of the relevant accrual. In any case, such interest 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 interest due and payable directly to the relevant debtor’s account (in such event, the charged amount shall be considered as principal amount and interest shall accrue on such amount). Intermediaries should have applied the 2016 CICR resolution no later than 1 October 2016.

For the risks arising from the possible presence in the Aggregate Portfolio of Loans providing for a compounding of interest, kindly see the section “*Risk Factors*” “*Compounding of interest*”.

## Italian consumer protection legislation

In Italy, consumer loans are regulated by, *inter alia*: (i) articles 121 to 126 of the Consolidated Banking Act; and (ii) the regulation of the Bank of Italy dated 29 July 2009, entitled “*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*” (as amended and/or supplemented from time to time). Under the current legislation, consumer loans are only those granted for amounts lower than the maximum level set by sub-section 1 of article 122 of the Consolidated Banking Act, currently set at Euro 75,000 and higher than the minimum level set by the same sub-section, currently set at Euro 200.

The following issues, *inter alia*, could arise in relation to a consumer loan contract.

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

Pursuant to paragraphs 1 and 2 of article 125-*quinquies* of the Consolidated Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, provided that (i) they have previously and unsuccessfully made an injunction (*costituzione in mora*) against the supplier and (ii) such default constitutes a material default pursuant to, and for the purposes of, article 1455 of the Italian Civil Code. In case of termination of the consumer loan contract, the lender must reimburse all instalments and sums paid by the consumer. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to paragraph 4 of article 125-*quinquies* of the Consolidated Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under paragraphs 1 to 3 of the same article, which they had against the original lender. In addition, with respect to insurance policies financed by the lenders (where the premium is paid up-front by the lenders to the insurance companies and then reimbursed to the lenders by the borrowers as a part of the loan instalments), it is uncertain whether such insurance policies may qualify as linked contracts and, as such, would confer on the borrowers the right to terminate the relevant loan agreements or at least claim a refund of the unearned premium from the issuer in case of default of the insurance companies. On the basis of the principles of the Italian Civil Code it could be reasonably argued that, should the insurance policies qualify as linked contracts, upon default of the insurance companies the borrowers would be entitled to claim only a refund of only the remaining portion of the loan financing the premium. However, it should be noted that, as at the date of this Prospectus, no decision has been made by any Italian court in respect of this issue.

For the risks arising from the possible presence in the Aggregate Portfolio of Loans linked to other agreements, kindly see the section “*Risk Factors*” “*Italian consumer protection legislation - (A) Linked contracts (contratti collegati)*”.

### (B) Prepayment right

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

### (C) Set-off

Pursuant to article 125-*septies*, paragraph 1, of the Consolidated Banking Act, debtors are entitled to exercise, against the assignee of a 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 is even if the borrower has accepted the assignment or has been notified thereof). It is debated whether article 125-*septies*, paragraph 1, of the Consolidated Banking Act allows the assigned consumer to set-off against the assignee only claims that had arisen vis-à-vis the assignor

before the assignment or also those claims arising after the assignment, regardless of any notification/acceptance of the same. In this respect it should be noted that the Securitisation Law (as recently amended by Italian Law no. 9 of 21 February 2014) provides, *inter alia*, that, in derogation of any other provision, with effect from the date of publication of the notice of transfer in the Official Gazette, the relevant assigned debtors are not entitled to set-off any claim vis-à-vis the assignor arising after such date against any payment owed to the issuer.

For the risks arising from the possible exercise by Debtors of a set-off right, kindly see the section “*Risk Factors*” “*Italian consumer protection legislation - (B) Set-off*”.

#### *(D) Consumer Code’s protection*

The Loans, being disbursed to Debtors qualifying as a “consumer” pursuant to the Consolidated Banking Act, are regulated, *inter alia*, by article 1469-bis of the Italian Civil Code and by Italian Legislative Decree no. 206 of 6 September 2005 (*Codice del consumo, a norma dell’articolo 7 della legge 29 luglio 2003, n. 229*) (the “**Consumer Code**”), which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer’s counterparty acted in good faith. Article 33 of the Consumer Code identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, *inter alia*, clauses which give the right to the non-consumer contracting party to (i) terminate the contract without reasonable cause (*giusta causa*) or (ii) modify the conditions of the contract without a valid reason (*giustificato motivo*) previously stated in such contract. However, with regard to financial contracts, if there is a valid reason, the non-consumer party is entitled to modify the economic terms subject to prior notice to the consumer. In this case, the consumer has the right to terminate the contract. Pursuant to article 36 of the Consumer Code, the following clauses, *inter alia*, are considered null and void as a matter of law and are not enforceable: (i) any clause which has the effect of excluding or limiting the remedies available to the consumers in case of total or partial failure by the non-consumer parties to perform their obligations under the consumer contract; and (ii) any clause binding the consumer parties to clauses that they have not had an opportunity to consider and evaluate before entering into the consumer contract.

For the risks arising from the possible presence of Loan Agreements containing clauses violating the Consumer Code, kindly see the section “*Risk Factors*” “*Italian consumer protection legislation - (C) Consumer Code’s protection*”.

#### *(E) Notice of Assignment*

Pursuant to sub-section 2 of article 125-septies of the Consolidated Banking Act, there is no obligation to inform the consumer of the assignment of the rights of the lender under a *consumer* loan agreement when the original lender maintains the servicing of the relevant claims. In addition, regulation of the Bank of Italy dated 29 July 2009, as amended and updated from time to time (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*) provides that notices of assignment shall be made in accordance with, respectively, article 58 of the Consolidated Banking Act with respect to the assignment of claims required to be carried out thereunder and article 4 of the Securitisation Law with respect to the securitisation transaction of claims. Prior individual notice of the purchase of the Receivables under the Master Transfer Receivables Agreement was not, and will not be, given to the Debtors as the Originator will continue to service the relevant Receivables and the Debtors’ payment procedure will not be subject to change. Since no notice of the assignment of the Receivables to the Issuer is being given there is a risk that Debtors who qualify as a “consumer” pursuant to the Consolidated Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Loan Agreement qualifying as “consumer loans” extended to them that the assignment of the Receivables cannot be enforced against them if the Originator does not continue to service the relevant Receivables and the Debtors’ payment procedure are subject to change, until they receive formal notice of the assignment. In this respect, pursuant to the Master Receivables Purchase Agreement, however, the Originator has undertaken to notify to the Debtors, the Employers, the Pension Authorities, the Pension Funds and the Guarantors, at the earliest opportunity, the transfer of each Portfolio as provided for by the applicable regulations and to furnish to the Debtors,



the Employers, the Pension Authorities, the Pension Funds and the Guarantors information as referred to in articles 13, paragraphs 1 and 2 of the Privacy Law and 13 and 14 of the GDPR (as applicable).

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

The granting of loans with Salary Assignment as collateral constitutes a specific type of financing offered by credit institutions. By virtue of law and of contract, a Salary Assignment requires an Employer to retain a part of the employee's salary/pension and to pay it directly to the lending institution. The Salary Assignments are regulated by (i) the general provisions of the Italian Civil Code; and (ii) by special legislation.

The provisions of article 1260 of the Italian Civil Code state that creditors may transfer, whether for consideration or not, any claims they might have (except for those claims that are of a strictly personal nature or are not assignable under the law), even without the consent of the assigned debtor. However, the assignment becomes enforceable towards the assigned debtor only when it is accepted by the assigned debtor or it has been notified to him/her through a notice bearing an indisputable date.

The same requirement is provided for by the Royal Decree 180.

#### *Special Legislation Provisions*

Pursuant to the Royal Decree 180, employees of the State, of other public entities and administrations and private employees may be granted loans which are to be repaid through the assignment of up to one fifth of their net monthly salaries and for a term of not more than 10 years.

The Royal Decree 180 provides for a number of requirements to be met in order for the employees to be granted a loan assisted by a Salary Assignment.

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

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

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

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

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

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

Under a Payment Delegation (*Delegazione di Pagamento*), the employer of the relevant borrower is obliged, by virtue of law and of contract, to retain a part of the employee's salary and to send it directly to the lending institution.

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

#### *Italian Civil Code Provisions*

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

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

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

### **Provisions set under the Circulars**

Pursuant to the Circulars, employees of the State and of other public entities and administrations may be granted loans which are to be repaid through Payment Delegations, subject to the same limits applicable in the case of Salary Assignments.

According to the Circulars, delegations of payment in connection with loans granted to public employees can be issued only subject to, *inter alia*, the lending institution to which the payments are made (the *delegatario*) having entered into a specific agreement (*Convenzione*) with the relevant public body setting out the costs to be borne by the public bodies, such costs to be equal to the costs of the human and IT resources to be used.

### **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 owed 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 and Guarantors 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 “*Italian Consumer protection legislation*” above, 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 defense (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 provides that debtors of securitised receivables are not entitled to exercise any right of set-off against the securitisation special purpose vehicle for any claims they have towards 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 provisions contained in article 4, paragraph 2 of the Securitisation Law 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).

For the risks arising from the possible exercise by Debtors of a set-off right, kindly see the section “*Risk Factors*” “*Italian consumer protection legislation - (B) Set-off*”.

### **Recent Amendment to Enforcement and Bankruptcy Proceedings**

On June 30, 2016, the Italian Parliament approved Law no. 119 (“**Conversion Law**”), which converts law decree no. 59/2016, published on the Official Gazette no. 102, on May 3, 2016 introducing “*urgent provisions relating to the enforcement and insolvency proceedings, as well as in favor of investors of banks subject to winding up*” (“**Law Decree**”). The Conversion Law has been published on the Official Gazette no. 153 dated July 2, 2016 and entered into force on July 3, 2016. The Conversion Law confirmed almost in full the content of the Law Decree, with certain amendments and integrations. The Law Decree has been adopted with the aim of improving the efficiency of the civil justice system and insolvency proceedings, with particular regard to the safeguard and the valorisation of credits recovery. The main relevant changes introduced by the Law Decree and by the Conversion Law relate to:

1. the enforcement proceedings regulated by the Italian code of civil procedure;
2. the insolvency proceedings regulated by the Bankruptcy Law.

For some of the changes introduced by the Law Decree, especially in relation to forced expropriation issues, a transitory period is provided. In particular, the Law Decree provides that certain provisions shall apply:

- (i) only to enforcement proceedings commenced after the entry into force of the Conversion Law;

- (ii) also to enforcement proceedings already pending, but only to the extent that the enforcement acts subject to the provisions amended by the Law Decree shall be carried out once a certain period of time has elapsed (which varies between 30 and 90 days) following the entry into force of the Conversion Law.

The Law Decree demonstrates the attention paid to enterprises and investors in relation to the difficulties that, for a long time, have been affecting the civil justice system. Two significant bills concerning the civil process and insolvency proceedings system are currently under the parliamentary scrutiny and may introduce more important changes in such context, and in accordance with the improvements already adopted.

However, the guidelines of the reform project are the following:

1. to optimize the overall functioning of the judicial offices with a progressive implementation of their computerisation - especially with respect to the enforcement proceedings and in some cases the duty) to perform procedural steps by digital means;
2. to ensure more transparency to investors and economic subjects in relation to relevant information concerning their debtors, if such debtors are parties to enforcement or insolvency proceedings or if they made recourse to other instruments aimed at the management of the business crisis;
3. to reduce the duration of recovery proceedings, both individual and insolvency ones, and consequently to foster the timing of credit recovery, through the restriction of the terms of certain procedural steps (e.g., introduction of a term for filing opposition against the enforcement, introduction of a limit in the number of sales attempts in the context of expropriation procedures concerning movable assets together with the introduction of a time limit for their performance, etc.), the disempowering of the specious initiatives of the debtors and the optimization of the negotiation of pledged assets;
4. to increase instruments aimed at safeguarding the creditors providing more flexible securities which allow a faster credit recovery and, in some cases, without the need to make recourse to the judicial authorities.

With respect to the provisions concerning the use of digital instruments, their actual application will require the adoption of ministerial implementing provisions. As of today, the timing for the actual implementation of such systems remains unknown.

### **Delegation of powers to the Italian Government for the reform of corporate reorganization and Insolvency Law**

On 11 October 2017 the Italian Parliament approved a law which confers powers on the Italian government for an overall reform of insolvency law and corporate reorganisation proceedings in the context of over-indebted corporate entities (the “**Delegated Legislation**”).

The Delegated Legislation is the result of a review of the Italian legislative decree no. 267 of 16 March 1942 (hereinafter the “**Bankruptcy Law**”) conducted by an experts' committee set up in 2015. Such review aims at introducing reform of insolvency legislation that is better suited to the current economic situation and consistent with the indications received from the European legislator.

The Delegated Legislation is inspired by the principle of an early detection and resolution of corporate insolvency also through flexible and modern reorganisation methods; in such a context, the declaration of bankruptcy (now defined as judicial liquidation, “*liquidazione giudiziale*”) is considered as a last resort in absence of other options that can guarantee continuation of corporate activity. Please note that it is likely that in the coming months this Delegated Legislation may be amended to correct certain aspects that, according to the current wording of the law, are not clear or in any case need improvements.

In accordance with the above principles, the Delegated Legislation introduces the new “preemptive and assisted reorganisation procedures” further complementing in this way the regulation of the currently existing pre-insolvency proceedings (i.e. restructuring proceedings under article 182*bis* and certified plans under article 67(3)(d) of the Bankruptcy Law) and insolvency proceedings (scheme of arrangements with creditors and bankruptcy). The reform of the so - called *extraordinary administration* proceedings has not been included in the scope of the Delegated Legislation and will likely require an *ad hoc* intervention.

The principal envisaged amendments to the current legal framework contained in the Delegated Legislation are as follow.

Stakeholders have long faced a difficulty in coordinating the restructuring proceedings of companies under the same group. The legislation currently in force does not provide for the opening of a single restructuring proceeding with regard to multiple affiliated companies, thus resulting in an inefficient process also compounded by the fact that different territorial courts have competence for each different single proceedings. In order to adress such issues, the Delegated Legislation provides for the introduction of a new joined proceedings for group insolvencies. More specifically, the Delegated Legislation introduces:

a) a definition of “corporate group” by reference to the criteria of direction and coordination referred to in articles 2497 et seq. and 2545 septies of the Italian Civil Code; such criteria are presumed to be met where there are controlling and controlled entities within the group pursuant to article 2359 of Italian Civil Code;

b) joined single proceedings: the possibility for companies under the same group to file a single application for approval of a debt restructuring plan agreement under article 182bis of the Bankruptcy Law or admission to an out-of-court arrangement with creditors or judicial liquidation or a court settlement agreement before a single court of law (as determined in accordance with the European principle of “center of main interests” of the debtor); hence the subsequent appointment of only one single (i) judge and (ii) court-appointed receiver with regard to a scheme of arrangement or judicial dissolution and payment of a single fund of expenses in the case of a scheme of arrangement with creditors.

c) separate resolution meetings with regard to schemes of arrangement with creditors: in case of a scheme of arrangement, separate resolutions on the proposal by the creditors of each company and the exclusion of infra-group creditors from voting in order to mitigate any “distortion” effects;

d) subordination of infra-group debt in situations described by article 2467 of the Italian Civil Code (i.e. the company has resorted to additional debt in situations where a capital contribution was instead required), with the exception of infra-group loans granted in the context of schemes of arrangement or a debt restructuring agreement under article 182bis of Bankruptcy Law;

e) extension of the receiver’s powers with regard to solvent companies: in the event of a judicial liquidation, the power of the receiver, *inter alia*, to report irregularities in the management of the solvent companies of the group (e.g. article 2409 of the Italian Civil Code) and to request their bankruptcy in the event of insolvency.

### *Preemptive Proceedings*

As mentioned above, the Italian legislator has worked on the assumption (shared by the European regulator and business philosophy) that the successful recovery of a business largely depends on early detection of crisis, which the entrepreneur often tends to deny.

In order to facilitate a prompt detection of crisis, on one hand the Delegated Legislation requires the entrepreneur to have in place an adequate corporate structure which can detect a crisis in a timely manner, and on the other hand, has introduced preemptive proceedings and crisis-assisted reorganisation proceedings (the “**Preemptive Proceedings**”) to induce the distressed company to address the crisis early on. Such regulation however does not apply to listed and large companies on the assumption that, due to their size, these entities have adequate resources to detect the crisis and address it at an early stage.

The Preemptive Proceedings are based on a resolution of the crisis agreed with creditors and implemented through the assistance of a body of experts started by the debtor or indirectly by public creditors or corporate auditing entities. The Preemptive Proceedings - which are to be conducted in a confidential manner – provide for the following:

a) the debtor who acknowledges a state of crisis files an application with a body set up in the relevant Chamber of Commerce (the “Committee”) in order to receive assistance in finding an agreed solution to the crisis with creditors within a maximum period of 6 months;

b) qualified public creditors (including the Tax Agency and Social Security Agency) must (i) inform the relevant debtor that its debt exposure has exceeded a significant amount and (ii) inform the supervisory entities and the Committee, in case the debtor has not addressed the problem within a 3 month period (such as by starting the Preemptive Proceedings, or by carrying out a scheme of arrangement or a debt restructuring);

c) in the event of the debtor's inaction, the above-mentioned public creditors must report to the supervisory entities and the Committee any ongoing defaults of a significant amount;

d) in addition, in all cases of inaction on the part of the debtor (and regardless of reporting by qualified public creditors) the corporate auditing bodies, auditors and auditing firms are obliged to immediately notify the administrative entities of any well-grounded indications of a crisis situation (the chartered accountant representative body shall prepare indexes to be used to establish when a company is considered to be in crisis) and, in the event of inadequate or a lack of response by these entities, the Committee;

e) during the proceedings, the debtor may apply to the relevant Court for the adoption of protective measures to enable the same to enter into negotiations protected from any action of creditors (in respect of such protective measures, the debtor may postpone the reduction of any losses pursuant to the provisions of article 182 sexies of the Bankruptcy Law with reference to the debt restructuring agreements and the schemes of arrangements;

f) if within six months from the start of the proceeding the relevant debtor does not adopt appropriate measures to overcome the crisis (including entering into agreements with creditors or filing a debt restructuring agreement in court or applying for an in-court composition with creditors), the Committee report the state of insolvency, (if any) to the Public Prosecutor (who will be able to file for bankruptcy where the conditions are met).

Finally, in order to encourage the use of Preemptive Proceedings, the Law provides for a system of incentives and penalties:

- Incentives:

1. for debtors who have taken action to overcome the crisis within 6 months from the first sign of its occurrence (using the assistance of the Committee or the proceedings for the approval of a debt restructuring agreement under article 182bis of the Bankruptcy Law, or a scheme of arrangement with creditors): (a) there will no penalty for bankruptcy as a result of fund distraction crimes and other bankruptcy offences when they have caused minor damage; (b) the action will be regarded as a mitigating circumstance with special effect for any other crimes and (c) a reduction of interest payable and penalties on tax debt;
2. for statutory auditors who immediately report to the directors well-grounded indications of a crisis and, in the event of inaction, inform the Committee: exemption from joint liability with the company directors for any damages resulting from events or omissions following their report;

- Penalties:

for qualified public creditors: loss of their priority in payment over their debt in case of failure to report to the supervisory entities and the Committee the persisting default on obligations of a significant amount by the relevant insolvent debtor.

*Debt restructuring agreements pursuant to article 182bis of Bankruptcy Law and certified plans under article 67(3)(d) of the Bankruptcy Law*

The amendments introduced by the Delegated Legislation aim to encourage the use of debt restructuring agreements under article 182bis of the Bankruptcy Law (the “**182bis Agreements**”).

As for the certified plans under article 67(3)(d) of the Bankruptcy Law (the “**Certified Plans**”), the legislator has considered necessary to regulate more specifically their content in order to limit the possibility that these are drafted loosely.

Starting from the 182bis Agreements, the Delegated Legislation provides as follows:

- a) extended application of the cram down: possibility to apply the “cram down” model envisaged in the case of arrangements with banks and financial intermediaries under article 182septies of the Bankruptcy Law to all debt restructuring agreements and moratorium agreement which do not provide for liquidation: this means that, once the creditors have been assigned to homogeneous classes based on their economic and legal position, a company may bind all creditors belonging to a certain class to complying with agreements approved by at least 75% of creditors belonging to the relevant class provided that they have been informed of the opening of negotiations and have been enabled to participate to the resolution;
- b) reduction of the required quorum: reduction of the 60% quorum currently required by law for the use of such measure to 30% provided that: (a) the debtor pays creditors not adhering to the plan as their debts become due and (b) does not request protection from enforcement proceedings (see letter (c) below);
- c) extension of protection: application of a debt moratorium starting from the opening and until the end of the proceedings (as of the day of this Prospectus it applies for only 60 days starting from the opening);
- d) extension to members with unlimited liability: extension of the effects of the agreement to members with unlimited liability.

As for the certified plans, the Law merely requires that they must be in writing, bear certain date and the content is precisely determined.

#### *Schemes of Arrangement*

The Law provides for a reorganisation of the provisions on the schemes of arrangement with creditors in order to preserve business continuity and simplify proceedings. More specifically, the Delegated Legislation provides as follows:

- a) marginalisation of schemes of arrangement providing for liquidation: schemes of arrangements with liquidation are only possible where: (i) there is a contribution of external resources which appreciably increases payments in favours of unsecured creditors for at least 10% and, in any case, (ii) a minimum payment of 20% of the total amount of unsecured claims is envisaged;
- b) extending the powers of the relevant bankruptcy Court: the Court has the power to assess not only the legal but also the economic feasibility of a scheme of arrangement (this is a step back in respect of the “private” nature of the 2015 reform as well as of the same indications received from the Joint Sections of the Italian Supreme Court (Corte di Cassazione a Sezioni Unite) that will not contribute to the success of the provision);
- c) qualified majorities: a majority is required not only based on the amount of debt owed but also based on the number of voting creditors if a single creditor holds unsecured debt for an amount equal to or higher than the majority of those eligible to vote; furthermore, the Delegated Legislation calls for a specific regulation on conflict of interest situations. Such choice will make it difficult to carry out typical investment operations involving the purchase of receivables from distressed/insolvent companies in order to then “control” and approve the relevant scheme of arrangement proposal;
- d) the definition of a scheme of arrangement in continuity and deferment of privileged claims: it is clarified that a scheme of arrangement in continuity refers to both mixed schemes of arrangements (continuity plus disposal of non-instrumental assets); furthermore, payment of privileged creditors may be postponed up for to two years, provided that the creditors are granted voting rights;
- e) super senior loans authorized by the court: super senior status of the loan would be confirmed during the proceedings and by way of execution of the plan; super senior loans are no longer permitted;
- f) mandatory classification of creditors: creditors must necessarily be divided into classes if there are, among others, creditors assisted by third-party guarantees (and in other cases where there are homogeneous legal positions and economic interests that are to be identified by the Government);
- g) electronic vote: the meeting of creditors is replaced by an electronic voting procedure;

h) provisional administration: in the event of obstruction by the debtor, the Court may entrust the implementation of the scheme of arrangement to a provisional administrator entrusted with powers usually belonging to a creditors' meeting (this power is currently only provided if a competing proposal is accepted);

i) termination of the scheme arrangement by the receiver: the receiver has the power to require, following the request from a creditor, that the scheme of arrangement be terminated, *inter alia*, for non-performance (currently, such right is recognised only to creditors);

j) mergers/demergers/transformations: in the case of extraordinary transactions (mergers, demergers and transformations), (i) the creditors' opposition is exercised in the context of the schemes of arrangement; (ii) the effects of extraordinary transactions are irreversible once executed; (iii) the right of withdrawal of shareholders is excluded in the presence of transactions affecting on the organization or financial structure of the company.

### *Judicial liquidation*

Under the Delegated Legislation bankruptcy is defined as “*judicial liquidation*”, and aims at standardising and simplifying the relevant proceedings which now becomes residual if a restructuring proceedings on a going concern basis is possible (and reasonably achievable). Some of the most important changes are the following:

a) assignment of assets to creditors: the participation of creditors in the auctions of the debtors' assets is facilitated (however, certain aspects of the Delegated Legislation are not very clear on this point); to this end, a body is established which certifies “the reasonable probability of satisfaction of the debts incurred in respect of each proceeding” and which issues to the creditors who so request a debt certificate enabling them to participate to the relevant auction “in proportion to the probability of satisfaction of their credit”; the provision is presumably aiming at giving to the creditors the option to request the assignment of the debtor's assets and pay by means of their debt certificates as endorsed by the certifying body; in fact the law provides for the appointment of a “settlement and central counterparty system operator” which it is presumed to oversee such operations; the relevant proceedings however remain regulated;

b) one type of proceedings: judicial liquidation applies to every category of debtors (e.g. limited liability companies, individuals, professionals) with the sole exclusion of public entities;

c) efficiency of the proceedings: a number of further actions are planned in order to reduce the duration and cost of the procedure and make more effective and transparent the receiver's activity as well as the process of determining the bankruptcy estate's liabilities.

Finally, the Delegated Legislation also provides for some further measures intended to reorder and simplify over-indebtedness proceedings by prioritising business continuity and ensuring the competitiveness of asset sale auctions;

On 14 February 2019, the Legislative Decree No. 14 of 12 January 2019, which enacts the above provisions set out under the Delegated Legislation, has been published in the Official Gazette of the Republic of Italy and will enter into force on 15 August 2020 except for certain provisions relating to corporate organization and director liabilities that will enter into force as of 16 March 2019.

### **Regulatory Capital Framework**

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 jurisdiction may affect the risk-weighting of the Notes for investors who are or may become subject to 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 systematically important banks) and to establish a leverage ratio “backstop” for financial institution and certain minimum liquidity standards for credit institutions. In particular, the changes refer to, among other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit

exposures arising from certain 21 transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as “**Liquidity Coverage Ratio**” and the “**Net Stable Funding Ratio**”). The Basel Committee has also published certain proposed revisions to the securitisation framework, including proposed new hierarchies of approaches for calculating risk weights and a new risk weight floor of 15%. Participating countries have been required to implement the new capital standards as of January 2014, the new Liquidity Coverage Ratio from January 2015 (with full implementation by January 2019) and the Net Stable Funding Ratio from January 2018. The 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 European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and the European Commission proposed to implement the changes through the CRD IV and the CRR (as defined below). It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe. 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.

The Basel III framework has been substantially reflected in the EU legislation by means of the recently agreed package consisting of the Capital Requirements Directive (Directive 2013/36/EU, also known as “**CRD IV**”) and Capital Requirements Regulation (Regulation (EU) No. 575/2013, also known as “**CRR**”), the latter being directly applicable in each Member State. The adoption of these measures will allow the set-up of a Single Rule book which is the key tool in the EU to allow a level playing field, to contrast regulatory arbitrage and foster the convergence of supervisory practices. The CRD IV and the CRR were formally adopted by the European Council on 20 June 2013 and published in the Official Journal on 27 June 2013. The CRR entered into application on 1 January 2014. The CRD IV has been implemented in Italy through the Bank of Italy Circular No. 285 issued on 17 December 2013, as amended and supplemented from time to time, and Legislative Decree No. 72 of 12 May 2015 entering into force on 27 June 2015 that transposes in Italy those provisions of the CRD IV which were not implemented by means of the aforesaid Bank of Italy Circular. The provisions required by CRR and CRD IV are expected to be fully implemented by 1 January 2019. In addition, certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to various types of regulated investors (including, *inter alia*, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) who intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes.

### **The Issuer**

Under the provisions of article 5, paragraph 2, of the Securitisation Law, the standard limits and the other provisions related to the issue of securities prescribed for Italian companies (other than banks) under the Italian Civil Code (articles from 2410 to 2420) are not applicable to the Issuer.

### **Attachment of Debtor's credits**

Attachment proceedings may also be commenced on due and payable credits of a borrower (such as bank accounts, salary, etc.) or on the borrower's movable property which is located on third party premises.

### **Accounting treatment of the Receivables**



On the basis of the regulations issued by the Bank of Italy on 13 March 2012, which should apply to the drafting of the financial statements of the Issuer, 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.

#### **Implementation of Directive 2008/48/EC**

Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 contains certain provisions aiming at ensuring protection of "consumer" (i.e. individuals acting outside the scope of their entrepreneurial, commercial, craft or professional activities) in the context of the granting of loans to consumers.

In Italy, the provisions of Directive 2008/48/EC have been implemented pursuant to Legislative Decree 13 August 2010 no. 141 setting out a consumer loans legislative framework which has been included in articles 121 to 126 of the Consolidated Banking Act.

#### **No severe clawback provisions**

The Italian insolvency laws do not contain severe clawback provisions within the meaning of articles 20(2) and 20(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

## ITALIAN TAXATION

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Listed Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules.*

*This summary is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.*

*Prospective noteholders should in any event seek their own professional advice regarding the Italian or other jurisdictions' tax consequences of the subscription, purchase, ownership and disposition of the Notes, including the effect of Italian or other jurisdictions' tax rules on residence of individuals and entities.*

### INTEREST AND OTHER PROCEEDS FROM THE LISTED NOTES

#### *Italian resident noteholders*

Pursuant to Art. 6, paragraph 1, of Securitisation Law, Decree 239 sets out the applicable tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as “**Interest**”) deriving from notes issued by a special purpose vehicle in a context of a securitisation transaction according to Securitisation Law.

Pursuant to Decree 239, where the Italian resident holder of Listed Notes, who is the beneficial owner of such Listed Notes, is:

- (a) an individual not engaged in an entrepreneurial activity to which the Listed Notes are connected; or
- (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association; or
- (c) a private or public entity (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (d) an investor exempt from Italian corporate income taxation,

Interest payments relating to the Listed Notes are subject to a tax deduction, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. (either when Interest is paid or when payment thereof is obtained by the holder on a sale of the Listed Notes). All the above categories are qualified as “net recipients” (unless the noteholders referred to under (a), (b) and (c) above have entrusted the management of their financial assets, including the Listed Notes, to an authorised intermediary and have opted for the so called “*regime del risparmio gestito*” (the “**Asset Management Regime**”) according to article 7 of Legislative Decree No. 461 of 21 November 1997, as amended (“**Decree 461**”).

Where the resident holders of the Listed Notes described above under (a) and (c) are engaged in an entrepreneurial activity to which the Listed Notes are connected, *imposta sostitutiva* applies as a provisional income tax. Interest will be included in the relevant beneficial owner’s Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Pursuant to Decree 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called “**SIMs**”), fiduciary companies, *società di gestione del risparmio* (“**SGRs**”), stock brokers and other qualified entities identified by a decree of the Ministry of Finance (“**Intermediaries**” and each an “**Intermediary**”). An Intermediary must (a) be resident in Italy or be a

permanent establishment in Italy of a non-Italian resident Intermediary, and (b) intervene, in any way, in the collection of Interest or, also as transferees, in transfers or disposals of the Listed Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Listed Notes and the relevant coupons are not deposited with an authorised Italian Intermediary (or with a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Listed Notes or, absent that, by the Issuer.

Payments of Interest in respect of Listed Notes are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Listed Notes are effectively connected;
- (ii) Italian resident partnerships carrying out commercial activities (*‘società in nome collettivo’* or *‘società in accomandita semplice’*);
- (iii) Italian resident open-ended or closed-ended collective investment funds, SICAVs, SICAFs (**“UCIs”**) Italian resident real estate investment funds subject to the regime provided for by Law Decree No. 351 of 25 September 2001 and real estate SICAFs Legislative Decree No. 44 of 4 March 2014, all as amended (**“Real Estate UCIs”**) and Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (**“Decree 252”**); and
- (iv) Italian resident holders of the Listed Notes included in the abovementioned "net recipients" categories who have entrusted the management of their financial assets, including the Listed Notes, to an authorised financial Intermediary and have opted for the Asset Management Regime.

Such categories are qualified as “gross recipients”. To ensure payment of Interest in respect of the Listed Notes without the application of 26 per cent. *imposta sostitutiva*, gross recipients indicated above under (i) to (iv) must: (a) be the beneficial owners of payments of Interest on the Listed Notes and (b) deposit the Listed Notes in due course, together with the coupons relating to such Listed Notes, directly or indirectly with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary). Where the Listed Notes and the relevant coupons are not deposited with an Italian authorised Intermediary (or a permanent establishment in Italy of a foreign Intermediary), the *imposta sostitutiva* is applied and withheld by any Italian Intermediary paying Interest to the holders of the Listed Notes or, absent that, by the Issuer. Gross recipients that are Italian resident corporations or partnerships or permanent establishments in Italy of foreign entities to which the Listed Notes are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the Listed Notes shall be included in the corporate taxable income (and in certain circumstances, depending on the “status” of the noteholder, also in the net value of production for purposes of regional tax on productive activities – **“IRAP”**) of beneficial owners who are Italian resident corporations or permanent establishments in Italy of foreign corporations to which the Listed Notes are effectively connected, subject to taxation in Italy in accordance with ordinary tax rules.

Italian resident investors who have opted for the Asset Management Regime are subject to a 26 per cent. annual substitute tax (the **“Asset Management Tax”**) on the increase in value of the managed assets accrued at the end of each tax year (which would include Interest accrued on the Listed Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

If the investor is resident in Italy and is an UCI and the relevant Listed Notes are held by an authorised intermediary, Interest accrued during the holding period on such Listed Notes will not be subject to *imposta sostitutiva*, but must be included in the financial results of the UCI. The UCI will not be subject to taxation on such result, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **“Collective Investment Fund Tax”**).

Where a noteholder is a Real Estate UCI, Interest accrued on the Listed Notes will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate UCI. The income of the

Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Where a noteholder is an Italian resident pension fund subject to the regime provided for by article 17 of Decree 252 and the Listed Notes are deposited with an Italian resident intermediary, Interest relating to the Listed Notes and accrued during the holding period will not be subject to *imposta sostitutiva* but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Listed Notes).

#### **Non-Italian resident noteholders**

According to Decree 239, payments of Interest in respect of the Listed Notes issued by the Issuer will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. if made to beneficial owners who are non-Italian resident beneficial owners of the Listed Notes with no permanent establishment in Italy to which the Listed Notes are effectively connected provided that:

- (a) such beneficial owners are resident for tax purposes in a state or territory which allows for an adequate exchange of information with the Italian tax authorities and listed in the Ministerial Decree dated 4 September 1996 as amended and supplemented from time to time (last amendment being made by Italian Ministerial Decree dated 23 March, 2017) (the “**White List**”). According to article 11, par. 4, let. c) of Decree 239, the White List will be updated every six months; and
- (b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due course.

Decree 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Listed Notes made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, not subject to tax, established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the Listed Notes without the application of 26 per cent. *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) be the beneficial owners of payments of Interest on the Listed Notes;
- (b) deposit the Listed Notes in due course together with coupons relating to such Listed Notes directly or indirectly with an Italian Intermediary, or a permanent establishment in Italy of a non-Italian Intermediary, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (c) file with the relevant depository a statement (*autocertificazione*) in due course stating, *inter alia*, that he or she is resident, for tax purposes, in one of the aforementioned White List states. Such statement (*autocertificazione*), which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented), is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The statement (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident holder of the Listed Notes to comply in due time with the procedures set out in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to a non-resident holder of the Listed Notes.

Non-resident holders of the Listed Notes who are subject to *imposta sostitutiva* might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Listed Notes.

## CAPITAL GAIN TAX

### *Italian resident noteholders*

Pursuant to Decree 461, a 26 per cent. capital gains tax (referred to as “*imposta sostitutiva*”) is applicable to capital gains realised by:

- (a) an Italian resident individual not engaged in entrepreneurial activities to which the Listed Notes are connected;
- (b) an Italian resident partnership not carrying out commercial activities;
- (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities

on any sale or transfer for consideration of the Listed Notes or redemption thereof.

Under the so called “*regime della dichiarazione*” (the “**Tax Declaration Regime**”), which is the standard regime for holders of the Listed Notes under (a) to (c) above, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised pursuant to all investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

As an alternative to the Tax Declaration Regime, holders of the Listed Notes under (a) to (c) above may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Listed Notes under the so called “*regime del risparmio amministrato*” (the “**Administrative Savings Regime**”). Such separate taxation of capital gains is allowed subject to (i) the Listed Notes being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the Administrative Savings Regime being made in writing in due course by the relevant holder of the Listed Notes. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Listed Notes, as well as on capital gains realised as at the revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian tax authorities on behalf of the holder of the Listed Notes, deducting a corresponding amount from proceeds to be credited to the holder of the Listed Notes. Where a sale or transfer or redemption of the Listed Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the Listed Notes within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the realised capital gain is not required to be included in the annual income tax return of the noteholder.

Special rules apply if the Listed Notes are part of a portfolio managed under the Asset Management Regime by an Italian asset management company or an authorised intermediary. The capital gains realised upon sale, transfer or redemption of the Listed Notes will not be subject to 26 per cent. *imposta sostitutiva* on capital gains but will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the Asset Management Regime the realised capital gain is not required to be included in the annual income tax return of the noteholder.

Any capital gains realised by Italian resident corporations or similar commercial entities or permanent establishments in Italy of non-Italian resident corporations to which the Listed Notes are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value

of production for IRAP purposes), subject to taxation in Italy according to the relevant ordinary tax rules.

In the case of Listed Notes held by UCIs, capital gains on Listed Notes contribute to determine the increase in value of the managed assets of the UCIs accrued at the end of each tax year. The UCIs will not be subject to taxation on such increase, but the Collective Investment Fund Tax will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a noteholder is an Italian resident Real Estate UCI, capital gains realised will be subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Any capital gains realised by a noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of Decree 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax.

### ***Non-Italian resident noteholders***

The 26 per cent. *imposta sostitutiva* on capital gains may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Listed Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Listed Notes are effectively connected, if the Listed Notes are held in Italy.

However, pursuant to article 23 of Presidential Decree No. 917 of 22 December 1986, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Listed Notes are effectively connected through the sale for consideration or redemption of the Listed Notes are exempt from taxation in Italy to the extent that the Listed Notes are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Listed Notes are deposited, even if the Listed Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Listed Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree 461 non Italian resident beneficial owners of the Listed Notes with no permanent establishment in Italy to which the Listed Notes are effectively connected are exempt from the *imposta sostitutiva* on any capital gains realised upon sale for consideration or redemption of the Listed Notes if they are resident, for tax purposes: (a) in a state or territory listed in the White List as defined above, and (b) all the requirements and procedures set out in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Listed Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon the condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Listed Notes are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, not subject to tax, established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Listed Notes are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Listed Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta*

*sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of Listed Notes.

Under these circumstances, if non-Italian resident noteholders without a permanent establishment in Italy to which the Listed Notes are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon the condition that they promptly file with the Italian authorised financial intermediary a self-declaration attesting that all the requirements for the application of the relevant double taxation treaty are met.

Please note that for a non-Italian resident, the Administrative Savings Regime shall automatically apply, unless it is expressly waived, where the Listed Notes are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

## **ANTI - ABUSE PROVISIONS AND GENERAL ABUSE OF LAW DOCTRINE**

Italian tax legislation provided a general anti-abuse provision within the Art. 10 bis of the Law No. 212 of 27 July 2000 as amended from time to time. Under this provision, abuse of law occurs when one or more transactions, formally compliant with tax law, are lacking economic substance and are essentially aimed at obtaining undue tax advantages. No abuse of law should be detected when a transaction is supported by grounded non-tax reasons, including managerial and organizational ones, aimed at improving the structure or the functionality of the business. As for the above, it is not possible to exclude – if the Italian tax authority succeeded in demonstrating the existence of an abusive purpose and parties involved are not able to demonstrate that the envisaged securitisation transaction has been implemented not essentially for the purpose of obtaining a tax saving or reduction and that there are alternative or concurring financial reasons that are not of a merely marginal or theoretical character – that the tax regime of the securitisation as herein outlined may be disallowed by the Italian tax authority. In such a case, it may cause, amongst other, the recharacterization of the Listed Notes as securities not having the legal nature of a bond.

## **INHERITANCE AND GIFT TAXES**

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006 effective from 29 November 2006, and Law No. 296 of 27 December 2006, the transfers of any valuable assets (including the Listed Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding EUR 1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding EUR 100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding EUR 1,500,000.

If the donee sells the Listed Notes for consideration from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

## **TRANSFER TAX**

Contracts relating to the transfer of securities are subject to a registration tax as follows: (a) public deeds and notarized deeds are subject to fixed registration tax at a rate of EUR 200; (b) private deeds are subject to registration tax only in case of use or voluntary registration.

## **TAX MONITORING**

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law Decree No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Listed Notes held abroad during each tax year. The requirement applies also where the persons above, not being the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Listed Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Listed Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed of deposits and/or bank accounts and their aggregate value does not exceed EUR 15,000 throughout the year.

## **STAMP DUTY**

Pursuant to article 13 par. 2 *ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972 (“**Stamp Duty Law**”), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed EUR 14,000 for taxpayers who are not individuals. This stamp duty is determined on the basis of the market value or, if no market value is available, on the face value or redemption value, or where the face or redemption values cannot be determined, on the purchase value of the financial assets (including *obbligazioni*) held.

The Italian Ministerial Decree dated May 24, 2012 stated that the stamp duty has to be applied by the financial intermediary which has the relationship with the clients and qualified it as an “*ente gestore*” (managing entity). Such “*ente gestore*”, according to the law, is the financial intermediary that has direct or indirect contact with the clients for the purposes of periodical reports relating to the relationship in place and the statement made in any form.

The Issuer should not fall within the list of the obligors, as set out in the Stamp Duty Law, nor in the definition of “*ente gestore*”. However, the lack of an official interpretation by the Italian tax authority with respect to securitisation transactions and the broad scope of the Stamp Duty Law could lead the Italian tax authority to a different interpretation and may induce the authority to include the Issuer among the obligors.

## **WEALTH TAX ON FINANCIAL ASSETS DEPOSITED ABROAD**

According to article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets – including the Listed Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or, if no market value is available, on the nominal value or redemption value, or where the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Listed Notes) held abroad by Italian resident individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.



## **SUBSCRIPTION, SALE AND SELLING RESTRICTIONS**

### **Listed Notes Subscription Agreement**

Pursuant to a subscription agreement relating to the Listed Notes entered into on or about the Signing Date among, *inter alios*, the Joint Lead Managers, the Arranger, the Issuer, the Originator, and the Representative of the Noteholders (the “**Listed Notes Subscription Agreement**”), (i) the Joint Lead Managers have severally agreed to subscribe and pay for or procure subscription and payment for part of the Listed Notes; (ii) the Issuer and the Originator have given certain representation and warranties to the Joint Lead Managers; and (iii) the Joint Lead Managers have appointed Zenith Service S.p.A. as Representative of the Noteholders; and (iv) the Originator has undertaken to comply with its retention requirements under the Securitisation Regulation.

The Joint Lead Managers will be paid an underwriting fee with regard to their agreement to subscribe and pay for, or procure the subscription and payment for, a portion of the Listed Notes.

### **Retained Notes Subscription Agreement**

Pursuant to a subscription agreement relating to part of the Listed Notes and all of the Class R Notes entered into on or about the Issue Date, between, among others, the Issuer, the Originator and the Representative of the Noteholders (the “**Retained Notes Subscription Agreement**”), (i) the Originator has agreed to subscribe and pay for 5% of the Listed Notes and the whole of the Class R Notes to comply with its retention obligations under the Securitisation Regulation upon the terms and subject to the conditions thereof and has appointed the Representative of the Noteholders to act as the representative of the holders of the Notes; and (ii) the Issuer has given certain representation and warranties in favor of the Originator.

## **SELLING RESTRICTIONS**

Each of the Joint Lead Managers and the Originator has, pursuant to the relevant Notes Subscription Agreement, undertaken that it complies with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Listed Notes or has in its possession or distribute this Prospectus or any related offering material, in all cases at its own expense.

Each of the Joint Lead Managers and the Originator has, pursuant to the relevant Notes Subscription Agreement, represented and warranted that it has not made or provided and undertaken not to make or provide any representation or information regarding the Issuer, the Originator, the Arrangers or the Notes save as contained in this Prospectus or as approved for such purpose by the Issuer or the Originator or which is a matter of public knowledge.

## **UNITED STATES OF AMERICA**

The Notes have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States or to, or for the account or benefit of, 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 has not been and will not be registered under the Investment Company Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each of the Joint Lead Managers and the Originator has agreed that it 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. Each of the Joint Lead Managers and the Originator has agreed that it will not engage in any directed selling efforts with respect to the Notes, and it 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 U.S. 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 (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of the Notes as determined and certified by the Joint Lead Managers, 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.

Neither the Originator nor any other person intends to retain a risk retention interest contemplated by the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended, but rather the Originator intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Except with the prior written consent of the Originator and where such sale falls within the exemption provided by Section 20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any U.S. person (as defined in the U.S. Risk Retention Rules).

## REPUBLIC OF ITALY

Each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements represented, warranted and undertaken 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 Persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations.

Each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has acknowledged that no application has been made by it to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Accordingly, each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements 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, the Prospectuses nor any other offering material relating to Notes other than to professional investors (“*investitori qualificati*”), as defined on the basis of the Regulation (EU) 2017/1129 dated 14 June 2017 of the European Parliament and of the Council which repeals the European Directive 2003/71/EC as from 21 July 2019, pursuant to article 100, paragraph 1, letter (a), of Italian legislative decree No. 58 of 24 February 1998 (the “**Consolidated Financial Act**”) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”) or in other circumstances where an express exemption from compliance with the restrictions to the offerings to the public applies, as provided under the Consolidated Financial Act or CONSOB regulation No. 20307 of 15 February 2018, and in accordance with applicable Italian laws and regulations.

Each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has represented and agreed that any offer by it of the Notes of the relevant Class or Classes 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 Legislative Decree No. 385 of 1 September 1993, as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018 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.

Each of the Joint Lead Managers and the Originator has agreed and acknowledged that, in accordance with Article 100-bis of the Consolidated Financial Act, where no exemption from the rules on public offerings applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Consolidated Financial Act and Regulation No. 11971. Failure to comply with such rules may result in

the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

## FRANCE

Each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has represented and agreed that the Prospectuses 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 the Prospectuses 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 Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has also represented and agreed in connection with the initial distribution of the Notes by it that:

- (a) there has 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*);
- (b) offers and sales of Notes in the Republic of France will be made by it 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”);
- (c) offers and sales of the Notes in the Republic of France will be made by it on the condition that:
  - (i) the Prospectuses 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 Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has represented and agreed, with respect to itself, that:

- (i) financial promotion: any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of such Notes has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) general compliance: there has been and there will be compliance with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## GENERAL RESTRICTIONS

Each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has undertaken that it shall comply with all applicable laws and regulations in each jurisdiction in or which it may offer or sell the Notes. Furthermore, it will not, directly or indirectly, offer, sell or deliver of any Notes or distribute or publish any prospectus, form of application, prospectus (including the Prospectuses), 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, each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has represented and agreed, with respect to itself that there has not been and there will not be an offer of the Notes to the public in any Member State of the European Economic Area other than on the basis of an approved prospectus in conformity with the Prospectus Regulation or:

1. to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
2. to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation; or
3. in any other circumstances falling within article 1(4) of the Prospectus Regulation.

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, the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 dated 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.

#### **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

Each of the Joint Lead Managers and the Originator pursuant to the respective Notes Subscription Agreements has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

1. the expression "retail investor" means a person who is one (or more) of the following:
2. a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
3. a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or
4. not a qualified investor as defined in the Prospectus Regulation; and
5. the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## GENERAL INFORMATION

### **The Issuer's LEI number**

The Issuer's LEI number is 815600E1521C08286774.

### **Consents and Authorisations**

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes and the execution of the Transaction Documents have been authorised by a quorumholder's resolution of the Issuer dated 16 September 2019.

### **Listing and admission to trading**

Application has been made for the Listed Notes issued under the Securitisation to be listed on the Official List of the Luxembourg Stock Exchange in accordance with the Prospectus Regulation and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange

The estimated aggregate expenses related to the admission to trading on the Official List of the Luxembourg Stock Exchange are Euro 37.100 (inclusive of any applicable value added tax) which will be paid up-front on or about the Issue Date.

### **Funds Available to the Issuer**

The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections made in respect of the Receivables thereunder.

### **No Material Adverse Change**

There has been no material adverse change in the financial position or financial performance or prospects of the Issuer since the date of its incorporation.

### **Litigations**

The Issuer is not (and was not, since the date of its incorporation) involved in any litigation, arbitration or administrative or governmental proceedings which may have, or have had, during such period, a significant effect on its financial position or profitability nor is the Issuer, to the best of its knowledge, aware that any such proceedings are pending or threatened.

### **Indebtedness**

The Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

### **Clearing systems**

The Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream with the following ISIN and Common Codes:

- Class A Notes: ISIN: IT0005385841; Common Code: 205968229;
- Class B Notes: ISIN: IT0005385858; Common Code: 205968296;
- Class C Notes: ISIN: IT0005385866; Common Code: 205968377;
- Class D Notes: ISIN: IT0005385882; Common Code: 205974954;
- Class E Notes: ISIN: IT0005385890; Common Code: 205975012;
- Class X Notes: ISIN: IT0005385908; Common Code: 205975101;
- Class R Notes: ISIN: IT0005385916.

The Notes shall be freely transferable, subject to the selling restrictions described in the section headed "*Subscription, Sale and Selling Restrictions*" above.

### **Documents**

Copies of the following documents in electronic form may be inspected during (i) usual office hours on any weekday at the registered office of the Issuer and of the Representative of the Noteholders and at

the Specified Office of the Principal Paying Agent and (ii) within 15 days of the Issue Date, on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)), at any time after the Issue Date, for the term of the Prospectus and so long as any of the Notes remain listed:

- (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer;
- (b) annual financial statements of the Issuer and relevant audit;
- (c) the Investors Report, which has a monthly frequency, setting forth the performance of the Receivables and amounts paid, payable and/or unpaid on the Notes in respect to each Payment Date prepared by the Calculation Agent;
- (d) the following documents:
  - (i) the Master Receivables Purchase Agreement;
  - (ii) the relevant Receivables Purchase Agreements;
  - (iii) the Servicing Agreement;
  - (iv) the Warranty and Indemnity Agreement;
  - (v) the Back-up Servicing Agreement;
  - (vi) the Intercreditor Agreement;
  - (vii) the Cash Allocation Management and Payments Agreement;
  - (viii) the Deed of Charge;
  - (ix) the Mandate Agreement;
  - (x) the Corporate Services Agreement;
  - (xi) the Quotaholder's Agreement;
  - (xii) the Cap Agreement;
  - (xiii) the EMIR Reporting Agreement;
  - (xiv) this Prospectus;

and any amendment or ancillary agreement entered in connection with any of the documents above and any financial statements prepared from time to time by the Issuer together with the relevant auditor's reports.

This Prospectus will be also available on the Luxembourg Stock Exchange's website [www.bourse.lu](http://www.bourse.lu) (for the avoidance of doubt, such website does not constitute part of this Prospectus).

### **Financial Statements**

As at the date of this Prospectus, no external auditors have been appointed by the Issuer. However, independent auditors will be appointed by the Issuer upon the issuance of the Notes in accordance with applicable law and regulation. Notice of such appointment will be given to the Noteholders in accordance with Condition 16 (*Notices*).

The Issuer's accounting reference date is 31 December of each year. The Issuer was incorporated on 10 June 2019, with the first financial year ending on 31 December 2019. No interim financial statements will be produced by the Issuer. The financial statements of the Issuer as at 31 December 2019 will be available no later than 30 June 2020.

### **Transparency requirements under the Securitisation Regulation**

Under the Intercreditor Agreement, the parties thereto have acknowledged that the Originator shall be responsible for compliance with article 7 of the Securitisation Regulation. Each of the Issuer and the Originator has agreed that Creditis, in its capacity as Originator, is designated as Reporting Entity, pursuant to and for the purposes of article 7(2) of the Securitisation Regulation and, in such capacity as Reporting Entity, it has fulfilled before pricing and/or shall fulfil after the Issue Date, as the case may be, the reporting requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph

of article 7(1) of the Securitisation Regulation by making available the relevant information on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)).

As to **pre-pricing information**, Creditis has confirmed that (i) it has made available to potential investors in the Notes before pricing the information under point (a) of article 7(1) of the Securitisation Regulation upon request and the information under points (b) and (d) of article 7(1) of the Securitisation Regulation in draft form, and (ii) as initial holder of a portion of the Listed Notes and all of the Class R Notes, it has been, before pricing, in possession of the data relating to each Loan (and therefore it has not requested to receive the information under point (a) of the first subparagraph of article 7(1) of the Securitisation Regulation) and of the information under points (b) and (d) of the first subparagraph of article 7(1) of the Securitisation Regulation. In addition, Creditis has confirmed that (i) it has made available to potential investors in the Notes before pricing, on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)), data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22(1), of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and on the website of Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)) a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and (ii) as initial holder of a portion of the Listed Notes and all of the Class R Notes, it has been in possession, before pricing, of data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, provided that such data cover a period of at least 5 (five) years pursuant to article 22(1) of the Securitisation Regulation and the EBA Guidelines on STS Criteria, and a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer pursuant to article 22(3) of the Securitisation Regulation and the EBA Guidelines on STS Criteria.

As to **post-closing information**, the relevant parties to the Intercreditor Agreement have agreed and undertaken as follows: (i) the Calculation Agent shall prepare the Sec Reg Investor Report and deliver it to the Originator who shall make it available, together with the Sec Reg Asset Level Report prepared by it to the investors in the Notes by no later than each Sec Reg Report Date by publishing them on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)) and the Originator shall prepare and deliver to the investors in the Notes without undue delay the Inside Information Report and the Significant Event Report, in compliance with points (f) and (g) respectively of the first subparagraph of article 7(1) of the Securitisation Regulation and make them available to the investors in the Notes without undue delay by publishing it on the website of European DataWarehouse (being, as at the date of this Prospectus, [editor.eurodw.eu](http://editor.eurodw.eu)); and (iii) the Originator shall make available to the investors in the Notes a copy of the final Prospectus and the other final Transaction Documents by no later than 15 (fifteen) days after the Issue Date, and any other document or information that may be required to be disclosed to the investors or potential investors in the Notes pursuant to the Securitisation Regulation in a timely manner (to the extent not already provided by other parties), in each case in accordance with the requirements provided by the Securitisation Regulation. In addition, pursuant to the Intercreditor Agreement Creditis has undertaken to make available to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request, on the website of Intex (being, as at the date of this Prospectus, [www.intex.com](http://www.intex.com)), a liability cash flow model which precisely represents the contractual relationship between the Receivables and the payments flowing between the Originator, the investors in the Notes, other third parties and the Issuer.

#### **Estimated annual fees and expenses**

The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction, excluding payments due under the Servicing Agreement, amount to approximately Euro 50,000 per annum (including any applicable value added tax).

The initial costs of the Transaction (including upfront Cap payments) are estimated to be approximately Euro 1,000,000 (including any applicable value added tax).

**Home Member State for the purpose of the Transparency Directive**

The Issuer will elect Luxembourg as Home Member State for the purpose of the Transparency Directive.

**Websites and webpages**

The websites referred to in this Prospectus and the information contained in such websites do not form part of this Prospectus. Neither the Issuer nor any of the parties listed under this Prospectus take responsibility for the further information available in the websites referred to in this Prospectus.

**No Re-Securitisation or Synthetic Securitisation in relation to the Transaction**

The Transaction is not a Re-Securitisation or a Synthetic Securitisation.

**STS status**

Even though it is expected that the Securitisation will be, prior to the Issue Date, included in the list published by ESMA referred to in article 27, paragraph 5, of the Securitisation Regulation, the STS status of a transaction is not static and investors should verify the current status of the transaction on ESMA's website.



## 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 forth in the Transaction Documents, as they may be amended from time to time. Certain terms derive from the Transaction Documents which have been executed in the Italian language. To the extent that these terms have been translated into the English language, in the event of any discrepancy between the definitions of such terms as set forth in the Italian language Transaction Documents and as set forth in the “Glossary” below, the definitions contained in such Italian language Transaction Documents shall prevail.*

“**Acceptance**” means the acceptance by the Issuer of each Offer of each Additional Portfolio, delivered pursuant to the Master Receivables Purchase Agreement.

“**Account Bank**” means Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies’ register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy, and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

“**Accrued Interest**” means, on any given date and in relation to each Receivable, the portion of Interest Instalments accrued on such date but not yet due on such date pursuant to the relevant Loan Agreement.

“**Additional Criteria**” has the meaning ascribed to the term “*Criteri Ulteriori*” in the Master Receivables Purchase Agreement.

“**Additional Portfolio**” means each portfolio of Receivables purchased by the Issuer, subsequent to the purchase of the Initial Portfolio and during the Revolving Period, pursuant to the Master Receivables Purchase Agreement and the other Transaction Documents.

“**Affiliate**” or “**affiliate**” means in relation to any person, a direct or indirect Subsidiary of that person or a Holding Company of that person or any other direct or indirect Subsidiary of that Holding Company;

“**Agent**” means each of the Account Bank, the Cash Manager, the Paying Agents, the Custodian and the Calculation Agent, appointed pursuant to the Cash Allocation Management and Payments Agreement.

“**Aggregate Outstanding Principal**” means the aggregate of the Outstanding Principal of all Receivables in the Collateral Portfolio.

“**Amounts Not Pertaining to the Securitisation**” has the meaning ascribed to the term “*Importi Non Relativi alla Cartolarizzazione*” under clause 4.3 of the Servicing Agreement.

“**Amortisation Period**” means the period commencing immediately following the end of the Revolving Period and ending on (and including) the Cancellation Date.

“**Arranger**” means Citigroup Global Markets Limited.

“**Assigned Employer**” means, with reference to a Loan the Receivables arising thereunder have been assigned by the Originator to the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement, the Employer or Pension Authority bound to pay the Payment Delegation and/or Salary Assignment.

“**Back-up Servicer**” means Zenith Service S.p.A. and any successor or assignee thereto which has been appointed in accordance with the Back-up Servicing Agreement.

“**Back-up Servicing Agreement**” means the back-up servicing agreement entered into on or about the Issue Date between the Issuer, the Servicer and the Back-up Servicer, as amended and supplemented from time to time.

“**Business Day**” means any day, other than Saturday and Sunday, (i) on which Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET2) (or any successor

thereto) is open and (ii) on which banks are generally open for business in Milan, Luxembourg and London.

**“Calculation Agent”** means Citibank N.A., London Branch and any successor or assignee thereto in accordance with the Cash Allocation Management and Payments Agreement.

**“Calculation Date”** means (A) the date falling 4 (four) Business Days prior to each Payment Date and (B) following the delivery of a Trigger Notice, any day on which the relevant calculation is required to be made by the Representative of the Noteholders in accordance with the Transaction Documents.

**“Cancellation Date”** means the earlier of (i) following collection in full and/or the completion of any proceedings for the recovery of all Receivables, the date on which all such collections and recoveries are paid in accordance with the applicable Priority of Payments, (ii) following the sale in whole of the Aggregate Portfolio and the enforcement in full of the Issuer’s Rights, the date on which the proceeds of such sale and/or enforcement (if any) are paid in accordance with the applicable Priority of Payments, and (iii) the Payment Date falling on the first anniversary of the Legal Final Maturity Date (following application of the Issuer Available Funds on such date in accordance with the applicable Priority of Payments).

**“Cap Agreement”** means the cap agreement entered into between the Issuer and the Cap Counterparty comprising a 2002 ISDA Master Agreement and Schedule thereto, a 1995 ISDA Credit Support Annex thereto and an interest rate cap transaction made thereunder.

**“Cap Collateral Account Surplus”** has the meaning ascribed to such term in clause 27.2.1 (ii) (c) (*Cap Collateral*) of the Intercreditor Agreement.

**“Cap Counterparty”** means NATIXIS (acting through its London Branch) or any successor or assignee thereto in accordance with the Corporate Services Agreement.

**“Cap Premium Amount”** means, in respect of the Cap Transaction, the premium amount payable in respect thereof by the Issuer to the Cap Counterparty on or about the Issue Date, pursuant to the Cap Agreement.

**“Cap Tax Credit Amount”** means any tax credit payable by the Issuer to a Cap Counterparty pursuant to the Cap Agreement.

**“Cap Transaction”** means the interest rate cap transaction made pursuant to a Cap Agreement.

**“Cash Allocation, Management and Payments Agreement”** means the cash allocation, management and payments agreement entered into on or about the Issue Date among, *inter alios*, the Issuer, the Servicer, the Back-Up Servicer, the Representative of the Noteholders, the Account Bank, the Calculation Agent, the Corporate Servicer and the Paying Agents, as amended and supplemented from time to time.

**“Cash Manager”** means:

**A)** Citibank N.A., London Branch; or

**B)** any third-party entity other than Citibank N.A., London Branch, *provided that* the appointment of the entity referred to in paragraph (A) or (B) above as cash manager has been previously approved in writing by the Representative of the Noteholders (which will act on the basis of the instructions of the Class R Noteholders), 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 number IT86S0356601600000128472045, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

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

**“Cash Reserve Initial Amount”** means an amount equal to Euro 1,726,000 to be credited on the Cash Reserve Account on the Issue Date and to be funded on the Issue Date through part of proceeds from the subscription of the Class X Notes.

**“Cash Reserve Released Amount”** means, on any Calculation Date, an amount equal to the lesser of:

- (i) the Cash Reserve Amount on such Calculation Date; and
- (ii) the amount of Interest Available Funds Shortfall on such Calculation Date.

**“Cash Reserve Target Amount”** means, prior to the delivery of a Trigger Notice or the redemption of the Notes in accordance with Condition 8.1 (*Final Redemption*), Condition 8.4 (*Optional Redemption*), Condition 8.5 (*Optional Redemption in whole for taxation reasons*), or Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), in relation to each relevant Payment Date, an amount equal to the Cash Reserve Initial Amount (without taking into account any principal payment to be made to the Noteholders on such Payment Date), provided that, on the earlier of: (i) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are redeemed in full; and (ii) the Payment Date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Target Amount shall be equal to zero.

**“Class”** shall be a reference to a class of Notes being the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes or the Class R Notes and **“Classes”** shall be construed accordingly.

**“Class A Noteholders”** means the holders from time to time of any of the Class A Notes.

**“Class A Notes”** means the € 139,600,000 Class A Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class A Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class A Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class B Noteholders”** means the holders from time to time of any of the Class B Notes.

**“Class B Notes”** means the € 19,800,000 Class B Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class B Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class B Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class C Noteholders”** means the holders from time to time of any of the Class C Notes.

**“Class C Notes”** means the € 7,800,000 Class C Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class C Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class C Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class D Noteholders”** means the holders from time to time of any of the Class D Notes.

**“Class D Notes”** means the € 3,400,000 Class D Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class D Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class D Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class E Noteholders”** means the holders from time to time of any of the Class E Notes.

**“Class E Notes”** means the € 1,700,000 Class E Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class E Notes Principal Deficiency Ledger”** means the ledger established and maintained by the Calculation Agent in respect of the Class E Notes pursuant to the Cash Allocation Management and Payments Agreement where any Defaulted Amount and Remaining Interest Shortfall Amount will be recorded as a debit entry in accordance with Condition 6.4 (*Principal Deficiency Ledgers*).

**“Class R Noteholders”** means the holders from time to time of any of the Class R Notes.

**“Class R Notes”** means the € 20,000 Class R Asset Backed Variable Return Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class X Noteholders”** means the holders from time to time of any of the Class X Notes.

**“Class X Notes”** means the € 7,800,000 Class X Asset Backed Floating Rate Notes due March 2036 issued by the Issuer on the Issue Date.

**“Class X Notes Target Amortisation Amount”** means (i) for any Payment Date indicated in the table below, the corresponding amount indicated in the table below, provided that this item (i) will be equal to zero (0) after the Payment Date falling in April 2021 or (ii) in case there is a shortfall to any such amount on any Payment Date indicated below or thereafter, the cumulative unpaid balance until the Class X Notes are redeemed in full.

<b>Payment Date</b>	<b>Principal Amount Outstanding of the Class X Notes immediately prior to each relevant Payment Date</b>	<b>Principal Amount Outstanding of the Class X Notes redeemed on each relevant Payment Date</b>	<b>Remaining Principal Amount Outstanding of the Class X Notes immediately following each relevant Payment Date</b>
October 2019	€7,800,000	€0	€7,800,000
November 2019	€7,800,000	€500,000	€7,300,000
December 2019	€7,300,000	€500,000	€6,800,000
January 2020	€6,800,000	€500,000	€6,300,000
February 2020	€6,300,000	€500,000	€5,800,000
March 2020	€5,800,000	€500,000	€5,300,000
April 2020	€5,300,000	€500,000	€4,800,000
May 2020	€4,800,000	€400,000	€4,400,000
June 2020	€4,400,000	€400,000	€4,000,000
July 2020	€4,000,000	€400,000	€3,600,000
August 2020	€3,600,000	€400,000	€3,200,000
September 2020	€3,200,000	€400,000	€2,800,000
October 2020	€2,800,000	€400,000	€2,400,000
November 2020	€2,400,000	€400,000	€2,000,000
December 2020	€2,000,000	€400,000	€1,600,000
January 2021	€1,600,000	€400,000	€1,200,000
February 2021	€1,200,000	€400,000	€800,000
March 2021	€800,000	€400,000	€400,000
April 2021	€400,000	€400,000	€0

“**Clearstream**” means Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg.

“**Collateral**” means, at any time and in respect of the Cap Agreement, the collateral provided by the Cap Counterparty to the Issuer under the Cap Agreement, together with all interest and distributions (if any) received by the Issuer in respect thereof, at such time (excluding all amounts in respect of collateral, and interest and distributions received in respect thereof, which have previously been transferred to the Cap Counterparty).

“**Collateral Account**” means the euro denominated account established in the name of the Issuer with the Account Bank for any collateral posted by the Cap Counterparty under the Cap Agreement comprising Euro cash and any other accounts(s) (including cash and/or securities accounts) opened by the Issuer for the purposes of depositing any other collateral to be posted by the Cap Counterparty.

“**Collateral Account Priority of Payments**” means the order of priority contained in clause 27.2 of the Intercreditor Agreement.

“**Collateral Portfolio**” means the Aggregate Portfolio excluding Defaulted Receivables and Receivables in relation to which amounts have been received from the Originator pursuant to clause 3.1 of the Warranty and Indemnity Agreement.

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

“**Collection Account**” means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN number IT33S0356601600000128472029, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

“**Collection Date**” means, with reference to each Receivable, the date on which the Servicer reconciles the relevant Collection.

“**Collection Period**” means each monthly period which begins on the first calendar day (included) of each month in each year and ends on the last calendar day (included) of each of the same months in each year, provided that the first Collection Period shall begin on the Valuation Date of the Initial Portfolio (excluded) and end on 30 September 2019.

“**Collections**” means all amounts received by the Servicer or any other person in respect of the Instalments due under the Receivables transferred to the Issuer and any other amounts whatsoever received by the Issuer, the Servicer or any other person in respect of the Receivables involved in the Securitisation during the relevant Collection Period, including the Recoveries.

“**Common Criteria**” means the objective criteria for the selection of each Portfolio specified in schedule 2 under the Master Receivables Purchase Agreement.

“**Conditions**” or “**Terms and Conditions**” means the terms and conditions of the Notes and any reference to a numbered relevant “Condition” is to the corresponding numbered provision thereof.

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

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

“**Corporate Servicer**” means Zenith Service S.p.A. and any successor or assignee thereto in accordance with the Corporate Services Agreement.

“**Corporate Services Agreement**” means the agreement executed on or about the Effective Date between the Issuer and the Corporate Servicer, as amended and supplemented from time to time.

“**Credit Support Annex**” means the 1995 ISDA Credit Support Annex between the Issuer and the Cap Counterparty which forms part of the Cap Agreement.

“**Creditis**” means Creditis Servizi Finanziari S.p.A.

“**Criteria**” means collectively the Common Criteria, the Specific Criteria and the Additional Criteria.

**“Cumulative Gross Default Ratio”** means the ratio, as calculated on each Calculation Date, between A and B defined as follows:

- A. The aggregate of the Outstanding Principal, as at the relevant Default Date, of all Receivables comprised in the Aggregate Portfolio which have become Defaulted Receivables from (and excluding) the Valuation Date of the Initial Portfolio up to (and including) the end of the Collection Period immediately preceding such Calculation Date; and
- B. the sum of (i) the Outstanding Principal of the Initial Portfolio as at the relevant Valuation Date and (ii) the Outstanding Principal of any Additional Portfolio as at their respective Valuation Dates.

**“Custodian”** means:

**A)** Citibank N.A., London Branch; or

**B)** any third-party entity other than Citibank N.A., London Branch; *provided that* the appointment of the entity referred to in paragraph (A) or (B) above as custodian has been previously approved in writing by the Representative of the Noteholders (which will act on the basis of the instructions of the Class R Noteholders), in accordance with the provisions of the Cash Allocation Management and Payments Agreement.

**“DBRS”** means DBRS Ratings Limited.

**“DBRS Equivalent Rating”** means the DBRS rating equivalent of any of the below public ratings of senior unsecured long term debt obligations (or an equivalent rating) 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, in each case, given to senior unsecured long term debt rating (or an equivalent rating) (each, a **“Public Long Term Rating”**) are all available at such date, the DBRS Minimum Rating will

be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and (b) if the DBRS Minimum Rating cannot be determined under (a) above, but Public Long Term Ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of 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 Minimum Rating will be the DBRS Equivalent Rating of 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). 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 obliged for the payment or repayment of amounts due in respect of a Loan or who has assumed the Debtor's obligation under the Loan Agreement by virtue of an undertaking agreement (*accollo*), or otherwise.

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

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

**"Deed of Charge"** means the English law deed of charge entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders (acting on behalf of the Noteholders and of the Other Issuer Creditors), as amended and supplemented from time to time.

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

**"Defaulted Amount"** means, as at the end of each Collection Period, in respect of a Receivable which has become a Defaulted Receivable during such Collection Period, the Outstanding Principal of such Defaulted Receivable.

**"Defaulted Receivables"** means (i) any Receivables arising from Loan Agreements in relation to which (i) as at the end of any Collection Period, there are at least 7 (seven) Late Instalments outstanding or (ii) any Receivables which has been qualified as "*sofferenza*" ("bad loans") in accordance with the Bank of Italy Regulations; or (iii) in respect of which a Life Damage (*Sinistro Vita*) has occurred and the Servicer has notified the relevant Insurance Company of the occurrence thereof; or (iv) in respect of which a Job Damage (*Sinistro Impiego*) has occurred and the Servicer has notified the relevant Insurance Company of the occurrence thereof and 3 (three) months have elapsed from the date of notification of the relevant Job Damage without the Insurance Company having paid in full the Indemnity to the Issuer nor the Servicer having registered a change of Employer and/or Pension Authority by the relevant Debtor.

**"Delinquency Ratio"** means the ratio between, as calculated on each Calculation Date, between A and B defined as follows:

- (A) the Outstanding Principal of all Receivables (other than Defaulted Receivables) which have 3 or more Late Instalments outstanding, as at the end of the relevant Collection Period; and
- (B) the Outstanding Principal of the Collateral Portfolio as at the end of the relevant Collection Period.

**"Determination Date"** means (A) with reference to each Interest Period, the second Business Day before each Payment Date on which such Interest Period begins, provided that the first Determination Date is the second Business Day before the Issue Date and (B) following the delivery of a Trigger Notice, any day on which the relevant determination is required to be made by the Representative of the Noteholders in accordance with the Transaction Documents.

“EBA” means the European Banking Authority.

“EBA Guidelines on STS Criteria” means the guidelines on the criteria of simplicity, transparency and standardisation adopted by EBA on 12 December 2018 pursuant to the Securitisation Regulation and named “*Guidelines on the STS criteria for non-ABCP securitisation*”.

“Effective Date” means 17 September 2019 which is the date on which the Master Receivables Purchase Agreement, the relevant Receivables Purchase Agreement, the Servicing Agreement, the Warranty and Indemnity Agreement and the Corporate Services Agreement have been executed.

“Eligible Institution” (*Istituzione Eleggibile*) means a depository institution organised under the laws of any State which is a member of the European Union or of England or Wales or of the United States of America whose debt obligations (or whose obligations under the Transaction Documents to which it is a party are guaranteed by a first demand, irrevocable and unconditional guarantee issued by a depository institution organised under the laws of any state which is a member of the European Union or of England or Wales or of the United States of America, whose unsecured and unsubordinated debt obligations) are rated as follows:

- a) (1) the higher of (i) the rating one notch below the relevant institution’s Critical Obligations Rating (COR) given by DBRS; and (ii) the long-term debt, public or private, rating by DBRS, is at least “A”; or (2) in case the institution does not have a COR rating by DBRS, the long-term debt, public or private, rating by DBRS is at least “A”; or (3) if there is no such public or private rating by DBRS, the DBRS Minimum Rating is at least “A”; and
- b) at least “P-2” by Moody’s as a short-term deposit rating or at least “Baa2” by Moody’s as a long term deposit rating,

or such other rating or ratings as may be agreed by the relevant rating agency from time to time as would maintain the then current ratings of the Rated Notes.

“Eligible Insurance Company” means each of the following Insurance Companies:

- 1) Axa France Iard S.A., Axa France Vie S.A., Sogecap S.A., Net Insurance Life S.p.A., Net Insurance S.p.A., Cardif Assur. Risques Divers, Cardif Assurance Vie, HDI Assicurazioni S.p.A., HDI Assicurazioni S.p.A. Life, Genertel S.p.A. and Genertellife S.p.A.; and
- 2) subject to compliance with the Purchase Conditions, any further Insurance Company which (as of the relevant Valuation Date) (i) insures CQS / DP loans in the Italian market and (ii) whose relevant debt obligations (or, where the relevant debt obligations of such Insurance Company are not rated, the debt obligations of the relevant parent company being the owner (directly or indirectly) of at least 50.1% of the shares of such Insurance Company) are rated not lower than the lowest “investment grade” rating level by the Rating Agencies or other rating agencies.

“Eligible Investments” means:

- a) euro-denominated money market funds which have a long-term rating of “Aaamf” by Moody’s and, if rated by DBRS, “AAA” by DBRS and, if rated by S&P, “AAA” by S&P and, if rated by Fitch, “AAA” by Fitch and permit daily liquidation of investments or have a maturity date falling before the next following Liquidation Date provided that such money market funds are disposable without penalty or loss for the Issuer;
- b) euro-denominated senior, unsubordinated debt securities, commercial papers, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Liquidation Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount) and (iii) in case of securities, such securities are in dematerialized form; and
- c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Liquidation Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);



provided that with exclusive regard to paragraphs (b) and (c) above, the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction or, in case of deposits (including time deposit), the relevant depository bank, are rated at least:

1. “Baa1” by Moody’s in respect of long-term debt and “P-2” by Moody’s in respect of short-term debt; and
2. if such debt securities or other debt instruments are rated by DBRS (i) “R-1 (low)” by DBRS in respect of short-term debt or “A” by DBRS in respect of long-term debt, with regard to investments having a maturity of 30 days or less; (ii) “R-1 (middle)” by DBRS in respect of short-term debt or “AA (low)” by DBRS in respect of long-term debt, with regard to investments having a maturity between 30 days and 90 days;

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) tranches of other ABSs, credit-linked notes swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time, or (iv) any instrument not considered to be a “cash equivalent” for purposes of the Volcker Rule.

“**Emir Reporting Agent**” means NATIXIS or any other entity which shall act as Emir reporting agent with respect to the Cap Agreement.

“**Emir Reporting Agreement**” means the agreement that the Issuer and the Emir Reporting Agent may enter into (to the extent necessary) on or about the Issue Date, pursuant to which the EMIR Reporting Agent will agree to carry out certain reporting obligations pursuant to EMIR on behalf of the Issuer in respect of the Cap Agreement.

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

“**English Law Transaction Documents**” means collectively the Notes Subscription Agreements, the Cap Agreement and the Deed of Charge.

“**EU Disclosure Requirements**” means the requirements under article 7 of the Securitisation Regulation, together with any guidance published in relation thereto by the European Securities and Markets Authority, including any regulatory and/or implementing technical standards. Any reference to the EU Disclosure Requirements shall be deemed to include any successor or replacement provisions of article 7 of the Securitisation Regulation included in any European Union directive or regulation.

“**Euribor**” has the meaning ascribed to such term under Condition 7.5 (*Rate of Interest*).

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

“**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 the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).

“**Expenses**” means:

- (i) 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

- (ii) 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 the Account Bank, with IBAN number IT72U0356601600000128472053, or such other substitute account 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.

**“EU Insolvency Regulation”** means Regulation EU 848/2015 of the European Parliament and of the Council on Insolvency Proceedings.

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

**“First Optional Redemption Date”** means the Payment Date falling in March 2022.

**“First Payment Date”** means the Payment Date falling in 24 October 2019.

**“Guarantor”** means any subject which has issued a Collateral Security.

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

**“Holding Company”** means, in relation to a person, any other person in respect of which it is a Subsidiary;

**“Indemnity”** means the amount which the Insurance Company is bound to pay to Creditis upon occurrence of a Job Damage and/or Life Damage, pursuant to the terms and conditions indicated in the relevant Insurance Policy.

**“Individual Purchase Price”** means, with respect to any Receivable, the sum of the following amounts:

- (i) the Outstanding Principal of such Receivable as of the relevant Valuation Date (hereinafter, the **“Principal Components of the Individual Purchase Price”**); plus
- (ii) Accrued Interest of such Receivable as of the relevant Valuation Date (hereinafter the **“Interest Component of the Individual Purchase Price”**); plus
- (iii) with exclusive reference to the Initial Portfolio, the Premium.

**“Initial Interest Period”** means the period from (and including) the Issue Date to (but excluding) the First Payment Date.

**“Initial Portfolio”** means the initial portfolio of Receivables purchased on 17 September 2019 by the Issuer pursuant to the Master Receivables Purchase Agreement and the relevant Receivables Purchase Agreement.

**“Inside Information Report”** means the report named as such to be prepared and delivered, by the Originator in accordance with the Intercreditor Agreement.

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

- 1) such company or corporation is declared insolvent or the competent judicial authorities instated a special administration proceedings, liquidation of such company/corporation or the appointment of liquidator/administrator 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); or

- 2) 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 at cost of the Issuer), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- 3) 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
- 4) 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
- 5) 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.

**“Insolvency Proceedings”** means bankruptcy (*fallimento*) or any other insolvency proceedings (*procedura concorsuale*) including, but not limited to, an arrangement with creditors prior to bankruptcy (*accordi di ristrutturazione dei debiti e/o concordato preventivo*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) and the extraordinary administration of large companies in a state of insolvency (*amministrazione straordinaria delle grandi imprese in stato di insolvenza*).

**“Instalment”** means, with respect to each Loan Agreement, from which the Receivables are originated, each instalment due from time to time by the relevant Debtor thereunder and which consists of an Interest Instalment and a Principal Instalment.

**“Insurance Company”** means each insurance company which issued or will issue an Insurance Policy to Creditis.

**“Insurance Master Agreement”** means each convention entered into between Creditis and the Insurance Companies which govern terms and conditions for the issuance of the relevant Insurance Policies to the benefit of Creditis.

**“Insurance Policy”** means, with respect to each Loan, the Insurance Policies issued by the Insurance Companies to the benefit of Creditis, in accordance with the Insurance Master Agreements and/or in the form of group policy relating to more Loans, for the coverage of some risks related to the relevant Debtor, which rights and actions are included in the Receivables transferred to the Issuer pursuant to the Receivables Purchase Agreement.

**“Intercreditor Agreement”** means the intercreditor agreement entered into on or about the Issue Date between the Issuer and the Other Issuer Creditors, as amended and supplemented from time to time.

**“Interest Collections”** means all amounts on account of interest, fees and prepayment penalties received by the Issuer in respect of the Receivables (other than the Defaulted Receivables).

**“Interest Available Funds”** means, with reference to each Payment Date, the aggregate of:

- (a) all Interest Collections received by the Issuer in respect of the immediately preceding Collection Period;
- (b) all Recoveries received by the Issuer in respect of the immediately preceding Collection Period;
- (c) any Cap Collateral Account Surplus paid into the Payments Account in accordance with the Collateral Account Priority of Payments;
- (d) all amounts due and payable to the Issuer in respect of such Payment Date under the terms of the Cap Agreement (if and to the extent paid) other than: (i) in respect of Collateral, (ii) any Replacement Cap Premium paid to the Issuer, (iii) any Cap Tax Credit Amounts and (iv) any termination payment received by the Issuer from the Cap Counterparty upon any early termination of the Cap Transaction, each of which will not be available to the Issuer to make payments to its creditors generally, but may only be applied in accordance with the Collateral Account Priority of Payments;
- (e) all amounts on account of interest, premium or other profit received, in respect of the immediately preceding Collection Period up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement;
- (f) the Cash Reserve Released Amount, provided that this amount shall only be available for covering any Interest Available Funds Shortfall;
- (g) on the earlier of (i) the Payment Date following the delivery of a Trigger Notice; (ii) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (iii) the date on which the Outstanding Principal of the Portfolio is equal to zero, the Cash Reserve Amount as at such Payment Date;
- (h) all amounts of interest accrued (net of any withholding or expenses, if due) and paid on the Issuer's Accounts (other than the Expenses Account and the Collateral Accounts) during the immediately preceding Collection Period;
- (i) any Principal Available Funds Surplus;
- (j) on the Cancellation Date, the balance standing to the credit of the Expenses Account, net of any known Expenses not yet paid and any Expenses forecasted by the Corporate Servicer to fall due after the redemption in full or cancellation of the Notes;
- (k) the Interest Available Funds relating to the immediately preceding Payment Date, to the extent not applied in full on that Payment Date due to the failure of the Servicer to deliver the Servicer Report in a timely manner in accordance with the provisions of the Servicing Agreement;
- (l) any amount (other than any amount on account of Principal Collections and any amount received from the Cap Counterparty) received by the Issuer from any Transaction Party during the immediately preceding Collection Period and not already included in any of the other items of this definition of Interest Available Funds;
- (m) any Principal Available Funds applied in order to remedy a Remaining Interest Shortfall;
- (n) up to (but excluding) the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, an amount equal to the excess (if any) of the Prepayment Reserve Amount over the Prepayment Reserve Target Amount as at such Payment Date;
- (o) on the earlier of (a) the Payment Date following the delivery of a Trigger Notice; (b) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes will be redeemed in full and/or cancelled; and (c) the date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, the Prepayment Reserve Amount as at such Payment Date; and

- (p) exclusively on the Payment Date falling in December 2019, any remaining portion of the proceeds raised through issuance of the Class X Notes which (i) were credited to the Payments Account in order to finance certain upfront costs of the Securitisation and (ii) have remained unused as of such Payment Date;

provided that, prior to the delivery of a Trigger Notice if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), only a portion of the Interest Available Funds corresponding to the amounts necessary to make payments under items from (i) (*first*) to (vii) (*seventh*) (inclusive) and (ix) (*ninth*), (xi) (*eleventh*), (xiii) (*thirteenth*), (xvi) (*sixteenth*) and (xviii) (*eighteenth*) of the Pre-Enforcement Interest Priority of Payments will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Interest Priority of Payments.

**“Interest Available Funds Shortfall”** means, on any Payment Date, an amount equal to the excess, if any, of the amounts required to make payments under items (i) (*first*) to (xiv) (*fourteenth*) (inclusive), of the Pre-Enforcement Interest Priority of Payments on such Payment Date (provided that items (vii) (*seventh*), (ix) (*ninth*), (xi) (*eleventh*) and (xiii) (*thirteenth*) will include both interest accrued on the Class A Notes, Class B Notes, Class C Notes and Class D Notes on such Payment Date and any interest due on any of such Class of Notes on any preceding Payment Date which has remained unpaid) over the Interest Available Funds for such Payment Date, such amount to be determined without regard to any amounts being available for allocation from the Cash Reserve Account.

**“Interest Instalment”** means the interest component of each instalment under each relevant Loan.

**“Interest Payment Amount”** has the meaning ascribed to that term in Condition 7.8 (*Calculation of Interest Payment Amounts*).

**“Interest Period”** means the Initial Interest Period and, thereafter, each successive period from (and including) a Payment Date to (but excluding) the next following Payment Date.

**“Investment Account”** means the euro denominated account which may be established in the name of the Issuer in accordance with the Cash Allocation Management and Payments Agreement.

**“Investors Report”** has the meaning ascribed to it in clause 7.7.1 of the Cash Allocation Management and Payments Agreement.

**“Investors Report Date”** means the date falling 5 (five) Business Days after each Payment Date, on which the Investors Report shall be sent by the Calculation Agent, to the Issuer, the Representative of the Noteholders, the Cash Manager, the Corporate Servicer, the Account Bank, the Paying Agents and the Servicer in accordance with the Cash Allocation Management and Payments Agreement.

**“Issue Date”** means 9 October 2019.

**“Issuer”** means Brignole CQ 2019-1 S.r.l., a *società a responsabilità limitata con unico socio* incorporated under the laws of the Republic of Italy pursuant to the Securitisation Law, having its registered office at via Vittorio Betteloni n. 2, Italy, fiscal code and enrolment with the companies register of Milano Monza Brianza Lodi number 10858340960, enrolled with No. 35601.4 in the *elenco delle società veicolo* held by the Bank of Italy pursuant to the resolution of the Bank of Italy dated 7 June 2017 and having as its sole corporate object the realisation of securitisation transactions under the Securitisation Law.

**“Issuer Available Funds”** means collectively the Interest Available Funds and the Principal Available Funds.

**“Issuer’s Accounts”** means, collectively, the Collection Account, the Payments Account, the Cash Reserve Account, the Prepayment Reserve Account, the Investment Account, the Expenses Account, each Collateral Account, the Quota Capital Account and the Securities Account and **“Issuer’s Account”** means any of them.

**“Issuer’s Rights”** means any monetary right of the Issuer against the Debtors and any other monetary right arising in favour of the Issuer in the context of the Securitisation (whether or not arising under the

Transaction Documents), including the Collections and the Eligible Investments acquired with the Collections.

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

**“Italian Law Transaction Documents”** means the Transaction Documents other than the English Law Transaction Documents.

**“Italian Paying Agent”** means, Citibank N.A., Milan Branch, a bank incorporated under the laws of United States of America, having its registered office at 701 East 60th Street North, Sioux Falls, South Dakota, U.S.A., acting through its Milan branch, enrolment in the companies’ register of Milan number 600769, registered with the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act under number 4630, having its registered office at Via dei Mercanti, 12, 20121 Milan, Italy, and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**“Job Damage”** (*Sinistro Impiego*) means each event related and/or connected to the employment relationship of a Debtor covered under the relevant Insurance Policy, upon occurrence of which the relevant Insurance Company shall pay the indemnity to Creditis and, upon transfer of the Receivables to the Issuer, to the Issuer in accordance with the terms and conditions of such Insurance Policy.

**“Junior Notes”** means collectively the Class E Notes and the Class X Notes.

**“Last Offer Date”** means, with reference to each Additional Portfolio, the date falling within the second Business Day following each Servicer Report Date.

**“Late Instalment”** means, with reference to each Calculation Date, any Instalment which is due and remains fully unpaid.

**“Legal Final Maturity Date”** means the Payment Date falling in March 2036.

**“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.

**“Life Damage”** (*Sinistro Vita*) means the death of a Debtor covered under the relevant Insurance Policy, upon occurrence of which the relevant Insurance Company shall pay the indemnity to Creditis and, upon transfer of the Receivables to the Issuer, to the Issuer in accordance with the terms and conditions of such Insurance Policy.

**“Limited Recourse Loan”** means each limited recourse loan granted by the Originator to the Issuer pursuant to clause 3.1 of the Warranty and Indemnity Agreement.

**“Liquidation Date”** means the date falling 6 (six) Business Days before each Payment Date.

**“Listed Notes Subscription Agreement”** means the subscription agreement entered into on or about the Issue Date by and between, among others, the Issuer, the Joint Lead Managers, the Arranger, Creditis and the Representative of the Noteholders, under which, *inter alia*, the Joint Lead Managers have agreed to subscribe and pay for or procure subscription and payment for a portion of the Listed Notes, subject to the terms and conditions set out therein.

**“Listing Agent”** means Banque Internationale à Luxembourg.

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

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

**“Loan Agreement Subject to Prepayment Risk”** means each Loan Agreement entered into by Creditis with the relevant Debtor on or before 21 May 2017 (inclusive).

**“Loan Early Termination”** means the full redemption of a Loan made by the relevant Debtor, before the maturity provided by the amortisation plan set out in the relevant Loan Agreement.

**“Mandate Agreement”** means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, as amended and supplemented from time to time.

**“Mezzanine Notes”** means collectively the Class B Notes, the Class C Notes and the Class D Notes.

**“Monte Titoli”** means Monte Titoli S.p.A., a joint stock company 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.

**“Moody’s”** means Moody’s Investors Service.

**“Most Senior Class of Notes”** means:

- (a) the Class A Notes (for so long as there are Class A Notes outstanding); or
- (b) if no Class A Notes are then outstanding, the Class B Notes (for so long as there are Class B Notes outstanding); or
- (c) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (for so long as there are Class C Notes outstanding); or
- (d) if no Class A Notes or Class B Notes or Class C Notes are then outstanding, the Class D Notes (for so long as there are Class D Notes outstanding); or
- (e) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes are then outstanding, the Class E Notes (for so long as there are Class E Notes outstanding);
- (f) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes or, following the delivery of a Trigger Notice, Class X Notes are then outstanding, the Class E Notes (for so long as there are Class E Notes outstanding);
- (g) if no Class A Notes or Class B Notes or Class C Notes or Class D Notes or, prior to the delivery of a Trigger Notice, Class E Notes are then outstanding, the Class X Notes (for so long as there are Class X Notes outstanding);
- (h) if no Senior Notes, Mezzanine Notes or Junior Notes are then outstanding, the Class R Notes (for so long as there are Class R Notes outstanding).

**“Noteholders”** means, collectively, the Senior Noteholders, the Mezzanine Noteholders, the Junior Noteholders and the Class R Noteholders.

**“Notes”** means, together, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class X Notes and the Class R Notes and each of them a **“Note”**.

**“Notes Subscription Agreements”** means collectively the Listed Notes Subscription Agreement and the Retained Notes Subscription Agreement and **“Notes Subscription Agreement”** means each of them as the context requires.

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

**“Offer”** means each *“Proposta di Cessione”* made by the Originator to the Issuer for the sale of an Additional Portfolio, in accordance with the Master Receivables Purchase Agreement.

**“Offer Date”**: means (i) with reference to the Initial Portfolio, the Effective Date; and (ii) with reference to each Additional Portfolio, each date falling in the period included between each Servicer Report Date and the immediately following Last Offer Date, in which the Originator delivers an Offer of an Additional Portfolio pursuant to the Master Receivable Purchase Agreement.

**“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 Creditis.

**“Originator Call Option”** means the call option to purchase the Aggregate Portfolio attributed to the Originator pursuant to clause 12.7 of the Intercreditor Agreement.

**“Other Issuer Creditors”** means the Servicer, the Back-up Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Principal Paying Agent, the Italian Paying Agent, the Account Bank, the Cap Counterparty, the Emir Reporting Agent, the Custodian, the Listing Agent, the Cash Manager and any party who at any time accedes to the Intercreditor Agreement.

**“Outstanding Balance”** means, on any given date and in relation to any Receivable, (i) the aggregate of the Outstanding Principal Due and the Interest Instalments due but not yet paid as at that date, plus (ii) any credits for default interests accrued on any Unpaid Instalments due but not yet paid as at that date, net of (iii) any Instalment not yet due but already paid by the Debtor (if any).

**“Outstanding Principal”** means, on any relevant date, in relation to any Receivable, the aggregate of (i) all the Principal Instalments (or part of those) due and unpaid as at that date and (ii) the Principal Instalments not yet due as at that date.

**“Outstanding Principal Due”** means, on any relevant date in relation to any Receivable, the aggregate of (i) the Outstanding Principal as at such date and (ii) the Accrued Interest as at such date.

**“Parapublic Company”** means a company majority owned by a Public Administration.

**“Paying Agents”** means, together, the Principal Paying Agent and the Italian Paying Agent and **“Paying Agent”** each of them indistinctively.

**“Payment Date”** means: (a) prior to the delivery of a Trigger Notice, the 24<sup>th</sup> calendar day of each month in each year or, if such day is not a Business Day, the immediately following 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 Post-Enforcement Priority of Payments, the Conditions and the Intercreditor Agreement.

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

**“Payments Account”** means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN number IT11S0356601600000128472037, 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 Priority of Payments, which shall be prepared and delivered on each Calculation Date prior to the delivery of a Trigger Notice by the Calculation Agent in accordance with the Cash Allocation, Management and Payments Agreement.

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

**“Pension Fund”** means any pension fund set up pursuant to legislative decree n. 252 dated 5 Dicembre 2005 to which a Debtor has adhered pursuant to the conditions set forth under such legislative decree.

**“Performance Event”** means on any Offer Date of the relevant Additional Portfolio, each of the following events:

- (a) the Cumulative Gross Default Ratio, determined as at the immediately preceding Calculation Date, is greater than 2%;
- (b) the Rolling Average Delinquency Ratio, determined as at the immediately preceding Calculation Date, is greater than 1.5%.



**“Person(s)”** means any natural person, partnership, corporation, company, limited liability company, trust, estate, joint-stock partnership or company joint venture, governmental entity, unincorporated organisation or other entity or association.

**“Portfolio”** (or, also, **“Aggregate Portfolio”**) means the aggregate of the Initial Portfolio and any Additional Portfolio, purchased by the Issuer pursuant to the Master Receivables Purchase Agreement and any relevant Receivables Purchase Agreement.

**“Portfolio Subject to Prepayment Risk”** means the portion of the Initial Portfolio which includes the Receivables arising from Loan Agreements Subject to Prepayment Risk. The Portfolio Subject to Prepayment Risk had, as at the Valuation Date of the Initial Portfolio, an Outstanding Principal equal to Euro 76,657,815.99 and the relevant amortisation shall be indicated in each Servicer Report.

**“Post-Enforcement Priority of Payments”** means the Priority of Payments under Condition 6.3 (*Post-Enforcement Priority of Payments*).

**“Post-Enforcement Payments Report”** means the report setting out all the payments to be made on the following Payment Date under the Post-Enforcement 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.

**“Pre-Enforcement Priority of Payments”** means the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments.

**“Pre-Enforcement Interest Priority of Payments”** means the Priority of Payments for the Interest Available Funds under Condition 6.1 (*Pre-Enforcement Interest Priority of Payments*).

**“Pre-Enforcement Principal Priority of Payments”** means the Priority of Payments for the Principal Available Funds under Condition 6.2 (*Pre-Enforcement Principal Priority of Payments*).

**“Premium”** means an amount equal to Euro 4,822,283 representing a premium over par for the Purchase Price of the Initial Portfolio, which is funded through part of the proceeds of the Class X Notes and of the Notes issued above par.

**“Prepayment Amount”** means any amount owed to a Debtor in the event of prepayment of the relevant Loan, in connection with fees, expenses and/or other amounts anticipated by the Debtor to the Originator on the date of disbursement of the relevant Loan, to the extent that the Issuer is required to pay such amount to the Debtor.

**“Prepayment Reserve Account”** means the euro denominated account established in the name of the Issuer with the Account Bank with IBAN number IT37F0356601600000128472088, or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement.

**“Prepayment Reserve Amount”** means, at any time, the balance of the amounts standing to the credit of the Prepayment Reserve Account, net of any interest accrued and paid thereon.

**“Prepayment Reserve Initial Amount”** means an amount equal to Euro 521,273 to be credited on the Prepayment Reserve Account on the Issue Date.

**“Prepayment Reserve Target Amount”** means, in relation to each Payment Date, an amount equal to 0.68% of the Outstanding Principal of the Portfolio Subject to Prepayment Risk, it being understood that, on the earlier of: (i) the Payment Date on which the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes are redeemed in full; and (ii) the Payment Date on which the Outstanding Principal of the Portfolio Subject to Prepayment Risk is equal to zero, such amount will be equal to 0 (zero).

**“Principal Amount Outstanding”** means, on any date, with reference to a Note or a Class of Note, (i) the principal amount of a Note or a Class of Notes as of the Issue Date, 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, with reference to each Payment Date, the aggregate of:

- (a) all Principal Collections received by the Issuer in respect of the immediately preceding Collection Period (including, without double counting, all amounts on account of principal received, in respect of the immediately preceding Collection Period up to the immediately preceding Eligible Investments Maturity Date, from any Eligible Investments made in accordance with the Cash Allocation, Management and Payments Agreement);
- (b) any Principal Deficiency Ledger Amount to be credited to a Principal Deficiency Ledger in respect of such Payment Date;
- (c) the proceeds deriving from (a) the repurchase by the Originator of individual Receivables from the Issuer pursuant to (i) the Warranty and Indemnity Agreement and (ii) the Master Receivables Purchase Agreement during the immediately preceding Collection Period and (b) any Limited Recourse Loan advanced by the Originator to the Issuer pursuant to the Warranty and Indemnity Agreement during the immediately preceding Collection Period;
- (d) the proceeds deriving from any amount paid by the Originator to the Issuer as an adjustment to the Purchase Price pursuant to the Master Receivables Purchase Agreement during the immediately preceding Collection Period;
- (e) the proceeds deriving from the sale of the Portfolio in order for the Issuer to redeem the Notes early pursuant to Condition 8.3 (*Early redemption upon exercise of the Originator Call Option*), Condition 8.4 (*Optional Redemption*) or Condition 8.5 (*Optional Redemption in whole for taxation reasons*);
- (f) the Principal Available Funds relating to the immediately preceding Payment Date, to the extent not applied on that Payment Date: (a) due to the failure of the Servicer to deliver the Servicer Report in a timely manner in accordance with the provisions thereof or (b) to meet payments under item (ii) (*second*) of the Pre-Enforcement Principal Priority of Payments during the Revolving Period and, therefore, credited into the Collection Account pursuant to item (iii) (*third*) of the Pre-Enforcement Principal Priority of Payments;
- (g) any amount on account of principal received by the Issuer from any Transaction Party during the immediately preceding Collection Period and not already included in any of the other items of this definition of Principal Available Funds or the definition of Interest Available Funds,
- (h) any amounts (which would otherwise constitute Interest Available Funds) deemed to be Principal Available Funds in accordance with item (xxi) (*twenty-first*) of the Pre-Enforcement Interest Priority of Payments,

provided that, prior to the delivery of a Trigger Notice, if the Servicer fails to deliver the Servicer Report to the Calculation Agent by the relevant Servicer Report Date (or such later date as may be agreed between the Servicer and the Calculation Agent which enables the latter to prepare and deliver the Payments Report in a timely manner), no Principal Available Funds will be transferred into the Payments Account for application in accordance with the Pre-Enforcement Principal Priority of Payments.

**“Principal Available Funds Surplus”** means, on any Payment Date, an amount equal to the excess, if any, of the Principal Available Funds over the amounts required to make payments under items (i) (*first*) to (viii) (*eighth*) (inclusive) of the Pre-Enforcement Principal Priority of Payments on such Payment Date.

**“Principal Collections”** means all amounts on account of principal received in respect of the Receivables (other than the Defaulted Receivables), including any refund of premia made by an Insurance Company upon early redemption of the relevant Loan or early termination of the relevant Insurance Policy.

**“Principal Deficiency Ledger Amount”** means the amount of any Interest Available Funds determined by the Calculation Agent on each Calculation Date to be applied to credit a Principal Deficiency Ledger pursuant to items (viii) (*eighth*), (x) (*tenth*), (xii) (*twelfth*), (xiv) (*fourteenth*) and (xvii) (*seventeenth*) of the Pre-Enforcement Interest Priority of Payments on the immediately following Payment Date.

**“Principal Deficiency Ledgers”** means, collectively, the Class A Notes Principal Deficiency Ledger, the Class B Notes Principal Deficiency Ledger, the Class C Notes Principal Deficiency Ledger, the Class D Notes Principal Deficiency Ledger and the Class E Notes Principal Deficiency Ledger.

**“Principal Instalment”** means the principal component of each Instalment under each relevant Loan.

**“Principal Paying Agent”** means Citibank, N.A. London branch, a company incorporated with limited liability in the United States of America under the laws of the City and State of New York on 14 June 1812 and reorganised as a national banking association formed under the laws of the United States of America on 17 July 1865 with Charter number 1461 and having its principal business office at 399 Park Avenue, New York, NY 10043, USA and having in Great Britain a principal branch office situated at 33 Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018, and any successor or assignee thereto in accordance with the Cash Allocation, Management and Payments Agreement.

**“Principal Payment Amount”** means the amount that the Issuer will have available on any Payment Date starting from the First Payment Date for the redemption of the Notes of each Class of Notes according to the relevant Priority of Payments.

**“Priority of Payments”** means the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

**“Private Company”** means a company not belonging to the Public Administration (but excluding, for the avoidance of doubts, Parapublic Companies).

**“Prospectus”** means this prospectus dated 7 October 2019 prepared in connection with the issuance of the Notes pursuant to the Securitisation Law and the Prospectus Regulation.

**“Prospectus Regulation”** means Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended and supplemented from time to time.

**“Public Administration”** means any entity to which the provisions of articles 69 and 70 of the Royal Decree no. 2440 of 18 November 1923 apply (but excluding, for the avoidance of doubt, Parapublic Companies).

**“Purchase Conditions”** means the conditions which shall be met for the purchase of each Portfolio specified in schedule 9 under the Master Receivables Purchase Agreement.

**“Purchase Price”** means an amount equal to the sum of the Individual Purchase Price of the Receivables included in the Initial Portfolio or any Additional Portfolio calculated as at the relevant Valuation Date.

**“Purchase Termination Events”** means any of the following events:

- (i) *Breach of obligations by the Originator:*
  - (a) the Originator defaults in the performance or observance of any of its payment obligations under or in respect of any of the Transaction Documents to which it is a party and (except where, in the reasonable 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 5 (five) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 5 (five) calendar days after the Representative of the Noteholders has given such written notice, unless the relevant breach has been cured by the Originator and written evidence hereof has been given to the Representative of the Noteholders; or
  - (b) the Originator defaults in the performance or observance of any of its obligations under or in respect of any of the Transaction Documents to which it is a party, other than the payment obligations under (a) above, and (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy) such default remains unremedied for 20 (twenty) calendar days after the Representative of the Noteholders has given written notice thereof to the Issuer and the Originator declaring that such default is, in its opinion, materially

prejudicial to the interest of the Noteholders; it being understood that the Originator shall not offer any Additional Portfolio to the Issuer for 10 (ten) calendar days after the Representative of the Noteholders has given such written notice; or

(ii) *Breach of representations and warranties by the Originator:*

any of the representations and warranties given by the Originator under any of the Transaction Documents to which it is party is or proves to have been incorrect or misleading in any material respect unless (A) in case of representations and warranties given by the Originator with respect to the Portfolio, (i) the relevant affected Receivable(s) has been repurchased in accordance with clause 4.6 of the Warranty and Indemnity Agreement and/or (ii) the Originator has granted a Limited Recourse Loan in accordance with clause 3.1 of the Warranty and Indemnity Agreement and/or (B) the Originator provides a remedy within 10 (ten) calendar days of receipt of a written notice of such breach from the Representative of the Noteholders to remedy the matter giving rise thereto; or

(iii) *Insolvency of the Originator:*

(a) the Originator or a different Servicer becomes subject to any *amministrazione straordinaria, liquidazione coatta amministrativa* or any other bankruptcy proceedings pursuant to Title IV of legislative decree No. 385 of 1 September 1993 or any other applicable bankruptcy proceedings in any jurisdiction or the whole or any substantial part of the assets of the Originator are subject to a *pignoramento* or similar procedure having a similar effect; or

(b) the Originator or a different Servicer takes any action for a restructuring or deferment of fulfilment of any of its obligations relating to financial indebtedness or makes any out of court settlements with its creditors for the extension of fulfilment of its obligations relating to financial indebtedness or the enforcement of any guarantee given to guarantee such fulfilment and the Representative of the Noteholders, in its reasonable opinion, determines that any of the aforementioned events has or may have material adverse effects on the financial situation of the Originator or the different Servicer; or

(iv) *Winding up of the Originator or a different Servicer:*

an order is made or an effective resolution is passed for the winding up, liquidation or dissolution in any form of the Originator or a different Servicer; or

(v) *Performance Event:*

the occurrence of a Performance Event determined by the Calculation Agent; or

(vi) *Insufficiency of the Cash Reserve:*

the Cash Reserve Amount on any Payment Date is lower than the Cash Reserve Target Amount;

(vii) *Termination or withdrawal of the Originator's appointment as Servicer:*

the Issuer has terminated the appointment of the Originator as Servicer following the occurrence of a Servicer Termination Event set forth in clause 9.1 of the Servicing Agreement or the Originator has withdrawn from the relevant appointment pursuant to clause 10 of the Servicing Agreement;

(viii) *Delivery of a notice for Optional Redemption in whole for taxation reasons:*

the Issuer has delivered a notice pursuant to Condition 8.5 (*Optional Redemption in whole for taxation reasons*);

(ix) *failure to use the Principal Available Funds for the purchase of Additional Portfolios:*

on any Calculation Date, the balance of the Principal Available Funds deposited in the Collection Account (also taking into account the payments made by the Issuer for the payment of the Principal Components of the Individual Purchase Price of each Additional Portfolio on the Payment Date immediately following) is higher than 10% of the Outstanding Principal of the Initial Portfolio;

(x) *Principal Deficiency:*

on any Payment Date, a debit balance remains outstanding on any of the Principal Deficiency Ledgers following the relevant payments and/or provisions required to be made by the Issuer on such date in accordance with the Pre-Enforcement Interest Priority of Payments.

**“Quota Capital Account”** means the euro denominated account established in the name of the Issuer with Igea Banca S.p.A. with IBAN number IT15F0356601600000128472096, or such other substitute account as may be opened by the Issuer for the purpose of depositing its quota capital.

**“Quotaholder”** means Special Purpose Entity Management S.r.l., a company with a sole quotaholder organised as a limited liability company (*società a responsabilità limitata*) incorporated and existing under the laws of Republic of Italy, having its registered office at Milan, via Vittorio Betteloni n. 2, fiscal code and enrolment with the companies register of Milan number 09262340962, quota capital Euro 20,000, fully paid-up.

**“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 amended and supplemented from time to time.

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

**“Rated Notes”** means collectively the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

**“Rating Agencies”** means Moody’s, DBRS and any other rating agency appointed from time to time by the Issuer in order to obtain a rating for the Rated Notes.

**“Receivables”** means each right of the Issuer, with reference to the Loan Agreements, as from or at the relevant Valuation Date (excluded), including by way of example:

- (a) each right and claim with reference to all the Principal Instalments (or part thereof) not yet due and payable as at the relevant Valuation Date and the Principal Instalments (or part thereof) which have or will become due and payable after the relevant Valuation Date but are unpaid;
- (b) each right and claim with reference to payment of interest accrued, including default interest, on the Loans and not yet collected, including the Accrued Interest, as at the relevant Valuation Date (excluded);
- (c) each right and claim with reference to the payment of interest, including default interest, which shall accrue on the Loans as from the relevant Valuation Date (included);
- (d) each right and claim with reference to the payment of any expenses, damage, costs, penalty, commission, taxes and accessory expenses pursuant to the Loan Agreements;
- (e) each Collateral Security assisting the relevant Loan Agreement, including each right and claim with reference to the payment of the quotas of salary, stipend pension and/or any other indemnity (including sums due as severance payment) due as a consequence of the Payment Delegation and/or Salary Assignment assisting the relevant Loan, as well as each right and claim with reference to the Insurance Policies;
- (f) each privilege or pre-emption right assignable pursuant to the Securitisation Law which is incorporated to the above mentioned right and claims, as well as any other right, claim, accessory, legal action, substantial or judicial (including damage recovery suits) and counterclaims connected to said rights and privileges, including the termination for non performance and the acceleration towards the relevant Debtor,

notwithstanding that (i) the amounts collected in any capacity in relation to a Loan, with reference to the period preceding the relevant Valuation Date, will be paid exclusively to the Originator and, therefore, in case of amounts collected en bloc in relation to a Loan without distinction between the period preceding the relevant Valuation Date and the period subsequent to the relevant Valuation Date, such amounts will be allocated *pro rata* between the Originator and the Issuer and (ii) the Principal Instalments (or part thereof) due and unpaid as at the relevant Valuation Date shall not be assigned to the Issuer.

**“Receivables Purchase Agreement”** means each receivables purchase agreement to be entered into through an Offer and an Acceptance by and between the Issuer and the Originator in relation to the purchase of any Additional Portfolio, as from time to time modified in accordance with the provisions thereof and including any agreement or other document expressed to be supplemental thereto.

**“Recoveries”** means all amount received by the Issuer in respect of the Defaulted Receivables (including, for the avoidance of doubt, any payment received from the Insurance Companies).

**“Reference Laws”** means each and every statute, regulation and practice applicable to the Originator, the Loan Agreements, the Loans, the Debtors, the Guarantors, the Pension Funds, the Pension Authorities, the Assigned Employers, the Collateral Securities, including, by way of example, the statutes and regulations on consumer credit and the statutes and regulations on consumer protection and transparency of contractual conditions, including all the primary and secondary legislation and any other legislation enacted by the State and the Public Bodies applicable to the Salary Assignment and/or Payment Delegation (as the case may be), including articles 1260 and followings, 1269 and followings and 1723 of the Italian Civil Code, the Royal Decree 180, the DPR n. 895/1950, Law n. 80/2005, the Royal Decree dated 29 July 1914 n. 850, Law n. 2248/1865, the Royal Decree dated 18 November 1923 n. 2440, the Decree of the Ministry for the Communications dated 28 May 1929 n. 2708, the Decree of the Ministry for the Communications dated 5 July 1932 n. 34, the Circular of the Ministry of the Treasury dated 8 August 1996 n. 46, the Circular of the Ministry of Treasury dated 16 October 1996 n. 63, the Circular of the Ministry of Treasury dated 15 January 2015 n. 2, the Law Decree n. 141/2010, the Decree of the Ministry of Economy and Finance dated 27 December 2006 n. 313, the INPDAP Circular dated 30 March 2007 n. 8, the INPS Circular dated 31 May 2007 n. 91, the Circular of the Ministry of Economy and Finance dated 17 January 2011 n. 1, the Circular of the Ministry of Economy and Finance dated 15 January 2015 n. 2, and any subsequent amendment and/or supplement thereto.

**“Relevant Entity for Notices”** means any legal entity whose relevant corporate name, fiscal code (or equivalent) and addresses for notices have been communicated by Creditis:

- 1) with respect to the original Transaction Parties, before the Issue Date; and
- 2) with respect to any new Transaction Party appointed after the Issue Date, as soon as the relevant appointment is legally effective.

**“Relevant Portfolio Outstanding Principal”** means, on any Offer Date, the Outstanding Principal of the Receivables arising from all Loans comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

**“Remaining Interest Shortfall”** means, on any Payment Date, after the application of any Cash Reserve Released Amount to cover any Interest Available Funds Shortfall on such Payment Date, an amount equal to the excess, if any, of: (A) the amounts required to make the following payments under the Pre-Enforcement Interest Priority of Payments: (i) (*first*) to (vii) (*seventh*) (inclusive) and, upon redemption in full of the Class A Notes, amounts necessary to pay interest due and payable on the Most Senior Class of Listed Notes (other than the Class E Notes and the Class X Notes) (provided that items (vii) (*seventh*), and any other interest items referring to the Most Senior Class of Listed Notes (other than the Class E Notes and the Class X Notes) will include both interest accrued on the Class A Notes or the Most Senior Class of Listed Notes (other than the Class E Notes and the Class X Notes), as the case may be on such Payment Date and any interest due on any of such Class of Notes on any preceding Payment Date which has remained unpaid) over (B) the Interest Available Funds (excluding letter (m) of the relevant definition) for such Payment Date.

**“Reporting Entity”** means the Originator acting as the reporting entity pursuant to the Securitisation Regulation.

**“Replacement Cap Premium”** means the amount payable by the Issuer to any replacement cap counterparty or by any replacement cap counterparty to the Issuer (as the case may be) in order to enter into a replacement cap agreement to replace or novate the Cap Agreement.

**“Representative of the Noteholders”** means Zenith Service S.p.A or any successor or assignee thereto in accordance with the Conditions and the Rules of Organisation of the Noteholders.

**“Re-Securitisation”** has the meaning ascribed to that term as per Securitisation Regulation;

**“Residual Payments on the Class R Notes”** or **“Residual Payments”** means:

- (i) in respect of each Payment Date prior to the delivery of a Trigger Notice, the amount (if any) by which the Interest Available Funds exceed the amounts required to satisfy items (i) (*first*) to (xxi) (*twenty-first*) of the Pre-Enforcement Interest Priority of Payments on that Payment Date; or
- (ii) following the delivery of a Trigger Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount (if any) by which the Issuer Available Funds exceed the amounts required to satisfy items (i) (*first*) to (xiii) (*thirteenth*) of the Post-Enforcement Priority of Payments on that date.

**“Retention Amount”** means an amount equal to €25,000, provided that on the Payment Date on which the Notes are redeemed or cancelled in full the Retention Amount shall be the amount indicated by the Corporate Servicer as necessary to cover the Expenses of the Issuer following full redemption of the Notes.

**“Retained Notes Subscription Agreement”** means the subscription agreement entered into on or about the Issue Date by and between, among others, the Issuer, Creditis and the Representative of the Noteholders, under which, *inter alia*, Creditis has agreed to subscribe for a portion equal to 5% of the Listed Notes and the whole of the Class R Notes to comply with its retention obligations under the Securitisation Regulation, subject to the terms and conditions set out therein.

**“Revolving Period”** means the period starting from the Issue Date and ending on the earlier of:

- (a) the Payment Date falling in March 2020 (included); and
- (b) the date on which the Representative of the Noteholders has delivered a notice confirming a Purchase Termination Event has occurred or a Trigger Notice to the Issuer.

**“Rolling Average Delinquency Ratio”** means the ratio, in respect of a Calculation Date following the first Calculation Date after the Issue Date, as follows:

- A. with respect to the second Calculation Date following the Issue Date, the ratio determined by (i) the sum of the products obtained by multiplying the Delinquency Ratio on such Calculation Date and the immediately preceding Calculation Date by the Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the corresponding preceding two Collection Periods, divided by (ii) the sum of the Aggregate Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the preceding two Collection Periods; or
- B. with respect to the third Calculation Date following the Issue Date and any subsequent Calculation Dates, the ratio determined by (i) the sum of the products obtained by multiplying the Delinquency Ratio on such Calculation Date and the two immediately preceding Calculation Dates by the Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the corresponding preceding three Collection Periods, divided by (ii) the sum of the Aggregate Outstanding Principal of all Receivables in the Collateral Portfolio at the end of the preceding three Collection Periods.

**“Royal Decree 180”** means the Royal Decree N. 180 dated 5 January 1950, as amended and supplemented from time to time.

**“Rules of the Organisation of the Noteholders”** means the Rules of the Organisation of the Noteholders attached to these Conditions, as from time to time modified in accordance with the provisions therein contained.

**“Salary Assignment”** (or also **“CQS”**) means the assignment of up to one-fifth of the salary and/or pension with reference to the relevant Loan Agreement, made by the Debtor in favour of Creditis, pursuant to the Royal Decree 180 and implementing regulation.

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

**“Secured Creditors”** means the Noteholders and the Other Issuer Creditors which have the benefit of the Deed of Charge.

**“Securities Account”** means the euro denominated account which may be established in the name of the Issuer in accordance with the Cash Allocation Management and Payments Agreement.

**“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 the Italian Law No. 130 of 30 April 1999, as amended and supplemented from time to time.

**“Securitisation Regulation”** means the Regulation (EU) 2017/2402 of the European Parliament and of the Council, as subsequently amended and supplemented from time to time, and any other rule or official interpretation implementing and/or supplementing the same including the Technical Standards.

**“Sec Reg Asset Level Report”** means the quarterly report to be prepared and delivered by the Originator, on each Sec Reg Report Date, in compliance with article 7(1)(a) of the Securitisation Regulation, pursuant to the Intercreditor Agreement.

**“Sec Reg Investor Report”** means the quarterly report to be prepared and delivered by Calculation Agent, on behalf of the Originator, or by the Originator, directly or through agents, on each Sec Reg Report Date, in compliance with article 7(1)(e) of the Securitisation Regulation, pursuant to the Intercreditor Agreement and the Cash Allocation Management and Payments Agreement.

**“Sec Reg Report Date”** means the 15<sup>th</sup> Business Day following each Payment Date falling in March, June, September and December of each year, starting from December 2019.

**“Security”** means the security created pursuant to the Deed of Charge and any other agreement entered into by the Issuer from time to time and granted as security to the Noteholders and/or the Other Issuer Creditors (or some of them) or to the Representative of the Noteholders on behalf of all or some of the Noteholders and/or the Other Issuer Creditors.

**“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.

**“Senior Notes”** means the Class A Notes.

**“Servicer”** means Creditis or any successor or assignee thereto which has been appointed in accordance with the Servicing Agreement.

**“Servicer Report”** means the monthly report to be prepared and delivered by the Servicer, on each Servicer Report Date, pursuant to the Servicing Agreement.

**“Servicer Report Date”** means the 9<sup>th</sup> Business Day following the end of each Collection Period.

**“Servicer Termination Event”** means each of the following events provided for under the Servicing Agreement, which causes the termination of the appointment of the Servicer, in accordance with the provisions set forth thereunder:

1) *Servicer Insolvency*

an Insolvency Event occurs in respect of the Servicer; or

2) *Winding-up of the Servicer*

a court order is made or an effective resolution is passed by the Servicer for the winding up or dissolution of the Servicer;

3) *Failure to Pay*

failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited by it under the Servicing Agreement within 5 (five) Business Days after the due date thereof, except where such failure is attributable to strikes, technical delays, force majeure or other justified reason, in which



case the 5 (five) Business Days remedy period shall commence on the date on which the relevant strikes, technical delays, force majeure or other justified reasons cease to persist;

4) *Breach of Obligations*

failure by the Servicer to comply in any material respect with any other terms and conditions of the Servicing Agreement or any other Transaction Document to which it is a party (other than the obligation of paragraph 3 above and the obligation to prepare and deliver the Servicer Report) which failure to comply is not remedied, where a cure is possible, within a period of 20 (twenty) Business Days from the date on which the Servicer receives written notice of such non-compliance from the Issuer;

5) *Missing Servicer Report*

failure on the part of the Servicer to deliver the Servicer Report, within 5 Business Days of each Servicer Report Date, or delivery by the Servicer of an incomplete Servicer Report, unless such failure is due to force majeure and/or technical delays not attributable to the Servicer, provided that it is delivered within 5 (five) Business Days after such events cease to persist;

6) *Breach of Representation and Warranties*

any of the representations and warranties given by the Servicer in the Servicing Agreement or in any other Transaction Document to which it is a party is incorrect or incomplete in any material respect when given or repeated, unless the Servicer, to the extent such breach is curable, provides a remedy within 25 (twenty-five) Business Days from the date on which such breach of representation or warranty is contested;

7) *Other*

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 or the Servicer has been removed from the register of financial intermediaries held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act (unless the Servicer is simultaneously enrolled in the register of the banks held by Bank of Italy pursuant to article 13 of the Consolidated Banking Act) or the Servicer no longer meets the requirements set forth by the law or by the Bank of Italy for the entities that assume the tasks provided for under the Servicing Agreement in the context of a securitisation transaction or the Servicer is or will be unable to meet the current or future legal requirements required to entities acting as servicers in the context of a securitisation transaction by Bank of Italy or other competent authorities.

**“Servicing Agreement”** means the agreement entered into on the Effective Date as amended on or about the Issue Date between the Issuer and the Servicer, as amended and supplemented from time to time.

**“Significant Event Report”** means the report named as such to be prepared and delivered, by the Originator in accordance with the Intercreditor Agreement.

**“Southern Italy”** means the following regions: Sicily, Calabria, Basilicata, Campania, Molise, Puglia and Sardinia.

**“Specific Criteria”** means the specific criteria which might be used for the selection of each Additional Portfolio specified in schedule 3 under the Master Receivables Purchase Agreement.

**“Specified Office”** means with respect to an Agent, or any additional Agent appointed pursuant to Condition 10.4 (*Change of 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 Agent in accordance with Condition 10.4 (*Change of 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 Payment Agreement.

**“Stock Exchange”** means the Luxembourg Stock Exchange.

**“STS Verification Agent”** means Prime Collateralised Securities (PCS) UK Limited with registered office at 40 Gracechurch Street, London EC3V 0BT.

**“Subsidiary”** or **“Subsidiaries”** means:

- (a) in respect of any company incorporated in Italy, a *società controllata* or *società collegata* within the meaning of article 2359 of the Italian Civil Code;
- (b) in respect of a company or corporation incorporated in England and Wales, a subsidiary within the meaning of section 1159 of the Companies Act 2006 or a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006; and
- (c) otherwise, a “**Subsidiary**” of a company or corporation shall be construed as a reference to any company or corporation:
  - i. which is controlled, directly or indirectly, by the first mentioned company or corporation;
  - ii. more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
  - iii. which is a subsidiary of another subsidiary of the first mentioned company or corporation

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Synthetic Securitisation**” has the meaning ascribed to that term as per Securitisation Regulation.

“**TAN**” means the nominal annual rate (“*tasso annuo nominale*”).

“**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.

“**Tax**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any authority having power to tax.

“**Tax Deduction**” has the meaning ascribed to it under the Condition 11 (*Taxation*).

“**Technical Standards**” means:

- (i) the regulatory technical standards adopted by EBA or ESMA, as the case may be, pursuant to the Securitisation Regulation; or
- (ii) the transitional regulatory technical standards applicable pursuant to article 43 of the Securitisation Regulation prior to the entry into force of the regulatory technical standards referred to in paragraph (i) above.

“**Top 5 Employers Relevant Portfolio Outstanding Principal**” means, on any Offer Date, the Outstanding Principal of the Receivables arising from Loans granted to the employees of the first 5 (five) Employers (excluding any Pension Authority) with the highest debt exposure (in terms of Outstanding Principal) and comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

“**Top 10 Employers Relevant Portfolio Outstanding Principal**” means, on any Offer Date, the Outstanding Principal of the Receivables arising from Loans granted to the employees of the first 10 (ten) Employers (excluding any Pension Authority) with the highest debt exposure (in terms of Outstanding Principal) and comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

“**Top Employer Relevant Portfolio Outstanding Principal**” means, on any Offer Date, the Outstanding Principal of the Receivables arising from Loans granted to the employees of the Employer (excluding any Pension Authority) with the highest debt exposure (in terms of Outstanding Principal) and comprised in the aggregate of (x) the Collateral Portfolio already transferred to the Issuer (calculated

as at the Collection Date immediately preceding such Offer Date) and (y) the relevant Additional Portfolio offered for sale on such Offer Date (calculated as at the relevant Valuation Date).

**“Transaction Documents”** means, together, the Master Receivables Purchase Agreement, any Receivables Purchase Agreement, the Servicing Agreement, the Back-up Servicing Agreement, the Warranty and Indemnity Agreement, the Notes Subscription Agreements, the Intercreditor Agreement, the Cash Allocation Management and Payments Agreement, the Deed of Charge, the Mandate Agreement, the Corporate Services Agreement, the Quotaholder’s Agreement, the Cap Agreement, the Emir Reporting Agreement, the Conditions and any other document which may be entered into by the Issuer, from time to time in connection with the Securitisation.

**“Trigger Event”** means any of the events described in the Condition 12 (*Trigger Events*).

**“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 the Condition 12 (*Trigger Events*).

**“Unpaid Instalment”** means, with reference to a Loan, an Instalment which is due and unpaid.

**“Valuation Date”** means hours 23.59 of 4 September 2019 for the Initial Portfolio and hours 23:59 of each second Business Day preceding each Last Offer Date for each Additional Portfolio.

**“Warranty and Indemnity Agreement”** means the agreement entered into between the Issuer and the Originator pursuant to which the Originator has made certain representations and warranties to the Issuer in relation to, *inter alia*, the Aggregate Portfolio.

**“Weighted Average TAN”** means, as at each Offer Date, with reference to all the Receivables included in the Collateral Portfolio (including the Additional Portfolios offered for sale to the Issuer), the ratio between A and B determined as follows:

- A the sum for all Receivables included in the Collateral Portfolio (including, for the avoidance of doubt, the Additional Portfolios offered for sale to the Issuer), of the product (calculated for each Receivable) of:
  - (i) the Outstanding Principal of the relevant Receivable, as at the last day of the Collection Period immediately preceding such Offer Date (or, with reference to each Receivable included in any Additional Portfolio offered for sale to the Issuer, as at the relevant Valuation Date);
  - (ii) the TAN applicable to the relevant Receivable pursuant to the relevant Loan Agreement;
- B the Aggregate Outstanding Principal of each Receivable in the Collateral Portfolio, as at the last day of the Collection Period immediately preceding the relevant Offer Date (or, with reference to each Receivable included in the Additional Portfolios offered for sale to the Issuer, as at the relevant Valuation Date).

**“Zenith”** means Zenith Service S.p.A.

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