ADRIANO LEASE SEC. S.R.L.

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

€2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049

Issue Price: 100 per cent

Application has been made to the *Commission de surveillance du secteur financier* ("**CSSF**"), which is the competent authority in the Grand Duchy of Luxembourg for the purposes of Directive 2003/71/EC (as subsequently amended, the "**Prospectus Directive**") and relevant implementing measures in the Grand Duchy of Luxembourg, for approval of this Prospectus in relation to the €2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049 (the "**Senior Notes**") of Adriano Lease Sec. S.r.l., a *società a responsabilità limitata* organised under the laws of the Republic of Italy. This document constitutes a *"prospectus"* for the purpose of article 5.3 of the Prospectus Directive and article 8 of the Luxembourg law on prospectuses for securities of 10 July 2005 (as amended and supplemented from time to time, the "**Luxembourg Law on Prospectus for Securities**") implementing the Prospectus Directive in the Grand Duchy of Luxembourg, and a *"prospetto informativo"* for the purposes of article 2, sub-section 3 of Italian law number 130 of 30 April 1999, as amended from time to time. Application has been made to the Luxembourg stock exchange (the "**Luxembourg Stock Exchange**") for the Senior Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "*Bourse de Luxembourg*" which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC. In connection with the issue of the Senior Notes, the Issuer will also issue the €1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049 (the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**"). **No application has been made to list the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor this Prospectus has been approved by the CSSF in relation to the Junior Notes.** By approving this Prospectus, the CSSF does not give any undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer, consistently with the provisions of article 7, sub-section 7, of the Luxembourg Law on Prospectus for Securities. The Notes will be issued on 30 November 2017 (the "**Issue Date**").

The principal source of payment of interest and Additional Return and of repayment of principal on the Notes will be the collections and recoveries made in respect of monetary claims and connected rights arising out of lease agreements entered into by the Originator, as lessor, and certain lessees, and purchased by the Issuer from the Originator pursuant to the Receivables Purchase Agreement. The Issuer has purchased the Portfolio on 7 November 2017.

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

Interest on the Senior Notes will be payable by reference to successive Interest Periods. Interest on the Senior Notes will accrue on a daily basis and, prior to the delivery of a Trigger Notice to the Issuer, will be payable quarterly in arrears in Euro on 27 April 2018 and thereafter on the 27th day of July, October, January and April in each year (or, if any such day is not a Business Day, on the immediately following Business Day). The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date. The rate of interest applicable to the Senior Notes for each Interest Period shall be the lower of: (a) 5% per annum; and (b) the higher of: (i) 0% per annum; and (ii) by reference to the First Interest Period and so long as no Trigger Notice has been served, the sum of (1) the rate calculated as the linear interpolation of Euribor with a designated maturity of 3 months and Euribor with a designated maturity of 6 months (as determined in accordance with Senior Notes Condition 7 (*Interest*)), plus (2) a margin of 0.85% per annum; or (iii) by reference to any subsequent Interest Period and so long as no Trigger Notice has been served, the sum of (1) 3 months Euribor (as determined in accordance with Senior Notes Condition 7 (*Interest*)), plus (2) a margin of 0.85% per annum; or (iv) by reference to any Interest Period after the service of a Trigger Notice, the sum of (1) the EMU-Zone inter-bank offered rate for euro deposits in respect of the period determined by the Representative of the Noteholders in accordance with the provisions of the Intercreditor Agreement, plus (2) a margin of 0.85% per annum.

The Senior Notes are expected, on issue, to be rated "A(sf)" by DBRS Ratings Limited and "A1(sf)" by Moody's Investors Service España S.A. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation.** As of the date hereof, each of DBRS Ratings Limited and Moody's Investors Service España S.A. is established in the European Union and is registered under Regulation (EC) number 1060/2009, as amended by Regulation (EC) number 513/2011 and Regulation (EC) number 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

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

The Notes will be limited recourse obligations solely of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any of the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Account Bank, the Paying Agent, the Corporate Servicer, the Listing Agent, the Arrangers and the Quotaholders. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

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

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

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

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

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"*.

Arrangers

BANCA IMI S.P.A. **INTESA SANPAOLO S.P.A.**

Underwriter

MEDIOCREDITO ITALIANO S.P.A.

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

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

Mediocredito Italiano S.p.A. has provided the information included in this Prospectus in the sections entitled "Regulatory Disclosure and Retention Undertaking", "The Portfolio", "The Originator and the Servicer", "Credit, Collection and Recovery Policy" *and* "Description of the Transaction Documents - The Servicing Agreement" *and any other information contained in this Prospectus relating to itself, the Receivables and the Lease Agreements and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Mediocredito Italiano 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.*

Intesa Sanpaolo S.p.A. has provided the information included in this Prospectus in the section entitled "The Account Bank and the Paying Agent" *and, together with the Issuer, accepts responsibility for those information. To the best of the knowledge and belief of Intesa Sanpaolo S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is true and does not omit anything likely to affect the import of such information.*

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

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 Arrangers, the Underwriter, the Representative of the Noteholders, the Issuer, the Quotaholders, the Originator (in any capacity), or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or imply that there has not been any change or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer 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.

The Notes constitute direct limited recourse obligations of the Issuer. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio and the other Segregated Assets will be segregated from all other assets of the Issuer and amounts deriving therefrom will only be available, both prior to and following a winding up of the Issuer, to satisfy the obligations of the Issuer to the holders of the Notes and to pay any costs, fees and expenses payable to the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Paying Agent, the Account Bank, the Listing Agent, the Underwriter or the

*Quotaholders and to any third party creditor in respect of any costs, fees or expenses incurred by the Issuer to such third party creditors in relation to the Securitisation. Amounts deriving from the Portfolio and the other Segregated Assets will not be available to any other creditor of the Issuer. The Noteholders agree that the Issuer Available Funds will be applied by the Issuer in accordance with the relevant priority of payments as set out in Condition 6 (*Priority of Payments*).*

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

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

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

*The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) number 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.*

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

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

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

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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RISK FACTORS

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, Additional Return, principal or other amounts on or in connection with the Notes may, exclusively or concurrently, occur for other reasons and the Issuer does not represent that the risks of holding the Notes as described in the statements below are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Senior Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of the Senior Notes of interest or principal on such Senior Notes on a timely basis or at all. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations.

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

RISK FACTORS IN RELATION TO THE ISSUER

Securitisation Law

The Securitisation Law was enacted in Italy in April 1999. As at the date of this Prospectus, no interpretation of the application of the Securitisation Law has been issued by any Italian court or governmental or regulatory authority, except for regulations issued by the Bank of Italy concerning, *inter alia*, the accounting treatment of securitisation transactions by special purpose companies incorporated under the Securitisation Law, such as the Issuer, and the duties of the companies which carry out collection and recovery activities in the context of a securitisation transaction. Consequently, it is possible that such or different authorities may issue further regulations relating to the Securitisation Law or the interpretation thereof, the impact of which cannot be predicted by the Issuer as at the date of this Prospectus.

Issuer's ability to meet its obligations under the Notes

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

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

No independent investigation in relation to the Receivables

None of the Issuer, the Arrangers or the Underwriter nor any other party to the Transaction Documents (other than the Originator) has carried out any due diligence in respect of the Lease Agreements nor has any of them 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 such persons undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Lessees.

The Issuer will rely instead on the representations and warranties given by the Originator in the Warranty and Indemnity Agreement. The only remedies of the Issuer in respect of the occurrence of a breach of a representation and warranty which materially and adversely affects the value of a Receivable will be the requirement that the Originator indemnifies the Issuer for the damages deriving therefrom pursuant to the Warranty and Indemnity Agreement (see the section headed "*Description of the Transaction Documents - The Warranty and Indemnity Agreement*", below). There can be no assurance that the Originator will have the financial resources to honour such obligations.

Liquidity and credit risk

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

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

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

Credit risk on the parties to the Transaction Documents

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by the Mediocredito (in any capacity), Intesa Sanpaolo S.p.A. (in any capacity), Securitisation Services S.p.A. (in any capacity) and the other parties to the Transaction Documents of their respective obligations under the Transaction Documents to which they are parties. In particular, without limiting the generality of the foregoing, the timely payment of amounts due on the Notes will depend on the ability of the Servicer to service the Portfolio and to recover the amounts relating to Defaulted Receivables (if any). The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. Should a party to the Transaction Documents performing multiple roles in the context of the Securitisation default, the Noteholders could suffer more losses than in case of a default of a party

performing a single role. However, it must be noted that all agents of the Issuer in the context of the Securitisation are supervised entities and thus less likely to default without the Issuer (and its other performing agents) being able to take any necessary remedial action (including, without limitation, the termination of the relevant agent's appointment).

If an event of default occurs in relation to the Servicer pursuant to the terms of the Servicing Agreement, then the Issuer may terminate its appointment. It is not certain that a suitable alternative servicer could be found to service the Portfolio if the Servicer becomes insolvent or its appointment under the Servicing Agreement is otherwise terminated. If such an alternative servicer were to be found it is not certain whether it would service the Portfolio on the same terms as those provided for in the Servicing Agreement. Any delay or inability to appoint an alternative servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the Issuer to make payments related to the Notes.

The ability of an alternative servicer to fully perform its duties would depend on the information and records made available to it at the time of termination of the appointment of the Servicer and the absence of any material interruption in the administration of the Receivables upon the substitution of the Servicer.

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

Interest rate risk

No hedging agreement has been entered into by the Issuer in the context of the Securitisation but the Issuer expects to meet its floating rate payment obligations under the Notes primarily from payments received from collections and recoveries made in respect of the Receivables. However the interest component in respect of such payments may have no correlation to the Euribor from time to time applicable in respect of the Notes. It must be further noted that the Conditions provide that the interest payable on the Senior Notes may never accrue at a rate in excess of 5% per annum or lower than 0% per annum.

Claims of unsecured creditors of the Issuer

By operation of Italian law, the rights, title and interests of the Issuer in and to the Portfolio and the other Segregated Assets will be segregated from all other assets of the Issuer (including, for the avoidance of doubt, any other portfolio purchased by the Issuer pursuant to the Securitisation Law) and any amounts deriving therefrom (to the extent such amounts have not been and are not commingled with other sums) will be available both prior to and on or following a winding up of the Issuer only in or towards satisfaction, in accordance with the applicable Priority of Payments, of the payment obligations of the Issuer to the Noteholders, to the Other Issuer Creditors and in relation to any other unsecured costs of the securitisation of the Portfolio incurred by the Issuer. Amounts deriving from the Portfolio and the other Segregated Assets will not be available to any other creditor of the Issuer whose costs were not incurred in connection with the Securitisation. Under Italian law

and the Transaction Documents, any creditor of the Issuer who has a valid and unsatisfied claim may file a petition for the bankruptcy of the Issuer, although no creditors other than the Representative of the Noteholders (on behalf of the Noteholders) and any third party creditors having the right to claim for amounts due in connection with the securitisation of the Portfolio would have the right to claim in respect of the Portfolio and the other Segregated Assets, even in a bankruptcy of the Issuer.

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

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

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

To the extent that the Issuer incurs any ongoing taxes, costs, fees and expenses (whether or not related to the Securitisation), the Issuer has established the Expenses Account, into which the Retention Amount shall be credited on the Issue Date and replenished on each Payment Date up to (but excluding) the Payment Date on which the Notes are redeemed in full or cancelled in accordance with the applicable Priority of Payments and out of which payments of the aforementioned taxes, costs, fees and expenses shall be paid during any Interest Period. To the extent that funds to the credit of the Expenses Account are not sufficient to meet the aforementioned taxes, costs, fees and expenses during any Interest Period, the Issuer would nevertheless pay such amount to such parties on the immediately following Payment Date under item *First* of the Priority of Payments. Notwithstanding the foregoing, there can be no assurance that if any bankruptcy proceedings were to be commenced against the Issuer, the Issuer would be able to meet all of its obligations under the Notes.

Further securitisations

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

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company that purchases the assets. On a winding up of such a company such assets will only be available to holders of the notes issued to finance the acquisition of the relevant assets and to certain

creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuing company.

Changes in the Portfolio composition

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

(i) *Renegotiation of the Portfolio* - under the Receivables Purchase Agreement and the Servicing Agreement, and within the limits set forth therein, the Originator (as owner of the Leased Asset and counterparty of the relevant Lease Agreement) and the Servicer respectively may implement certain actions, such as renegotiations, payment suspensions/deferrals and/or settlements in respect of the Lease Agreements. Any such action may have an impact on the amount and timing on the payment obligations due by the relevant Lessees;

(ii) *Repurchase rights* - the Originator has been granted (i) an option right to repurchase the relevant Portfolio, and (ii) an option right to repurchase individual Receivables, in accordance with and subject to the conditions provided for under the Receivables Purchase Agreement. As at the date hereof it is not foreseeable if and to what extent the option rights will be exercised by the Originator and the characteristics of the Receivables that may be repurchased by it; consequently, it cannot be excluded that the exercise of the repurchase option by the Originator may negatively change the characteristics of the Portfolio, affecting its capacity to produce enough funds to service any payments due and payable on the Notes. However, in order to mitigate such risk, the Receivables Purchase Agreement provides that the Originator may exercise the repurchase option of individual Receivables only if the aggregate of the repurchased Receivables does not exceed 10% of the Portfolio as at the Valuation Date.

Tax treatment of the Issuer

The Issuer is an Italian corporate entity and, as such, is subject in principle to corporate income tax ("**IRES**") and regional tax for productive activities ("**IRAP**"). However, assuming that, based on the provision of the Securitisation Law and on a correct application of the applicable accounting principle, the assets and liabilities acquired, assumed and beneficially owned by the Issuer are lawfully treated as off-balance sheet assets and liabilities for accounting purposes (i.e. a "substance over form" approach), any income derived by the Issuer from the Portfolios and under any of the documents pertaining to the Securitisation in relation to the Securitisation, should not subject to any taxation with the only exception of amounts, if any, available to the Issuer after the full discharge of its obligations in relation to the Notes and any other creditor of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. This conclusion is based on the interpretation of article 83 of decree number 917/1986, under which positive and negative items of income are included in the computation of the taxable income to the extent they must be included in the profit and loss account of the taxpayer and has been confirmed by the Italian tax authority in Circular letter of 6 February 2003, number 8/E and in resolution of 4 August 2010, number 77/E. In particular, the Italian tax authorities have stated that, in the context of a securitisation transaction, only amounts, if any, available to a securitisation vehicle after fully discharging its obligations towards the noteholders and any other

creditors of the securitisation vehicle in respect of any costs, fees, and expenses in relation to the securitisation transaction, should be imputed for tax purposes to the securitisation vehicle.

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

Under article 3, paragraph 2, number 3) of Italian presidential decree number 633 of 26 October 1972 (the "**Decree 633**"), a transfer of cash receivables falls within the scope of Italian VAT but is exempt from such tax pursuant to article 10, paragraph 1, number 1), of Decree 633 if it (a) is carried out in the context and for the purpose of a financial transaction, (b) is executed for consideration (*verso corrispettivo*), and (c) does not entail a "debt collection" service (*attività di recupero crediti*). In line with the arguments raised in the judgement of the Court of Justice of the European Union of 26 June 2003, case 305/01, (*Finanzamt Groß-Gerau v MKG-Kraftfahrzeuge-Factoring GmbH*) and only partially upheld by the Italian tax authorities in circular letter of 17 November 2004, number 139/E and circular letter of 11 March 2011 number 32/E, a transfer of receivables would instead be subject to Italian VAT at the ordinary 22 per cent rate if it: (i) entails a "debt collection" service (*attività di recupero crediti*); and (ii) it is executed for consideration (*verso corrispettivo*).

As specified by the Italian tax authorities in resolution number 32/E of 11 March 2011, the consideration for the service rendered through the transfer of receivables is represented by the discount, if any, applied on the price for the transfer of the receivables. Therefore, in case the transfer does not occur at discount no consideration should be deemed to be paid. Moreover, according to the decision of the Court of Justice of the European Union of 27 October 2011, case C-93/10 (*GFKL*), a transfer of debt receivables does not entail a transaction executed for a consideration if the difference between the sale price and the face value of the receivables does not represent a direct remuneration for a service supplied by the purchaser to the sellers, but rather reflects the actual economic value of the receivables, due to the fact that they are doubtful and the increased risk of default of the debtors.

Hence if the transfer of the receivables does not give rise to a discount remunerating a "debt collection" service, since the price paid by the Issuer is equal to the outstanding principal of each Receivable plus interest accrued up to the valuation date of the Receivables and unexpired at that date, the transfer of the Receivables would not fall within the scope of Italian VAT since it is not executed for a consideration. However, in case the Notes will be subscribed and held by the Originator and subsequently used as collateral in the context of a financing transaction performed with the European Central Bank, there should be arguments to maintain that the Transaction has a financial purpose. Therefore, the VAT exemption regime provided for by Art. 10, paragraph 1, number 1), Decree 633 may be applicable also with regard to the transfer of the Receivables.

Depending on the VAT regime applicable to the transfer of the Receivables, a registration tax in a fix amount of Euro 200.00 or in a proportional measure of 0.5% would apply if the transfer agreement is subject to voluntary registration or if the so-called "*caso d'uso*" or "*enunciazione*" occur.

RISK FACTORS IN RELATION TO THE NOTES

Suitability

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

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

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

Source of payments to the Noteholders

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 Calculation Agent, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Listing Agent, the Corporate Servicer, the Quotaholders, the Arrangers or the Underwriter. None of any such persons, other than the Issuer, accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due under the Notes.

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

Limited recourse nature of the Notes

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

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

Yield and payment considerations

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

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

Subordination

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

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

Limited rights

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

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to have regard to the interests of the holders of each Class of Notes as regards all powers, authorities, duties and discretions of the Representative of the Noteholders as if they formed a single class (except where expressly provided otherwise) but requiring the Representative of the Noteholders, in the event of a conflict between the interests of the holders of different Classes of Notes, to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding and the Representative of the Noteholders is not required to have regard to the holders of

any other Class of Notes then outstanding, nor to the interests of the Other Issuer Creditors, except to ensure that the application of the Issuer's funds is in accordance with the applicable Priority of Payments. In addition, the Rules of the Organisation of Noteholders contain provisions requiring the Representative of the Noteholders to have regard to the interests of each Class of Noteholders as a class and relieves the Representative of the Noteholders from responsibility for any consequence for individual Noteholders as a result of such Noteholders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction.

Resolutions of the Noteholders

Certain resolutions, to the extent properly adopted in accordance with the Rules, are binding on all Noteholders, and, therefore, certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such resolution. In particular, pursuant to the Rules: (a) any resolution involving any matter other than a Basic Terms Modification that is passed by the Most Senior Class of Noteholders shall be binding upon all the holders of the other Classes of Notes irrespective of the effect thereof on their interest; (b) any resolution passed at a Meeting of one or more Classes of Notes duly convened and held in accordance with the Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not dissenting and whether or not voting; and (c) any resolution is passed to the extent that the relevant quorum is reached.

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. For example, it should be in particular noted that, in a number of circumstances, the Notes may become subject to early redemption. Early redemption of the Notes as a result of some circumstances may be dependent upon receipt by the Representative of the Noteholders of a direction from, or a resolution passed by, a certain majority of Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be ignored and, if a determination is made by certain of the Noteholders to redeem the Notes, all Noteholders, even if they did not vote, may face early redemption of the Notes held by them.

Furthermore, prospective noteholders should note that any Extraordinary Resolution involving a Basic Terms Modification shall be sanctioned by an Extraordinary Resolution of the holders of each of the other Relevant Classes of Notes.

Limited nature of credit ratings assigned to the Senior Notes

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

The rating does not address, *inter alia*, the following:

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

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

The Issuer has not requested a rating of the Senior Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Senior Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior 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 "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under the CRA Regulation. As of the date of this Prospectus, both the Rating Agencies are incorporated in the European Union and have been registered in compliance with the requirements of Regulation (EC) No 1060/2009 of the CRA Regulation.

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 ("**CRA III**") which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by ESMA and impose new obligations on (among others) issuers of securities established in the EU. Under article 8(b) of the CRA Regulation, the issuer, originator and sponsor of structured finance instruments ("**SFI**") established in the European Union (which includes the Issuer and the Originator) must jointly publish certain information about those SFI on a specified website set up by ESMA. This includes information on, *inter alia*, (i) the credit quality and performance of the underlying assets of the SFI; (ii) the structure of the securitisation transaction; (iii) the cash flows and any collateral supporting a securitisation exposure; and (iv) any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. On 6 January 2015, Commission Delegated Regulation 2015/3 (the "**Regulation 2015/3**") on disclosure requirements for SFI was published in the Official Journal of the EU. The Regulation 2015/3 contains regulatory technical standards specifying:

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

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

On 27 April 2016 ESMA issued a press release stating that it has encountered several issues in preparing the set-up of the SFI website, including the absence of a legal basis for the funding of the website. Consequently, it was unlikely that the SFI website would have been available to reporting

entities by 1 January 2017 and that ESMA would be in a position to publish the technical instructions by 1 July 2016. On such basis, ESMA did not expect to be in a position to receive the information related to SFI from reporting entities from 1 January 2017. In the presse release ESMA calrified that it expected that new securitisation legislation, which was in the legislative process, would provide clarity on the future obligation regarding reporting on SFIs.

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

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

The Euribor and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on securities linked to such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and will apply from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EUbased, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on Notes, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

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

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

Market for the Senior Notes

Although application has been made for the Senior Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Regulated Market, there is currently no active and liquid secondary market for the Senior Notes. The Notes have not been registered under the Securities Act and will be subject to significant restrictions on resale in the United States. There can be no assurance that a secondary market for any of the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investments or that any such liquidity will continue for the life of such Notes. Consequently, any purchaser of Notes must be prepared to hold such Notes until the Final Maturity Date.

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

Eurosystem eligibility criteria

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

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

In Europe, the United States and elsewhere an increased political and regulatory scrutiny of the asset-backed securities industry has occurred. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital requirement to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

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

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

The CRR (including Article 405) is directly applicable and became effective on 1 January 2014. The CRD IV has been implemented in Italy by the Bank of Italy's supervisory regulations "*Circolare n. 285 – Disposizioni di vigilanza per le banche*" entered into force in 1 January 2014.

Similar requirements to those set out in articles 405 and following of the CRR are imposed (i) on EU-regulated alternative investment fund managers by chapter 3, section 5 of the Commission Delegated Regulation (EU) number 231/2013 of 19 December 2012 supplementing the EU directive on altenative investment funds managers (the "**AIFMR**") and, in particular, article 51 and (ii) on EU-regulated insurance and reinsurance companies by article 254 of the Solvency II Regulation (as defined below).

As specified below, in the Intercreditor Agreement, the Originator has undertaken to the Issuer and to the Other Issuer Creditors that, so long as the Notes are outstanding, they will retain at the Issue Date and maintain on an ongoing basis a net economic interest in the Securitisation described in this Prospectus not lower than 5% in accordance with option (d) of Article 405 (i.e. "*the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5% of the nominal value of the securitised exposures*") or, in accordance with Article 405, any alternative permitted method to the extent that adequate prior disclosure on such alternative method has been given, *inter alios*, to the Senior Noteholders. Notice on such alternative method shall be given to the Noteholders through the systems of Monte Titoli and, as long as the Senior Notes are listed on the Official List of the Luxembourg Stock Exchange, be published on the website of the Luxembourg Stock Exchange, in accordance with Condition 16 (*Notices*).

Pursuant to Article 405, the Originator is prohibited from hedging or otherwise transferring the retained risk. Accordingly, the Originator has undertaken that the retention requirement shall not be subject to any credit risk mitigation or any other hedge, within the limits of Article 405.

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

In such respect, article 409 of the CRR requires originators, sponsors and original lenders to ensure that prospective investors have readily available access as at the Issue Date and on an ongoing basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

Directive 2009/138/EU (the "**Solvency II Directive**") requires the adoption by the European Commission of implementing measures that complement the high level principles set out in the Solvency II Directive. On 10 October 2014, the European Commission adopted the Delegated Regulation (EU) 2015/35 (the "**Solvency II Regulation**") which lays down, among others, under article 254, the requirements that will need to be met by originators of asset-backed securities in order for EU insurance and reinsurance companies to be allowed to invest in such instruments (including, *inter alios*, the requirement that the originator, the sponsor or the original lender retains a material net economic interest in the underlying assets of no less than 5 (five) per cent).

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

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

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

Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arrangers, the Underwriter, the Originator or any other party makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future or compliance of the Securitisation with the relevant investors' supervisory regulations.

Joint disclosure requirements in relation to structured finance instruments

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

The STS Regulation recently issued by the European Parliament and the European Council lays down a general framework for securitisation. It defines securitisation and establishes due-diligence, risk-

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

Bank Recovery and Resolution Directive

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

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

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

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**Basel II framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "*Liquidity Coverage Ratio*" and the "*Net Stable Funding Ratio*"). Basel III set an implementation deadline on member countries to implement the new capital standards from January 2014, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general and, in particular, the European Commission has implemented the changes through the CRD IV. The changes may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

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

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

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to, and effect on them of, any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. There can be no guarantee that the regulatory capital treatment of the Notes for investors will not be affected by any future changes to the Basel II Framework. The Issuer is not responsible for informing Noteholders of the effects of the changes which will result for investors from revisions to the Basel II Framework. Significant uncertainty remains around the implementation of these initiatives. In general, prospective investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II Framework (including the Basel III changes described above) and the relevant

implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Withholding tax under the Notes

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

Foreign Account Tax Compliance Act (FATCA)

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

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (the "**IGAs**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being FATCA Withholding) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign pass-through payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Republic of Italy have entered into an agreement (the "**US-Italy IGA**") based largely on the Model 1 IGA, which has been ratified in Italy by Law number 95 of 18 June 2015, published in the Official Gazette number 155 of 7 July 2015.

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

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

GENERAL RISK FACTORS

Commingling risk

The Issuer is subject to the risk that, in the event of insolvency of the Servicer, the Collections held at the time the insolvency occurs might be treated by the Servicer's bankruptcy estate as an unsecured claim of the Issuer. The Servicing Agreement includes provisions in relation to the transfer of Collections intended to reduce the amount of the monies from time to time subject to the commingling risk. In particular, pursuant to the Servicing Agreement, the Servicer has undertaken to pay all Collections into the Collection Account by no later than the Business Day following the relevant collection.

Law decree number 91 of 24 June 2014 has introduced, *inter alia*, certain amendments to article 3 of Securitisation Law, aimed at safeguarding collections generated in the context of a securitisation transaction.

In particular, pursuant to article 3, paragraph 2-*bis* of Securitisation Law, as amended by law decree number 91 of 24 June 2014, no actions by persons other than the holders of the relevant securities can be brought on the accounts opened in the name of the special purpose vehicle with the account bank or the servicer, where the amounts paid by the debtors and any other sums paid or pertaining to the special purpose vehicle under the transactions ancillary to the transaction or otherwise under the transaction documents are credited. Such amounts may be applied by the relevant special purpose vehicle exclusively in payment of (i) amounts due by the special purpose vehicle the to the holder of the relevant securities; (ii) amounts due by the special purpose vehicle to any counterparty of any derivative transaction entered into by the special purpose vehicle in connection with the transaction for the purposes of hedging risks relating to the receivables and securities assigned; and (iii) the other creditors of the special purpose vehicle with respect to other costs incurred by the special purpose vehicle in connection with the transaction. In case of any proceedings pursuant to Title IV of the Consolidated Banking Act, or any bankruptcy proceedings (*procedura concorsuale*) involving the bank with which such accounts are opened, the sums credited to such accounts (whether before or during the relevant insolvency proceeding) shall not be subject to suspension of payments and shall be immediately and fully repaid to the special purpose vehicle, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

Effect on Lease Agreements of insolvency of Lessees or Originator

Article 59 of Legislative Decree number 5 of 9 January 2006 amended the Bankruptcy Law by introducing a supplemental article 72-*quater* ("**Article 72-*quater***") specifically regulating the impact of the insolvency of a lessee or a lessor under financial lease agreements.

Pursuant to Article 72-*quater*, the effects of the insolvency of a lessee on a financial lease agreement are

regulated by article 72 of the Bankruptcy Law ("**Article 72**").

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

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

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

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

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

With reference to the bankruptcy of companies authorised to carry out financial activity in the form of financial leases (such as the Originator), Article 72-*quater* provides that the contract continues; the lessee maintains the option to purchase, on the expiry of the contract, the leased asset, subject to the payment of the relevant instalments and the agreed purchase price.

Right to future Receivables

Under the Receivables Purchase Agreement, the Originator has transferred to the Issuer, in addition to the Instalments, the claims relating to any insurance indemnities liquidated pursuant to any Insurance Policy relating to a leased Asset and any penalty or other amount due by each Lessee in relation to the early termination of the relevant Lease Agreement (the "**Indemnities Claims**").

In addition, under the Receivables Purchase Agreement, if a Lease Agreement is terminated, the Originator has transferred to the Issuer, as assignment by way of satisfaction, the claims (i) relating to the purchase price due for the sale of the relevant Asset, or (ii) in case such leased Asset is leased to a new lessee, the claims deriving from the relevant New Lease Agreement up to an amount calculated in accordance with the provisions of the Receivables Purchase Agreement (collectively, the "**Termination Claims**").

In the event that the Originator is or becomes insolvent, the court may treat the Issuer's claims to the Indemnities Claims and the Termination Claims as "future receivables". The Issuer's claims to any

future receivables that have not yet arisen at the time of the Originator's admission to the relevant insolvency proceedings might not be effective and enforceable against the insolvency receiver of the Originator.

Benefit of the Leased Assets

Under the Lease Agreements the lessor (i.e. the Originator) is the owner of the leased assets and the ownership over the leased assets is not transferred to the Issuer together with the Receivables.

In spite of this, the Issuer can nevertheless obtain the benefit of the proceeds generated by the sale of the leased assets in the event that the original Lease Agreement is terminated. This is provided through the assignment by the Originator to the Issuer under the Receivables Purchase Agreement of any sale proceeds deriving from the sale of the leased assets up to an amount agreed thereunder.

If Mediocredito chooses not to sell the relevant leased asset but to lease it again by entering into a New Lease Agreement, Mediocredito shall pay to the Issuer the above mentioned sum, subject to certain conditions specified in the Receivables Purchase Agreement.

It should however be noted that the benefit of the leased assets could not survive the bankruptcy or the compulsory liquidation of the lessor. For further details, see paragraph "*Rights to Future Receivables*" of this section entitled "*Risk Factors*".

Terms of the Lease Agreements

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

Whilst there can be no assurance that there are no terms included in any of the Lease Agreements that do not affect in some way the value of the Receivables or the enforceability of the Lease Agreements, the Originator has represented, in the Warranty and Indemnity Agreement, that the Lease Agreements conform to its standard form of lease agreements from time to time adopted.

Claw back of the sales of the Receivables

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

Insurance coverage

Part of the Lease Agreements provide that the relevant Assets must be covered by an Insurance Policy issued by leading insurance companies (i) with which the Originator has a master agreement (*convenzione*) or (ii) approved by the Originator. There can be no assurance that all risks that could

affect the value of the Assets are or will be covered by the relevant Insurance Policy or that, if such risks are covered, that the insured losses will be covered in full. Any loss incurred in relation to the Assets which is not covered (or which is not covered in full) by the relevant Insurance Policy could adversely affect the value of the Assets and the ability of the relevant Lessee to pay the relevant Instalment.

Rights of set-off and other rights of the Lessees

Under general principles of Italian law, debtors are entitled to exercise rights of set-off in respect of amounts owed to them by their creditors. Following the assignment of the relevant receivables, according to paragraph 1 of article 1248 of the Italian civil code, if the assigned debtor has accepted the assignment without objections, he cannot claim against the assignee the set-off rights he could have claimed against the assignor. On the other hand, pursuant to paragraph 2 of the same article, the notification of the assignment of a claim to the assigned debtor prevents the latter from exercising set-off rights with respect to any counterclaim arising *vis-à-vis* the assignor after the date of such notification.

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.

In addition, the Securitisation Law provides, *inter alia*, that, as from the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), notwithstanding any provision of law providing otherwise, no set-off may be exercised by an assigned debtor *vis-à-vis* the assignee grounded on claims which have arisen towards the assignor after the date of publication of the above notice.

Consequently, Lessees may exercise a right of set-off against the Issuer on claims against the Originator and/or the Issuer which have arisen before the publication of the notice in the Official Gazette has occurred. Under the terms of the Warranty and Indemnity Agreement, the Originator has agreed to indemnify the Issuer in respect of any reduction in amounts received by the Issuer in respect of the Portfolio as a result of the exercise by any Lessee of a right of set-off. In addition, notice of the transfer of the Claims was published in the *Gazzetta Ufficiale della Repubblica Italiana, Parte Seconda*, number 135 of 16 November 2017.

Usury Law

Italian Law number 108 of 7 March 1996 (as amended and supplemented, the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a decree issued by the Italian Ministry of Economy and Finance (the last such decree having been issued on 25 September 2017 and being applicable for the quarterly period from 1 October 2017 to 31 December 2017). Such rates are applicable without retroactive effect (*ex nunc*), as confirmed by the Italian Supreme Court ("*Corte di Cassazione*") decision number 46669 of 23 November 2011. In particular the Italian Supreme Court ("*Corte di Cassazione*"), with two aligned decisions, number 12028 of 19 February 2010 and number 28743 of 14 May 2010, has clarified that in the calculation of the interest rate for the assessment of its

compliance with the Usury Law, any costs and/or expenses, including overdraft ("*commissione di massimo scoperto*"), related to the relevant agreement (other than taxes and fees) shall also be considered. In addition, the Italian Supreme Court ("*Corte di Cassazione*"), with the decision number 350 of 9 January 2013 has further clarified that, for the purpose of such calculation, also default interests ("*interessi moratori*") shall be taken into account. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was, at the time it made such payment or undertook the obligation, in financial and economic difficulties.

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

The Usury Law Decree also provides that, as an extraordinary measure due to the exceptional fall in interest rates in the years 1998 and 1999, interest rates due on instalments payable after 2 January 2001 on loans already entered into on the date on which the Usury Law Decree came into force (such date being 31 December 2000) are to be replaced by a lower interest rate fixed in accordance with parameters fixed by the Usury Law Decree.

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

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

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

Compounding of interest (*anatocismo*)

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices ("*usi*") to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a quarterly basis on the grounds that such practice could be characterised as a customary practice ("*uso normativo*"). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) number 2374/1999 and number 2593/2003) have held that such practices may not be defined as customary practices ("*uso normativo*"). In this respect, it should be noted that article 25, paragraph 2, of the decree number 342 of 4 August 1999 ("**Decree 342**") has delegated to the interministerial committee of credit and saving (the "**CICR**") powers to fix the conditions for the capitalisation of accrued interests. As a matter of fact, the CICR, pursuant to article 3 of a resolution dated 9 February 2000 (the "**Resolution**"), has provided, in relation to loans involving a deferred repayment that, in case of breach by the debtor, the amount due on the maturity of each instalment, shall produce interests from such date up to the date of the actual payment, if so provided by the relevant contract. Moreover, article 25, paragraph 3, of Decree 342 provides that the provisions relating to the capitalisation of accrued interest set forth in contracts entered into before the date of the Resolution are valid and effective up to the date thereof and after such date shall be consistent to the provisions of the Resolution. Decree 342 has been challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the powers delegated under the delegated law, and article 25 paragraph 3 of Decree 342 has been declared unconstitutional by decision number 425 of 9/17 October 2000 issued by the Italian Constitutional Court. On the basis of the foregoing, it cannot be excluded that borrowers may, where appropriate, challenge the practice of capitalising interest by banks on the grounds set forth by the Italian Supreme Court ("*Corte di Cassazione*") in the above mentioned decision and, therefore, that a negative effect on the returns generated from the residential and commercial mortgage loan could derive.

The Originator has consequently undertaken in the Warranty and Indemnity Agreement to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge relating to the violation of article 1283 of the Italian civil code.

Article 17-*bis* of law decree number 18 of 14 February 2016 (as converted into law with amendments by law number 49 of 8 April 2016) amended article 120, paragraph 2, of the Consolidated Banking Act, providing that interests (other than defaulted interests) shall not accrue on capitalised interests. Article 120, paragraph 2, of the Consolidated Banking Act delegated to the CICR the establishment of the methods and criteria for compounding of interest. In this respect, the CICR, with a resolution dated 3 August 2016, substituting the resolution dated 9 February 2000, has provided, *inter alia*, that: (i) negative accrued interests and principal are to be accounted separately; (ii) in accordance with the new provision of article 120 of the Consolidated Banking Act, interests are due as from 1 March of the year following the year of the relevant accrual. In any case, such interests shall become payable and the relevant debtor shall be considered in default only after a period of 30 days starting from the day

the debtor is aware of the amount to be paid; and (iii) the debtor and the bank may agree, also in advance, to charge the interests due and payable directly to the relevant debtor's account (in such event, the charged amount shall be considered as principal amount and interests shall accrue on such amount). Intermediaries shall apply the 2016 CICR resolution no later than 1 October 2016.

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

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

Risks arising from the sovereign debt crisis

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

In accordance with the referendum of 23 June 2016 the United Kingdom will leave the European Union. At this stage, both the terms and the timing of the exit are unclear and the relevant negotiations with the EU have only recently commenced. Therefore, it is not possible for the Issuer to predict if the exit will have any impact on the Transaction or on the Issuer's ability to make payments on the Notes.

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

In particular, the Issuer's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as the Issuer and make it more likely that the credit rating of the Notes are downgraded.

Change of law

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

Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes. This Prospectus will not be updated to reflect any such changes or events.

Projections, forecast and estimates

Any projections, forecasts and estimates set out in this Prospectus, are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from projections and the variation may be material.

Forward-looking statements

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Prospectus:

(i) the financial statements of the Issuer as at 31 December 2016;

(ii) auditors' report on the 2016 financial statements;

(iii) the financial statements of the Issuer as at 31 December 2015;

(iv) auditors' report on the 2015 financial statements,

and shall be made available by the Issuer as further set out in paragraph (6) in the section entitled "*General Information*" below.

Any information not listed in the cross reference table below but included in the documents incorporated by reference is given for information purposes only.

This Prospectus and the documents incorporated by reference will be available on the Luxembourg Stock Exchange's web site (www.bourse.lu).

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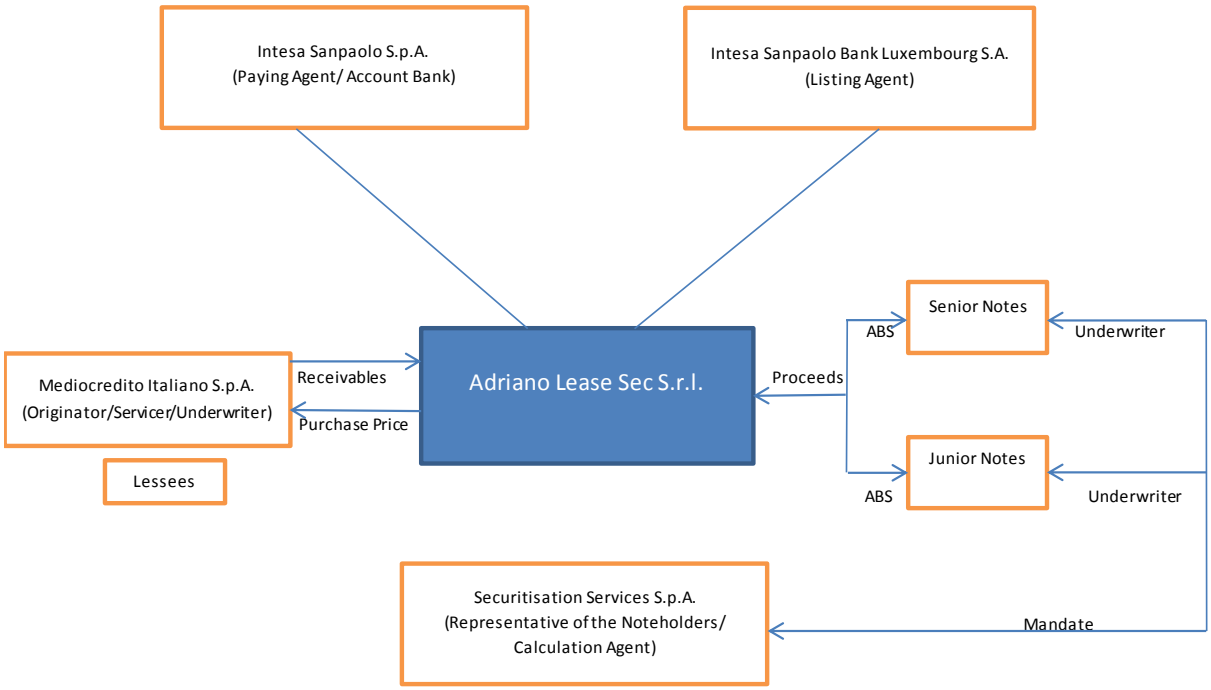
TRANSACTION DIAGRAM

The following is a diagram showing the structure of the Securitisation as at the Issue Date. It is intended to illustrate to prospective noteholders a scheme of the principal transactions contemplated in the context of the Securitisation on the Issue Date. It is not intended to be exhaustive and prospective noteholders should also read the detailed information set out elsewhere in this document.



TRANSACTION OVERVIEW

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

1. THE PRINCIPAL PARTIES

Issuer	**ADRIANO LEASE SEC. S.R.L.**, a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10,000.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies register of Treviso-Belluno number 04454640261, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.
Originator	**MEDIOCREDITO ITALIANO S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni* subject to the activity of direction and coordination (*attività di direzione e coordinamento*) of its sole shareholder Intesa Sanpaolo S.p.A., having its registered office at Via Montebello, 18, 20121 Milan, share capital of euro 992,043,495.00 fully paid up, fiscal code and enrolment with the companies register of Milan number 13300400150 and enrolled under number 5489 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.
Servicer	**MEDIOCREDITO ITALIANO S.P.A.** The Servicer will act as such pursuant to the Servicing Agreement.
Calculation Agent	**SECURITISATION SERVICES S.P.A.**, a company incorporated under the laws of the Republic of Italy as a *società per azioni* with sole shareholder, subject to the direction and coordination activity (*attività di direzione e coordinamento*) of Banca Finanziaria Internazionale S.p.A., having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, share capital of euro 2,000,000.00, fiscal code and enrolment with the companies register of Treviso-Belluno number 03546510268, currently enrolled under number 50 in the register (*Albo degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, belonging to the "*Gruppo Banca Finanziaria Internazionale*", registered with the register of the

	banking group held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Representative of the Noteholders	**SECURITISATION SERVICES S.P.A**. The Representative of the Noteholders will act as such pursuant to the Subscription Agreement, the Intercreditor Agreement and the Mandate Agreement.
Account Bank	**INTESA SANPAOLO S.P.A.**, a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, having its registered office at Piazza San Carlo, 156 Turin, Italy and secondary seat at Via Monte di Pietà, 8, 20121 Milan, Italy, share capital of euro 8,731,984,115.92 fully paid up, fiscal code and enrolment with the companies register of Turin number 00799960158, enrolled under number 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo S.p.A. Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Paying Agent	**INTESA SANPAOLO S.P.A.** The Paying Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Listing Agent	**INTESA SANPAOLO BANK LUXEMBOURG S.A.**, a bank incorporated under the laws of the Grand Duchy of Luxembourg as a *société anonyme*, having its registered office at 19-21 Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 13859. The Listing Agent will act as such pursuant to the Cash Allocation, Management and Payments Agreement.
Corporate Servicer	**SECURITISATION SERVICES S.P.A.** The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Quotaholders	**INTESA SANPAOLO S.P.A.**
	SVM SECURITISATION VEHICLES MANAGEMENT S.R.L., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata con socio unico*, quota capital of euro 30,000.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in in the companies register of Treviso-Belluno

number 03546650262.

Arrangers	**INTESA SANPAOLO S.P.A.**
	BANCA IMI S.P.A., a bank incorporated under the laws of the Republic of Italy as a *società per azioni*, subject to the of direction and coordination activity (*attività di direzione e coordinamento*) of Intesa Sanpaolo S.p.A., having its registered office at Largo Mattioli 3, 20121 Milan, Italy, share capital of euro 962,464,000.00 fully paid up, fiscal code and enrolment in the companies register of Milan number 04377700150 and enrolled under number 5570 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.
Underwriter	**MEDIOCREDITO ITALIANO S.P.A.**

2. THE PRINCIPAL FEATURES OF THE NOTES

The Notes	The Notes will be issued by the Issuer on the Issue Date in the following Classes:
Senior Notes	€2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049
Junior Notes	€1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049
Issue price	The Notes will be issued at the following percentages of their principal amount:

Class	*Issue Price*
Senior Notes	100 per cent
Junior Notes	100 per cent

Interest on the Senior Notes

The Senior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the lower of:

(a) 5% *per annum*, and

(b) the higher of:

(i) 0% *per annum*; and

(ii) by reference to the First Interest Period and so long as no Trigger Notice has been served, the sum of (1) the rate calculated as the linear interpolation of Euribor with a designated maturity of 3 months and Euribor with a designated maturity of 6 months (as determined

in accordance with Senior Notes Condition 7 (*Interest*)), plus (2) a margin of 0.85% *per annum*; or

(iii) by reference to any subsequent Interest Period and so long as no Trigger Notice has been served the sum of (1) 3 months Euribor (as determined in accordance with Senior Notes Condition 7 (*Interest*)), plus (2) a margin of 0.85% *per annum*; or

(iv) by reference to any Interest Period after the service of a Trigger Notice, the sum of (1) the EMU-Zone inter-bank offered rate for euro deposits in respect of the period determined by the Representative of the Noteholders in accordance with the provisions of the Intercreditor Agreement, plus (2) a margin of 0.85% *per annum*.

The Euribor applicable to the Senior Notes for each Interest Period will be determined on each relevant Interest Determination Date by the Paying Agent.

Interest on the Junior Notes

The Junior Notes will bear interest on their Principal Amount Outstanding from and including the Issue Date at the higher of:

(a) 0% *per annum*; and

(b) by reference to the First Interest Period and so long as no Trigger Notice has been served, the sum of (1) the rate calculated as the linear interpolation of Euribor with a designated maturity of 3 months and Euribor with a designated maturity of 6 months (as determined in accordance with Junior Notes Condition 7 (*Interest and Additional Return*)), plus (2) a margin of 0.95% *per annum*; or

(c) by reference to any subsequent Interest Period and so long as no Trigger Notice has been served the sum of (1) 3 months Euribor (as determined in accordance with Junior Notes Condition 7 (*Interest and Additional Return*)), plus (2) a margin of 0.95% *per annum*; or

(d) by reference to any Interest Period after the service of a Trigger Notice, the sum of (1) the EMU-Zone inter-bank offered rate for euro deposits in respect of the period determined by the Representative of the Noteholders in accordance with the provisions of the Intercreditor

	Agreement, plus (2) a margin of 0.95% *per annum*. The Euribor applicable to the Junior Notes for each Interest Period will be determined on each relevant Interest Determination Date.
Accrual of interest	Interest in respect of the Notes of each Class will accrue on a daily basis and will be payable in arrears on each Payment Date in accordance with the applicable Priority of Payments. The first payment of interest in respect of the Notes of each Class will be due on the Payment Date falling in April 2018 in respect of the period from (and including) the Issue Date to (but excluding) such date.
Additional Return on the Junior Notes	An Additional Return may or may not be payable (if any) on the Junior Notes on each Payment Date in accordance with the Junior Notes Conditions. The Additional Return (if any) payable on the Junior Notes on each Payment Date will be determined by reference to the residual Issuer Available Funds after satisfaction of the items ranking in priority to the Additional Return on the Junior Notes in accordance with the applicable Priority of Payments.
Junior Notes Conditions	Except for Junior Notes Conditions 3.1 (*Denomination*), 7 (*Interest and Additional Return*), and 8.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*), the terms and conditions of the Junior Notes are substantially the same, *mutatis mutandis*, as the Senior Notes Conditions.
Form and denomination	The denomination of the Senior Notes and the Junior Notes will be, respectively, €100,000 and €1,000. The Notes of each Class will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (being any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli, including any depository banks appointed by Clearstream). The Notes of each Class will be accepted for clearance by Monte Titoli with effect from the Issue Date. The Notes of each Class will at all times be in book entry form and title to the Notes of each Class will be evidenced by book entries in accordance with the provision of article 83-*bis* of the Financial Laws Consolidation Act and the Joint Regulation, as subsequently amended and supplemented from time to time. No physical document of title will be issued in respect of the Notes of any Class.
Ranking, status and	In respect of the obligation of the Issuer to pay interest and

subordination

Additional Return (as applicable) on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal due on the Senior Notes, payments of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (a) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (b) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Junior Notes Retained Amount and subordinated to payments of interest and repayment of principal due on the Senior Notes and payment of interest and repayment of principal due on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount.

In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior Notes, but in priority to payments of interest, repayment of principal and payment of Additional Return due on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest and repayment of principal due on the Senior Notes and interest on the Junior Notes, but in priority to the Additional Return until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount and subordinated to the Additional Return for an amount equal to the Junior Notes Retained Amount.

Following the delivery of a Trigger Notice, in respect of the obligation of the Issuer to pay interest, Additional Return and to repay principal on the Notes, the Conditions provide that:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

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

Withholding on the Notes

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

Mandatory redemption

The Notes of each Class will be subject to mandatory redemption in full (or in part *pro rata*) on each Payment Date in accordance with the Conditions, if and to the extent that on each such Payment Date there are sufficient Issuer Available Funds which may be applied towards redemption of the Notes of the relevant Class pursuant to the applicable Priority of Payments.

Optional redemption

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

(i) giving not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders of its intention to redeem the Notes; and

(ii) delivering, prior to the notice referred to in paragraph (i)

above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding Liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding Liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding Liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments.

Optional redemption in whole for taxation reasons

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

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

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

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

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

(b) a certificate signed by the Issuer confirming that the Issuer will, on the relevant Payment Date, have the funds to discharge all of its outstanding Liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its

outstanding Liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding Liabilities in respect of the Junior Notes, the Junior Noteholders having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments,

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

Final Maturity Date

Unless previously redeemed in full or cancelled in accordance with the Conditions, the Notes are due to be repaid in full at their Principal Amount Outstanding (together with all accrued and unpaid interest thereon) on the Final Maturity Date, being the Payment Date falling in January 2049.

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Portfolio, any monetary claim of the Issuer under the Transaction Documents, and all cash-flows deriving from both of them and any Eligible Investments purchased therewith (together, the "**Segregated Assets**") are segregated by operation of law from the Issuer's other assets. Both before and after a winding up of the Issuer, amounts deriving from the Portfolio and the other Segregated Assets will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation. See for further details the section headed: "*Selected Aspects of Italian Law - Ring-fencing of the assets*".

The Portfolio and the other Segregated Assets may not be seized or attached in any form by creditors of the Issuer other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation thereof. Pursuant to the terms of the Intercreditor Agreement and the Mandate Agreement, the Issuer has empowered the Representative of the Noteholders, following the delivery of a Trigger Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's non-monetary rights, powers and discretion under certain Transaction Documents

taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio, the Segregated Assets and the Issuer's Rights. Italian law governs the delegation of such powers.

Trigger Events

If any of the following events occurs:

(a) *Non-payment*

(i) the Issuer defaults in the payment of the Interest Payment Amount and/or the amount of principal due and payable on the Most Senior Class of Notes on a Payment Date, and such default is not remedied within a period of five Business Days from the due date thereof;

(ii) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

(b) *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which no remedy has been taken within thirty calendar days from discovery that such representations and warranties were incorrect or misleading; or

(c) *Breach of other obligations*

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

remedied; or

(d) *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

(e) *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, when compliance with such obligations is deemed by the Representative of the Noteholders to be material,

then the Representative of the Noteholders,

(1) in the case of a Trigger Event under item (a) and (d) above, shall; and

(2) in the case of a Trigger Event under items (b), (c) or (e) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Condition 12.3.1 are met, shall,

in each case subject to having been indemnified and/or secured to its satisfaction, serve a Trigger Notice on the Issuer declaring the Notes to be due and repayable.

Upon the service of a Trigger Notice, all payments of principal, interest, Additional Return and other amounts in respect of the Notes shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued and unpaid interest and shall be payable in accordance with the order of priority set out in Condition 6.2 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders may determine as being Payment Dates.

Non petition

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

(i) no Noteholder (nor any person on its behalf, other than the Representative of the Noteholders) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps

against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;

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

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

Limited recourse obligations of Issuer

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

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

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

or *pari passu* with, sums payable to such Noteholder; and

(iii) if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

The Organisation of the Noteholders and the Representative of the Noteholders

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

Pursuant to the Rules of the Organisation of the Noteholders (attached to the Conditions as an Exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, which is appointed by the Underwriter in the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

Rating

The Senior Notes are expected to be assigned the following ratings on the Issue Date:

Class	*DBRS*	*Moody's*
Class A	A(sf)	A1(sf)

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

As of the date hereof, each of DBRS Ratings Limited and Moody's Investors Service España S.A. is established in the

European Union and is registered under Regulation (EC) number 1060/2009, as amended by Regulation (EC) number 513/2011 and Regulation (EC) number 462/2013 (the "**CRA Regulation**"), as it appears from the most updated list published by the European Securities and Markets Authority on the webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

Listing and admission to trading

This Prospectus has been approved by the CSSF as a prospectus issued in compliance with the Prospectus Directive. Application has been made for the Senior Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

No application has been made to list or admit to trading the Junior Notes on any stock exchange. The Junior Notes are not being offered pursuant to this Prospectus, nor this Prospectus has been approved by the CSSF in relation to the Junior Notes.

Selling restrictions

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

See for further details the section headed "*Subscription and Sale*".

Governing Law

The Notes and any non-contractual obligations arising out thereof will be governed by Italian Law.

3. ISSUER AVAILABLE FUNDS AND PRIORITIES OF PAYMENTS

Issuer Available Funds

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

(i) all Collections received or recovered by the Issuer through the Servicer in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Account during the immediately preceding Collection Period;

(ii) all amounts transferred on the Payments Account on the immediately preceding Payment Date as Advances in accordance with item *Sixth* of the Pre Trigger Notice Priority of Payments;

(iii) on the First Payment Date, the Initial Cash Reserve

Amount, and on any Payment Date thereafter, all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Trigger Notice Priority of Payments;

(iv) all amounts in respect of interest and profit accrued or generated and paid on Eligible Investments (if any) up to the relevant applicable Eligible Investment Maturity Date;

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

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payments Account (including, for the avoidance of doubts, amounts transferred from the Cash Reserve Account, and the Expenses Account upon their closing in accordance with the Cash Allocation, Management and Payments Agreement) as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Payments Account on the Issue Date as issue price of the Notes in excess of the Purchase Price;

(ix) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

For the avoidance of doubts, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of any Payment

Date shall also comprise any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

Pre Trigger Notice Priority of Payments

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), 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 or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

Second, to credit to the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Servicer and the Servicer;

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

Fifth, to credit to the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount;

Sixth, to credit to the Payments Account the Advances for an amount equal to the amount evidenced as such in the immediately preceding Quarterly Servicer Report;

Seventh, to pay, *pari passu* and *pro rata*, principal on the Senior Notes for an amount up to the Principal Deficiency Amount on

such Payment Date;

Eighth, to the extent the Cumulative Gross Default Ratio is higher than the Cash Trapping Trigger on such Payment Date, to use all residual Issuer Available Funds, to repay, *pari passu* and *pro rata*, principal on the Senior Notes until the Senior Notes are redeemed in full;

Ninth, to pay to the Originator any amount received or collected by the Issuer as Initial Accrued Interest;

Tenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

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

Twelfth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full any amount of principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Thirteenth, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes;

Fourteenth, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

Post Trigger Notice Priority of Payments

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

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 amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

Second, if the relevant Trigger Event is not an Insolvency Event, to credit to the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Servicer and the Servicer;

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

Fifth, to pay *pari passu* and *pro rata* principal on the Senior Notes for an amount equal to the Senior Notes Principal Payable Amount;

Sixth, to pay to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Seventh, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes;

Eighth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full, principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Ninth, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes; and

Eleventh, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior

Notes Retained Amount on the Junior Notes.

4. TRANSFER OF THE PORTFOLIO

The Portfolio

The principal source of payment of interest on the Senior Notes and interest and Additional Return on the Junior Notes and of repayment of principal on the Notes will be Collections made in respect of the Portfolio purchased on 7 November 2017 by the Issuer pursuant to the terms of the Receivables Purchase Agreement.

The Portfolio has been assigned and transferred to the Issuer without recourse (*pro soluto*) against the Originator in the case of a failure by any of the Lessees to pay amounts due under the Lease Agreements, in accordance with the Securitisation Law and subject to the terms and conditions of the Receivables Purchase Agreement.

The Purchase Price in respect of the Portfolio, equal to the sum of all Individual Purchase Prices of the relevant Receivables, will be paid on the Issue Date subject to the:

(a) publication of a notice of assignment of the relevant Receivables in the *Gazzetta Ufficiale della Repubblica Italiana*; and

(b) registration of such assignment with the competent companies' register,

using the proceeds of the issue of the Notes, net of any costs and expenses due in relation to the Securitisation.

See for further details the sections headed: "*The Portfolio*" and "*Description of the Transaction Documents – The Receivables Purchase Agreement*".

Servicing of the Portfolio

On 7 November 2017, the Servicer and the Issuer entered into the Servicing Agreement, pursuant to which the Servicer has agreed to collect the Receivables and to administer and service the Portfolio on behalf of the Issuer in compliance with the Securitisation Law.

The Servicer has undertaken to prepare and submit to the Issuer, on a quarterly basis, a Quarterly Servicer Report, containing, *inter alia*, information relating to the Collections made in respect of the Portfolio during the relevant Collection Period.

In particular, the Servicer has undertaken to transfer to the Collection Account, on the Issue Date, all Collections received in respect of the Receivables between the Effective Date and the Issue Date (excluded). A portion of such amounts will be used by the Issuer to: (i) fund the Expenses Account with the initial Retention Amount; (ii) fund the Cash Reserve Account with the Initial Cash Reserve Amount; and (iii) pay certain initial expenses incurred by the Issuer in relation to the Securitisation.

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

Warranties and indemnities

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

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

5. CREDIT STRUCTURE

Intercreditor Agreement

Under the terms of the Intercreditor Agreement, the Representative of the Noteholders shall be entitled, *inter alia*, following the service of a Trigger Notice and until the Notes have been repaid in full or cancelled in accordance with the Conditions, to pay or cause to be paid on behalf of the Issuer and using the Issuer Available Funds all sums due and payable by the Issuer to the Noteholders, the Other Issuer Creditors and any third party creditors in respect of costs and expenses incurred by the Issuer in the context of the Securitisation in accordance with the terms of the Post Trigger Notice Priority of Payments.

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

Cash Allocation, Management and Payments Agreement

Under the terms of the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Corporate Servicer, the Listing Agent and the Paying Agent have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Accounts and with certain

agency services.

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

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

Mandate Agreement

Under the terms of the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

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

Corporate Services Agreement

Under the terms of the Corporate Services Agreement, the Corporate Servicer has agreed to provide certain corporate and administrative services to the Issuer.

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

Cash Reserve

On the Issue Date, the Initial Cash Reserve Amount shall be deposited by the Issuer in the Cash Reserve Account by applying, *pro tanto*, the Collections and Recoveries received or recovered between the Valuation Date and the Issue Date.

The Cash Reserve will be used on each Payment Date prior to the delivery of a Trigger Notice, together with the other Issuer Available Funds for making the payments under items from *First* to *Fourth* (included) of the Pre Trigger Notice Priority of Payments.

On each Payment Date prior to the delivery of a Trigger Notice,

to the extent there are Issuer Available Funds available for that purpose, the Cash Reserve Account will be credited with an amount equal to the Cash Reserve Required Amount on such Payment Date in accordance with the Pre Trigger Notice Priority of Payments.

On the Calculation Date on which the Calculation Agent issues a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds (inclusive of the balance of the Cash Reserve Account) are sufficient to repay in full on such Payment Date the Senior Notes or, if earlier, on the date on which a Trigger Notice is served to the Issuer or on the Final Maturity Date, the Calculation Agent shall consider the Cash Reserve Required Amount to be equal to zero.

Retention and information undertakings

In the Intercreditor Agreement, the Originator has undertaken to retain as at the Issue Date and on an ongoing basis a material net economic interest not lower than 5% in the Securitisation described in this Prospectus in accordance with article 405 of the CRR, article 51 of the AIFMR and article 254 of Solvency II Regulation.

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

6. THE TRANSACTION ACCOUNTS

Collection Account

Pursuant to the Servicing Agreement, the Servicer shall credit to the Collection Account established in the name of the Issuer with the Account Bank, *inter alia*, all the amounts received or recovered in respect of the Portfolio during each Collection Period on the Business Day immediately following the day on which such amounts have been received or recovered.

The Collection Account, initially opened with the Account Bank, shall at all times be held with an Eligible Institution.

Cash Reserve Account

The Issuer has established with the Account Bank the Cash Reserve Account. On the Issue Date, the Initial Cash Reserve Amount shall be deposited by the Issuer in the Cash Reserve Account by applying, *pro tanto*, the Collections and Recoveries received or recovered between the Valuation Date and the Issue Date. On each Payment Date prior to the delivery of a Trigger Notice, the Issuer will credit to the Cash Reserve Account an amount up to the Cash Reserve Required Amount.

On the Calculation Date on which the Calculation Agent issues

a Payments Report stating that on the immediately following Payment Date the Issuer Available Funds (inclusive of the balance of the Cash Reserve Account) are sufficient to repay in full on such Payment Date the Senior Notes, the Calculation Agent shall consider the Cash Reserve Required Amount to be equal to zero, the amounts standing to the credit of the Cash Reserve Account shall be transferred into the Payments Account pursuant to the Cash Allocation, Management and Payments Agreement and, as soon as practicable thereafter, the Cash Reserve Account shall be closed.

In addition, on the earlier of the Calculation Date immediately preceding the Final Maturity Date and the date on which a Trigger Notice is served on the Issuer, the amounts standing to the credit of the Cash Reserve Account shall be transferred into the Payments Account pursuant to the Cash Allocation, Management and Payments Agreement and, as soon as practicable thereafter, the Cash Reserve Account shall be closed.

The Cash Reserve Account, initially opened with the Account Bank, shall at all times be held with an Eligible Institution.

Payments Account

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

The Payments Account, initially opened with the Account Bank, shall at all times be held with an Eligible Institution.

Expenses Account

The Issuer has established the Expenses Account with the Account Bank. On the Issue Date, and, if necessary, on each Payment Date, an amount will be credited up to the Retention Amount and used by the Issuer to pay any Expenses.

Quota Capital Account

The Issuer has established the Quota Capital Account with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch, for the deposit of its paid quota capital.

Securities Account

Pursuant to the Cash Allocation, Management and Payments Agreement, the Issuer may establish with the Account Bank a Securities Account in which any Eligible Investments represented by securities shall be deposited or recorded.

REGULATORY DISCLOSURE AND RETENTION UNDERTAKING

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

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

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

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

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

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

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

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

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

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

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

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

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

THE PORTFOLIO

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

The Receivables comprised in the Portfolio arise out of financial leases (*leasing finanziari*) governed by Italian law and classified as at the Valuation Date as performing by the Originator. The Receivables do not comprise the Excluded Amounts.

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

As at the Valuation Date, the aggregate of the Outstanding Principal of all Receivables comprised in the Portfolio amounted to Euro 4,220,198,461.65.

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

The Criteria

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

- have been originated directly by Mediocredito Italiano S.p.A., as lessor, or by companies whose Mediocredito Italiano S.p.A. is the legal successor (*successore a titolo universale*), and have not been originated by Neos Finance S.p.A.;
- do not benefit from any subsidies or contributions by the Republic of Italy, Italian public entities (*Pubbliche Amministrazioni*) or EU entities;
- do not provide for amortisation plans being the result of the Lessees being in arrears or otherwise negotiated with the relevant Lessees;
- have as their subject the financial leasing of one or more assets belonging to the following categories:

  1. Motorvehicles Pool;
  2. Equipment Pool;
  3. Real Estate Pool

  (collectively, the "**Assets**");
- having:

  (i) a fixed interest rate (*tasso fisso*); or

  (ii) a floating interest rate (*tasso variabile*), with an interest rate contractually agreed which

is indexed to 3 months Euribor, but excluding the Receivables involving Adjustments calculated on the averaged debt outstanding in the relevant quarter;

- the Asset(s) of which have been already delivered to the relevant lessees after 31 December 2004, and in relation to which no theft or damage notice (*denuncia*) has been sent to Mediocredito Italiano S.p.A.;
- the Assets of which where not owned by Mediocredito Italiano S.p.A. or by companies merged with it, at the time of the execution of the relevant agreement, except for those transactions where the Asset had been sold by a lessee and subsequently leased (so called "sale and lease back");
- the Assets of which have been insured and the beneficiary of the relevant Insurance Policies is Mediocredito Italiano S.p.A.;
- the Lessees of which are (a) natural persons (*persone fisiche*) resident in Italy who act for purposes related to their own professional activity or course of business, and that are not employees of Mediocredito Italiano S.p.A., or (b) companies having their registered offices in Italy and that are not subject to insolvency proceedings (*procedure concorsuali*) of any kind;
- the Lessees of which are not Italian public entities (*Pubbliche Amministrazioni*) or hospitals (*Enti Ospedalieri*);
- (a) to Lessees of which have not been notified their classification as defaulted ("*a sofferenza*"), unlikely-to-pay ("*inadempienza probabile*"), forborne exposures and (b) the Lease Agreements of which have not been classified as past due ("*esposizioni scadute")* and/or in arrears (*"sconfinate "),* and /or non-performing *("deteriorate"*) in accordance with the regulation issued by the Bank of Italy;
- the Instalments of which are payable on a monthly or quarterly basis and exclusively through inter-banking direct debit of the lessee's bank account (S.D.D. –*Sepa Direct Debit*);
- the Instalments of which are denominated in Euro;
- in respect of which there is at least one Instalment, excluding the Residual Value, not yet due, and in respect of which there at least one amortisation Instalment due and paid;
- in relation to which there is no Instalment due and unpaid by the relecant Lessee for an amount higher than 5% of the same Instalment and for a period not lower than 31 days from the relevant Scheduled Instalment Date;
- in relation to which the maturity date of the first Instalment, in relation to each underlying Asset, fall prior to 1st September 2017;
- in relation to which the sum of all the Principal Instalments not yet due does not exceed:

  (a) €1,000,000.00 for Lease Agreements relating to the Motorvehicles Pool;

  (b) €4,000,000.00 for Lease Agreements relating to the Equipment Pool;

  (c) €20,000,000.00 for Lease Agreements relating to the Real Estate Pool;

- in relation to which neither the invoicing of the relevant Instalments has been suspended further to a breach of contract of the Lessees, nor the relevant Lessee has requested and obtained the early invoicing (*fatturazione anticipata*) of more than one Instalments in a single invoice;

- the Lessees of which have not requested and received an estimate for the early termination of the relevant Lease Agreement that has been provided for more than 60 days;

- the Lessees of which are not the beneficiaries of payment suspensions of the Instalments, which have granted as a consequence of natural disasters happened in the years 2016 and 2017.

Characteristics of the Portfolio

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

The Lease Agreements included in the Portfolio have the characteristics illustrated in the following tables. The following tables set out information with respect to the Portfolio derived from the information supplied by the Originator in connection with the acquisition of the Receivables by the Issuer. The information in the following tables reflects the position of the Portfolio as at 31 October 2017.

Amounts in Euro (data as at 31 October 2017)

Portfolio Summary	Auto Pool	Equipment Pool	Real Estate Pool	Total Portfolio
Outstanding principal (without residual)	166,656,384.99	670,613,895.48	3,382,928,181.18	**4,220,198,461.65**
Financed Amount	317,755,610.30	1,473,512,871.44	6,657,614,757.72	**8,448,883,239.46**
Original Cost (= value of purchased goods)	347,749,088.18	1,633,417,994.04	7,779,613,862.93	**9,760,780,945.15**
% Auto Pool (outstanding principal)				**3.9%**
% Equipment Pool (outstanding principal)				**15.9%**
% Real Estate Pool (outstanding principal)				**80.2%**
Out. Princ Fixed Portfolio	57,706,827.49	140,852,643.89	251,834,605.04	**450,394,076.42**
Out. Princ Floating Portfolio	108,949,557.50	529,761,251.59	3,131,093,576.14	**3,769,804,385.23**
% Fixed Portfolio	34.6%	21.0%	7.4%	**10.7%**
% Floating Portfolio	65.4%	79.0%	92.6%	**89.3%**
Wavg Fixed Rate (on fixed portfolio)	2.71%	2.58%	4.73%	**3.93%**
Wavg Spread (on floating portfolio)	2.78%	2.45%	1.95%	**2.04%**
Wavg Original Life	59.4	71.3	195.8	**170.6**
Wavg Residual Life	39.8	42.6	115.5	**100.9**
Wavg Seasoning	19.6	28.7	80.3	**69.7**
Number of Amortization Plans (AP)	6,982	8,743	6,828	**22,553**
Average Outstanding Principal (AP)	23,869.43	76,702.95	495,449.35	**187,123.60**
Number of Debtors (groups)	2,607	4,143	5,603	**11,708**
Top Lessee (Group) (%)	4.9%	1.6%	0.9%	**0.7%**
Top 10 Lessees (Group) (%)	15.7%	9.6%	5.9%	**4.9%**
Top 20 Lessees (Group) (%)	21.5%	15.3%	9.2%	**7.7%**
WA Original Lease to Original Cost	92.3%	90.9%	85.7%	**86.7%**
WA Current Lease to Original Cost	61.1%	57.3%	49.2%	**50.9%**

BREAKDOWN BY YEAR OF ORIGINATION

Amounts in Euro (data as at 31/10/2017)

Year of Origination	AP		Oustanding Principal		Average Size
	n	%	*amount*	%	
2005	225	1.0%	53,538,166.16	1.3%	*237,947*
2006	979	4.3%	257,779,392.25	6.1%	*263,309*
2007	1,236	5.5%	366,188,788.46	8.7%	*296,269*
2008	1,127	5.0%	524,514,129.80	12.4%	*465,407*
2009	850	3.8%	439,487,797.77	10.4%	*517,044*
2010	766	3.4%	319,797,937.66	7.6%	*417,491*
2011	1,154	5.1%	290,347,942.95	6.9%	*251,601*
2012	1,506	6.7%	274,980,318.00	6.5%	*182,590*
2013	1,751	7.8%	205,752,216.37	4.9%	*117,506*
2014	1,986	8.8%	149,948,891.05	3.6%	*75,503*
2015	4,602	20.4%	444,669,010.72	10.5%	*96,625*
2016	4,245	18.8%	514,024,138.27	12.2%	*121,089*
2017	2,126	9.4%	379,169,732.19	9.0%	*178,349*
Total	22,553	100.0%	4,220,198,461.65	100.0%	*187,124*

BREAKDOWN BY PAYMENT FREQUENCY

Amounts in Euro (data as at 31/10/2017)

Payment Frequency	AP		Oustanding Principal		Average Size
	n	%	*amount*	%	
Monthly	21,712	96.3%	3,827,658,892.67	90.7%	*176,292*
Quarterly	841	3.7%	392,539,568.98	9.3%	*466,753*
Total	22,553	*100%*	4,220,198,461.65	100.0%	*187,124*

BREAKDOWN BY PAYMENT METHOD

Amounts in Euro (data as at 31/10/2017)

Payment Method	PA		Oustanding Principal		Average Size
	n	%	*amount*	%	
Direct Debit	22,553	100.0%	4,220,198,461.65	100.0%	*187,124*
Total	22,553	*100%*	4,220,198,461.65	100.0%	*187,124*

BREAKDOWN BY REGION

Amounts in Euro (data as at 31/10/2017)

Region	AP		Oustanding Principal		Average Size
	n	%	*amount*	%	
Lombardia	6,688	29.7%	1,561,440,204.81	37.0%	*233,469*
Veneto	2,144	9.5%	495,941,346.68	11.8%	*231,316*
Piemonte	2,010	8.9%	361,885,245.53	8.6%	*180,042*
Toscana	2,363	10.5%	349,131,048.62	8.3%	*147,749*
Emilia Romagna	1,551	6.9%	339,367,842.31	8.0%	*218,806*
Lazio	1,050	4.7%	228,394,953.85	5.4%	*217,519*
Campania	1,541	6.8%	221,630,843.73	5.3%	*143,823*
Puglia	1,040	4.6%	106,489,226.87	2.5%	*102,393*
Sardegna	679	3.0%	97,358,581.98	2.3%	*143,385*
Sicilia	633	2.8%	93,251,558.70	2.2%	*147,317*
Marche	450	2.0%	81,169,313.29	1.9%	*180,376*
Abruzzo	361	1.6%	59,372,066.05	1.4%	*164,466*
Liguria	344	1.5%	56,326,633.01	1.3%	*163,740*
Trentino Alto Adige	773	3.4%	55,815,612.57	1.3%	*72,206*
Umbria	356	1.6%	48,306,025.59	1.1%	*135,691*
Friuli Venezia Giulia	248	1.1%	36,657,234.59	0.9%	*147,811*
Calabria	189	0.8%	13,457,168.74	0.3%	*71,202*
Basilicata	62	0.3%	7,745,889.03	0.2%	*124,934*
Molise	47	0.2%	3,797,809.39	0.1%	*80,804*
Valle D'Aosta	24	0.1%	2,659,856.31	0.1%	*110,827*
Total	22,553	100.0%	4,220,198,461.65	100.0%	*187,123.60*

BREAKDOWN BY OUTSTANDING PRINCIPAL

Amounts in Euro (data as at 31/10/2017)

Range (Euro)	AP		Oustanding Principal		*Average Size*
	n	%	*amount*	%	
<= 5.000	2,863	12.7%	6,620,515.22	0.2%	*2,312*
>5.000 - <=10.000	2,415	10.7%	18,292,181.26	0.4%	*7,574*
>10.000 - <=20.000	3,246	14.4%	46,734,141.88	1.1%	*14,397*
>20.000 - <=30.000	1,912	8.5%	46,517,661.51	1.1%	*24,329*
>30.000 - <=40.000	1,273	5.6%	44,591,513.50	1.1%	*35,029*
>40.000 - <=50.000	1,090	4.8%	48,891,163.83	1.2%	*44,854*
>50.000 - <=60.000	882	3.9%	48,374,420.30	1.1%	*54,846*
>60.000 - <=70.000	819	3.6%	53,019,302.10	1.3%	*64,737*
>70.000 - <=80.000	628	2.8%	47,086,373.71	1.1%	*74,978*
>80.000 - <=100.000	934	4.1%	83,720,233.61	2.0%	*89,636*
>100.000 - <=150.000	1,611	7.1%	196,541,576.78	4.7%	*122,000*
>150.000 - <=200.000	968	4.3%	167,179,378.45	4.0%	*172,706*
>200.000 - <=400.000	1,686	7.5%	470,545,343.36	11.1%	*279,090*
>400.000 - <=500.000	418	1.9%	186,944,316.79	4.4%	*447,235*
>500.000 - <=1.000.000	924	4.1%	642,599,229.51	15.2%	*695,454*
>1.000.000 - <=2.000.000	540	2.4%	748,167,345.29	17.7%	*1,385,495*
>2.000.000 - <=5.000.000	267	1.2%	788,833,108.34	18.7%	*2,954,431*
>5.000.000 - <=10.000.000	67	0.3%	446,020,662.80	10.6%	*6,657,025*
>10.000.000 - <=15.000.00	8	0.0%	96,140,511.92	2.3%	*12,017,564*
>15.000.000 - <=20.000.00	2	0.0%	33,379,481.49	0.8%	*16,689,741*
Total	22,553	100.0%	4,220,198,461.65	100.0%	*187,123.60*

BREAKDOWN BY ORIGINAL LIFE

Amounts in Euro (data as at 31/10/2017)

Range (Month)	AP		Oustanding Principal		*Average Size*
	n	%	*amount*	%	
<=24	19	0.1%	415,535.83	0.0%	*21,870*
>24 - <=48	4,240	18.8%	140,007,209.80	3.3%	*33,021*
>48 - <=54	71	0.3%	7,755,247.78	0.2%	*109,229*
>54 - <=60	7,176	31.8%	368,448,123.18	8.7%	*51,344*
>60 - <=72	1,447	6.4%	75,215,109.96	1.8%	*51,980*
>72 - <=96	2,421	10.7%	199,356,522.91	4.7%	*82,345*
>96 - <=120	361	1.6%	98,944,024.67	2.3%	*274,083*
>120 - <=154	892	4.0%	503,221,161.12	11.9%	*564,149*
>154 - <=180	2,313	10.3%	763,281,314.83	18.1%	*329,996*
>180 - <=192	453	2.0%	228,714,247.14	5.4%	*504,888*
>192 - <=204	133	0.6%	62,538,379.12	1.5%	*470,213*
>204 - <=216	2,368	10.5%	1,186,336,235.28	28.1%	*500,987*
>216 - <=228	392	1.7%	257,261,972.03	6.1%	*656,281*
>228 - <=264	231	1.0%	283,098,942.03	6.7%	*1,225,537*
>264 - <=360	36	0.2%	45,604,435.97	1.1%	*1,266,790*
Total	22,553	100.0%	4,220,198,461.65	100.0%	*187,123.60*

BREAKDOWN BY RESIDUAL LIFE

Amounts in Euro (data as at 31/10/2017)

Range (Month)	AP		Oustanding Principal		*Average Size*
	n	%	*amount*	%	
<= 12	3,674	16.3%	46,244,011.58	1.1%	*12,587*
>12 - <=24	3,484	15.4%	125,231,448.07	3.0%	*35,945*
>24- <=36	3,411	15.1%	198,979,116.63	4.7%	*58,335*
>36 - <=48	3,606	16.0%	318,594,184.81	7.5%	*88,351*
>48 - <=60	2,734	12.1%	438,188,663.33	10.4%	*160,274*
>60 - <=66	554	2.5%	140,178,256.48	3.3%	*253,029*
>66 - <=72	344	1.5%	132,682,707.46	3.1%	*385,706*
>72 - <=78	373	1.7%	110,831,957.81	2.6%	*297,137*
>78- <=84	219	1.0%	100,098,055.84	2.4%	*457,069*
>84 - <=96	191	0.8%	158,915,771.95	3.8%	*832,020*
>96 - <=108	708	3.1%	305,322,098.78	7.2%	*431,246*
>108 - <=120	834	3.7%	410,122,032.59	9.7%	*491,753*
>120 - <=134	1,040	4.6%	610,530,434.71	14.5%	*587,048*
>134- <=144	545	2.4%	375,361,215.32	8.9%	*688,736*
>144 - <=156	387	1.7%	270,793,627.69	6.4%	*699,725*
>156 - <=180	370	1.6%	405,523,020.99	9.6%	*1,096,008*
>180 <=240	79	0.4%	72,601,857.61	1.7%	*919,011*
Total	22,553	100.0%	4,220,198,461.65	100.0%	*187,123.60*

BREAKDOWN BY SEASONING

Amounts in Euro (data as at 31/10/2017)

Range (Month)	AP		Oustanding Principal		*Average Size*
	n	%	*amount*	%	
<= 6	1,317	5.8%	216,185,684.58	5.1%	*164,150*
>6 - <=12	1,951	8.7%	339,804,679.10	8.1%	*174,169*
>12 - <=18	1,731	7.7%	225,409,017.98	5.3%	*130,219*
>18 - <=24	2,590	11.5%	271,832,851.87	6.4%	*104,955*
>24 - <=30	2,514	11.1%	218,497,334.86	5.2%	*86,912*
>30 - <=36	1,571	7.0%	122,715,854.83	2.9%	*78,113*
>36 - <=42	876	3.9%	72,359,364.14	1.7%	*82,602*
>42 - <=48	912	4.0%	81,381,581.01	1.9%	*89,234*
>48 - <=54	845	3.7%	82,442,592.02	2.0%	*97,565*
>54 - <=60	728	3.2%	137,869,484.66	3.3%	*189,381*
>60 - <=66	854	3.8%	151,875,471.52	3.6%	*177,840*
>66 - <=72	619	2.7%	117,505,793.36	2.8%	*189,832*
>72 - <=78	604	2.7%	153,698,533.21	3.6%	*254,468*
>78 - <=84	465	2.1%	135,694,556.71	3.2%	*291,816*
>84 - <=96	814	3.6%	378,788,121.16	9.0%	*465,342*
>96 - <=108	850	3.8%	435,562,223.47	10.3%	*512,426*
>108- <=120	1,294	5.7%	528,977,990.90	12.5%	*408,793*
>120- <=180	2,018	8.9%	549,597,326.27	13.0%	*272,348*
Total	22,553	100.0%	4,220,198,461.65	100.0%	*187,123.60*

BREAKDOWN BY FIX RATE

Amounts in Euro (data as at 31/10/2017)

Fix Rate Range (%)	AP		Oustanding Principal		*Average Size*
	n	%	*amount*	%	
<=1%	206	4.3%	22,225,276.09	4.9%	*107,890*
>1% - <=2%	813	16.8%	94,495,987.32	21.0%	*116,231*
>2% - <=3%	962	19.9%	82,932,400.62	18.4%	*86,208*
>3% - <=4%	576	11.9%	30,840,553.49	6.8%	*53,543*
>4% - <=5%	600	12.4%	22,750,326.14	5.1%	*37,917*
>5% - <=6%	640	13.2%	111,289,042.70	24.7%	*173,889*
>6% - <=6,5%	314	6.5%	43,830,411.60	9.7%	*139,587*
>6,5% - <=7%	273	5.6%	22,142,218.42	4.9%	*81,107*
>7% - <=7,5%	155	3.2%	9,078,808.89	2.0%	*58,573*
>7,5% - <=8%	75	1.5%	4,706,086.22	1.0%	*62,748*
>8% - <=8,5%	103	2.1%	3,631,844.43	0.8%	*35,261*
>8,5% - <=9%	33	0.7%	868,646.32	0.2%	*26,323*
>9% - <=9,5%	28	0.6%	866,219.87	0.2%	*30,936*
>9,5% - <=10%	33	0.7%	522,963.51	0.1%	*15,847*
>10% - <=12%	28	0.6%	213,290.80	0.0%	*7,618*
Total	4,839	100.0%	450,394,076.42	100.0%	*93,075.86*

BREAKDOWN BY SPREAD

Amounts in Euro (data as at 31/10/2017)

Spread Range (%)	AP		Oustanding Principal		*Average Size*
	n	%	*amount*	%	
>0% - <=1%	1,028	5.8%	703,194,007.24	18.7%	*684,041*
>1% - <=2%	5,544	31.3%	1,607,131,144.15	42.6%	*289,887*
>2% - <=3%	4,588	25.9%	823,275,380.58	21.8%	*179,441*
>3% - <=4%	2,489	14.1%	298,991,485.43	7.9%	*120,125*
>4% - <=5%	1,847	10.4%	172,012,154.37	4.6%	*93,131*
>5% - <=6%	1,076	6.1%	102,586,761.71	2.7%	*95,341*
>6% - <=6,5%	318	1.8%	35,147,203.14	0.9%	*110,526*
>6,5% - <=7,0%	270	1.5%	13,862,392.64	0.4%	*51,342*
>7,0% - <=7,5%	195	1.1%	6,994,667.14	0.2%	*35,870*
>7,5% - <=8%	130	0.7%	3,520,260.93	0.1%	*27,079*
>8% - <=8,5%	99	0.6%	1,600,227.75	0.0%	*16,164*
>8,5% - <=9%	58	0.3%	704,780.40	0.0%	*12,151*
>9% - <=9,5%	36	0.2%	423,495.08	0.0%	*11,764*
>9,5% - <=10%	21	0.1%	92,984.67	0.0%	*4,428*
>10% - <=12%	15	0.1%	267,440.00	0.0%	*17,829*
Total	17,714	100.0%	3,769,804,385.23	100.0%	*212,814.97*

THE ORIGINATOR AND THE SERVICER

Short History

Mediocredito Italiano S.p.A. ("**the Bank**") is part of the Intesa Sanpaolo S.p.A. Group (100% owned by Intesa Sanpaolo S.p.A.) within the Banca dei Territori Division.

As such, the Bank is required to comply with the guidelines issued by the Parent Company in its management and coordination activity, including for the implementation of Bank of Italy's instructions in the interest of the Group's stability.

Today, the Bank plays the role of Intesa Sanpaolo S.p.A. Group's specialized centre ("*Polo della Finanza d'Impresa*") in medium and long-term ordinary lending, facilitated credit, leasing, factoring, advisory services and structured finance transactions to support the investment, development and innovation needs of businesses and the local community.

Mediocredito Italiano's history began over sixty years ago, in 1953, and since then several corporate and organizational changes have occurred. Focusing on recent years, the most significant change took place in 2014 with the absorption of all Intesa Sanpaolo S.p.A. Group's units dedicated to leasing and factoring activities, and in general to providing medium-long-term financing to businesses.

In 2013, the Enhancement Project of Mediocredito Italiano was approved, with the aim of strengthening the Bank's role as "*Corporate Finance Centre*" within the Banca dei Territori Division, to provide customers, consisting of Small and Medium Enterprises ("*SMEs*"), consulting and specialist credit support including through the absorption of leasing operations.

The implementation of the project process involved the following corporate transactions:

i. *Establishment of the "Leasing Centre"*

Integration of leasing operations on 01.01.2014 through absorption of Leasint S.p.A. and transfer by Intesa Sanpaolo S.p.A. S.p.A of the leasing business consisting of the aggregate assets and liabilities deriving from the absorbed Centro Leasing S.p.A and Neos Finance S.p.A..

In addition to the initiatives envisaged in the "Enhancement Project of Mediocredito Italiano S.p.A.", in January 2014, the "Integration Project of Mediofactoring S.p.A. (Group factoring company") was launched within the "Corporate Finance Division", aimed at finalizing the establishment of a single hub offering specialized services and products to businesses.

The implementation of the project process involved the following corporate transactions:

ii. *Transfer of the Intesa Sanpaolo S.p.A. Group factoring operations within the "Corporate Finance Division"*

Acquisition of the factoring and consulting business for the agro-food, agro-industrial and agro-energy sector on 01.07.2014, through the transfer by Intesa Sanpaolo S.p.A. of the business carried out by the absorbed Mediofactoring S.p.A. (which, in turn, had previously absorbed Centro Factoring S.p.A.) and the merger by absorption of the wholly owned subsidiary Agriventure S.p.A.

As part of the "Project for the demerger of Mediocredito Italiano S.p.A. and transfer to Intesa Sanpaolo S.p.A. Provis S.p.A.", effective from 1 October 2015, the demerger of Mediocredito Italiano S.p.A.'s non-performing assets in the leasing segment to Intesa Sanpaolo S.p.A. Provis S.p.A. (wholly owned by Intesa Sanpaolo S.p.A. with the aim of managing non-performing loans arising from leasing contracts).

To strengthen Mediocredito Italiano S.p.A.'s specialization, in 2016 a project to simplify the Bank's organizational model was launched through the adoption of a streamlined organization based on the acquired know-how and the most advanced units of the Intesa Sanpaolo S.p.A. Group.

The project was implemented through partial demerger of Mediocredito Italiano S.p.A. in favour of Intesa Sanpaolo S.p.A. and Intesa Sanpaolo S.p.A. Group Services Scpa, which resulted in the centralization of various functions within the Parent Company:

- Intesa Sanpaolo S.p.A. as of 1 June 2016: risk management, compliance and AML, financial reporting, planning and control, compliance clearing (support to new products approval process), commercial performance monitoring of the Bank's products/services and non-complex sectors in support of the Network;
- Intesa Sanpaolo S.p.A. Group Services Scpa, as of 1 July 2016: support activities pertaining to legal affairs and information systems, as well as organizational mapping and formalization of business processes.

As a result of the above, specific "Representative/Manager" roles have been identified by area, in accordance with Supervisory Provisions and the Group Governance regulations (specifically: Compliance Officer, Head of AML Function, Head of Reporting of Suspicious Transactions, Head of Risk Management).

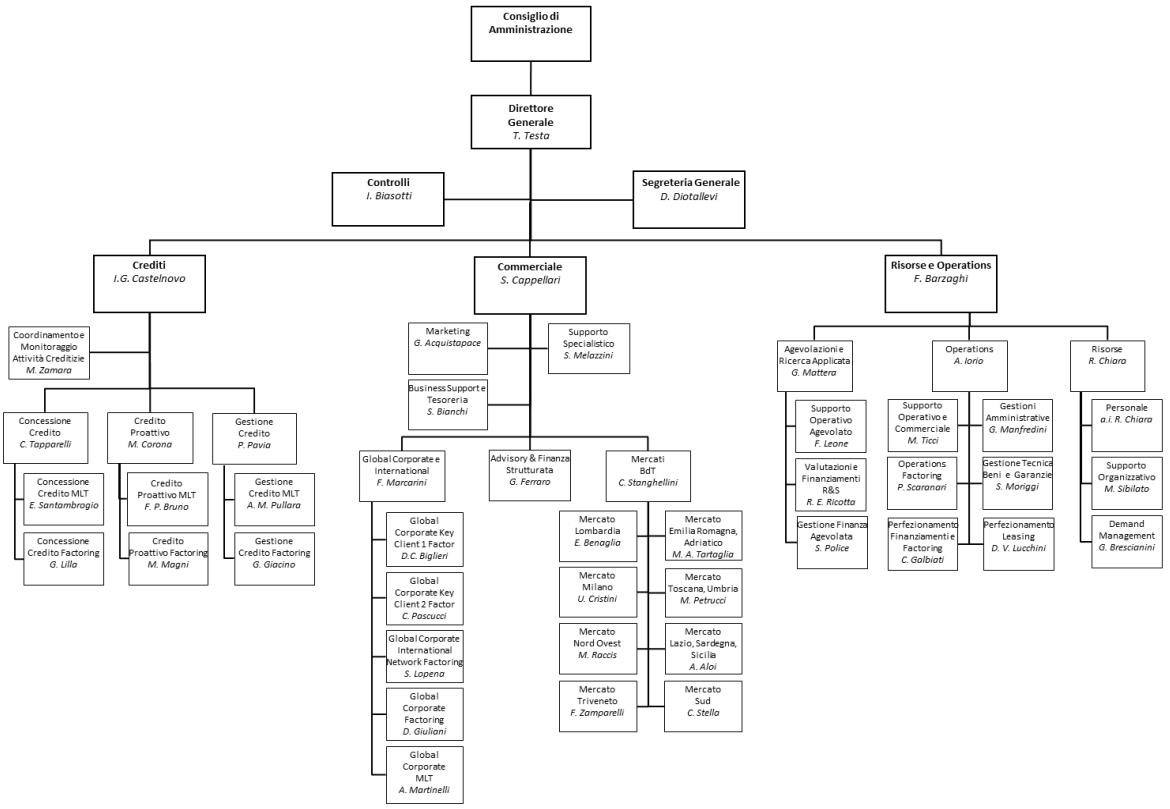
Today, Mediocredito Italiano is a top player in the domestic leasing industry (as already pointed out in chapter 1 "Leasing Market" - the Bank ranks fifth in terms of new contracts and first in terms of outstanding amounts); it is the leader in the factoring industry in Italy and one of the major international credit management operators with 43,000 customers and loans of €40.8 billion (source of data: financial statements as at 31.12.2016).

The Bank also operates with a Commercial staff of 355 people (as of 19 June 2017) - Business Specialists, Commercial Employees, Market Coordinators, Corporate Finance Specialists - whose task is to strengthen and qualify relations with the local community, through specialist and consulting support, especially with regard to relations between the Group Banca dei Territori Division and its customers, as well as with the Corporate and Investment Banking Division for Global Corporate and International customers.

Organisational Chart and Functions

Currently, Mediocredito Italiano has a staff of 946 people, including 24 Senior Managers, 503 Middle Managers and 419 Professionals (ABI - National Collective Labour Agreement).

Current organizational chart of Mediocredito Italiano (as at 19 June 2017)



Balance Sheet and Income Performance as at 31/12/2016

Total assets amounted to €42,967.3 million, showing a decrease of €855.9 million compared to the end of the previous year (-2.0%).

Receivables amounted to €42,124.9 million (1.9% compared to 31/12/2015); They include receivables from customers for €40,808.9 million and receivables from banks for €1,316.0 million.

Receivables from customers, accounting for 95.0% of total assets, include performing receivables for €37,105.6 million and non-performing receivables for €3,703.3 million, which account for 9.1% of total receivables from customers (10.3% as at 31/12/2015).

Receivables from customers refer to medium-long term financing transactions for €13,477.3 million (33.0% of the total), leasing transactions for €15,559.7 million (38.1% of the total) and Factoring transactions for the remaining €11,771.9 million (28.8% of the total).

Compared to the end of 2015, there was a reduction in the weight of Leasing transactions from 40.4% to 38.1%, and an increase in the weight of receivables for medium-long term financing transactions from 31.4% to 33.0%; the weight of receivables for factoring transactions was substantially unchanged from 28.3% to 28.8%.

The item "Payables" amounted to €39,190.8 million, down by €952.3 million (-2.4%) compared to 31 December 2015; it consists of Payables to banks (€38,733.5 million), and Payables to customers (€457.3 million).

Shareholders' equity, including the profit for the period, amounted to €2,313.1 million compared to €2,289.1 million at 31 December 2015.

It consists of the Share Capital for €992.0 million, Share Premium Reserve of €442.6 million, Reserves for €845.2 million, Negative Valuation Reserves of €59.5 million, essentially attributable to the negative fair value of cash flow hedges, and net profit for the year of €92.7 million.

The income statement for the year shows interest income of €770.4 million, while interest expense amounted to €281.7 million.

The interest margin stood at €488.6 million, showing a reduction of €47.3 million compared to 2015 (-8.8%).

Gross income was €616.8 million, compared with €679.4 million for the financial year 2015.

Net value adjustments on Receivables and other financial transactions compared to 2015 decreased from €412.1 million to €341 million (-17.3%).

Net profit amounted to €92.7 million, compared with €79.8 million in the previous year (+ 16.2%).

ROE (calculated as the ratio between net profit and book equity at period end, net of the said profit) was 4.0% annually, up from 3.5% for the previous year.

Corporate bodies of Mediocredito Italiano

The administrative bodies appointed and in office until the date of the Shareholders' Meeting convened to approve the financial statements for the year ended 31 December 2018 are as follows:

Board of Directors

Office	Name
Chairman	Roberto Mazzotta
Deputy Chairman	Giovanni Tricchinelli
Deputy Chairman	Paolo Giopp
Director	Mario Boselli
Director	Franco Ceruti
Director	Federica Galleano
Director	Fabrizio Gnocchi
Director	Andrea Lecce
Director	Francesco Pensato
Director	Eugenio Rossetti
Director	Federico Vecchioni

Board of Statutory Auditors

Office	Name
Chairman	Livio Torio
Regular Auditor	Roberta Benedetti
Regular Auditor	Michelangelo Rossini
Alternate Auditor	Francesca Monti
Alternate Auditor	Paolo Giulio Nannetti

General Management

Office	Name
General Manager	Teresio Testa

CREDIT, COLLECTION AND RECOVERY POLICY

1. MEDIOCREDITO ITALIANO UNDERWRITING CRITERIA

The resolution regarding finance lease applications may be taken by the Intesa Sanpaolo S.p.A. Group banks or by Mediocredito Italiano according to their respective decision-making powers, which are described below.

This paragraph defines the credit rating assessment principles and techniques used by the Company and the Banks of the Intesa Sanpaolo S.p.A. Group.

The various measurement criteria refer to internal regulations of the Company and the Parent Company and take into account:

- decision-making limits in terms of risk-weighted assets (RWAs), which represent a measure proportional to capital absorption. The RWAs incorporate the size of loans (EaD), Customer Risk (PD), Counterparty default rate, possibly mitigated by guarantees (LGD), and maturity. For each credit line RWAs are calculated, which depend on credit granted (existing and proposed), credit utilization, counterparty's regulatory segment and rating, the transaction type and maturity and the supporting guarantees. Consequently, given the same amount of absorbed capital, higher amounts can be granted as the counterparty's rating improves, as the eligible guarantees increase, as maturities shorten and as the technical forms of the loans become more conservative. The amount of RWAs increases as the counterparty risk (rating-related) and the transaction risk (related to the amount, type and duration of the transaction, as well as the collateral) increase. For the purpose of defining decision-making powers, the RWAs to be considered with respect to existing and proposed risks, assumed and to be assumed by the Intesa Sanpaolo S.p.A. Group vis à vis the Economic Group or the individual counterparty that is not part of the Economic Group, are determined as follows: 1) Calculation of the RWA of each credit line, both existing and proposed 2) Sum of the RWAs of existing and proposed credit lines of each counterparty with the various Banks/Companies of the Intesa Sanpaolo S.p.A. Group; 3) aggregation of the RWAs of all counterparties that have been granted credit at each of the Banks / Companies of the Intesa Sanpaolo S.p.A. Group belonging to an Economic Group.
- the guarantees obtained and to be obtained;
- the type of assets covered by finance lease transactions.

(A) Analysis and resolution by the banks of the Intesa Sanpaolo S.p.A. group

For all finance lease applications covering assets that are eligible for Pronto Leasing Banca operations and falling within the delegated decision-making powers, the distribution network must carry out the evaluation of the transaction, by appropriately balancing the purely credit aspects related to knowledge of the client by the Group's banks with the "technical" aspects related to the characteristics of the leased asset.

The examination of finance lease applications submitted by customers is carried out by the Branches of the Intesa Sanpaolo S.p.A. Group's Banks.

(B) **Asset assessment**

The valuation of the asset differs depending on whether it involves movable or immovable property.

In the case of finance leases relating to immovable property, the outcome of the resolution will in any case depend on the technical-valuation appraisal of the property, to be carried by an independent expert appointed in the name and on behalf of Mediocredito Italiano; the amount of the financing granted must therefore be in line with the value of the property attributed by said appraisal.

Contracts may involve finished properties or properties to be constructed or renovated. For projects based on work progress, the risk is higher as there is a longer time between the resolution phase (and therefore the evaluation of the transaction) and when the contract starts producing income; It should also be considered that the originally agreed amount may not be sufficient, either due to the inevitable increases in costs involved in real estate projects, or because during the construction, the customer requests changes or improvements, which are reflected in the final project amount.

An alternative technical solution, which reduces the pre-financing risk for Mediocredito Italiano, is the "technical lease back". In this case, the client is responsible for the building phase, usually pre-financed by the proposing bank, and Mediocredito Italiano steps in upon completion of the building.

Mediocredito Italiano has set up a classification system for classifying assets according the level of their subsequent marketability, with a score from 0 to 3. The classification covers all assets: Real estate and movables assets, including vehicles.

Class 0 assets	No guarantee for the asset	0 points
Class 1 assets	Insufficient guarantee	+1 point
Class 2 assets	Sufficient guarantee	+ 2 points
Class 3 assets	Good guarantee	+ 3 points

For movable assets, special attention must be paid to the evaluation of large-scale plant, particularly when advance payments to the supplier are required for construction. In the latter case, it is advisable to obtain data for assessing the supplier and consider requesting guarantees for the construction phase.

(C) **Customer rating**

The applicant's assessment is based primarily on its quantitative characteristics (assessment of the financial and operating structure of the company and/or the related economic group, including in prospective terms, impact of the new investment on company performance, central credit register information and Databases, etc.) and qualitative characteristics (assessment of the company's economic sector, prospects for development of the industry and the company, ownership and management information, investment programmes, relationships with the banking group, etc.) including by using the Parent Company's rating models.

In addition, being part of the Intesa Sanpaolo S.p.A. Group, besides being an element of business strength, also provides obvious advantages in terms of creditworthiness, as the local

operators' knowledge of customers, the daily interaction, as well as the sharing and access to data available to group banks are an integral part of the creditworthiness valuation process.

The activities related to the applicant's assessment are presented below.

Computer system information

Mediocredito Italiano computer system provides information on customers' risk position with regard to MCI, their outstanding debt, overdrawn amounts as well as approved, rejected, entered into, income-producing and closed contracts.

The risk sheet also considers whether the customer is part of an economic group, after registration of the customer in the group master database managed by the Parent Company.

Centrale dei Bilanci

The Centrale dei Bilanci (Ce.Bi.) is an institution whose shareholders are several banks of the system, each of which undertakes to enter a certain number of financial statements (distribution plan) in the network, in exchange for the ability to view and print all the reclassified financial statements available within Ce.Bi.

The corporate financial statements (of both companies and partnerships) are provided according to various reclassification models, broken down according to the type/sector of the company (industrial, commercial, financial, real estate, consolidated and tax return for partnerships only). The models can be viewed and printed according to two types of statements: Summary and detailed.

The Centrale dei Bilanci has become a key element in the decision-making process of Mediocredito Italiano and its subsidiaries, as it provides summarized financial statement data and related ratios, and is the main part of the quantitative analysis within the rating assignment process.

Cerved

Besides the company Chamber of Commerce file search, the protests and adverse entries information is obtained from the CERVED database with regard to the company, its main officers and the guarantors of the transaction, as well as on the suppliers of goods and real estate sellers.

The reporting officer will be able to use this database to obtain information about the ownership structure (list of shareholders/members) of the applicant company or any other companies indirectly involved in the transaction (guarantors, parent companies, affiliates) or to obtain the official company accounts in case they have not been attached or made available by the proposing bank.

Assilea

Assilea has set up a Central Credit Register (BDCR) to provide its Associates with an information tool for better credit risk assessment. Associates provide Assilea with data on their customer positions on a monthly basis.

The information held by Assilea is especially important for assessing creditworthiness as it provides historical data and data on the quality of the relationship between the counterparty and the leasing system.

Bank of Italy Central Credit Register

With a view to strengthen the system stability, through the Central Credit Register the Bank of Italy provides reporting entities with the information necessary to contain the risks arising from cumulated financings to the same party.

The purpose of the Central Credit Register is to help improve the quality of the loans granted by the intermediaries participating in the service, by providing them with useful, though not exhaustive, information to assess the creditworthiness of customers and, in general, to analyse and manage credit risk.

Dun & Bradstreet

If necessary, the Dun & Bradstreet database, and more specifically the DB Plus report, is a good information tool. This document combines public data (master data, business segment, officers, protests and adverse entries, last financial statements) with other relevant data (such as the banking branches with which the company operates, the type of customers, the average payment and collection period, the scale of operations).

This is a useful tool when we need to evaluate companies or other foreign entities.

CRIF (Credit Bureau Financial Information)

The Crif database is an important tool for assessing the quality of customer's payments, especially with respect to instalment payments of modest amounts, often below Banca d'Italia and the Association reporting thresholds, or with respect to contracts with non-bank financial institutions.

The database provides a summary risk indicator, called the CB Score, which can assume values from A (maximum risk) to P (minimum risk). Values ranging from A to D included are a "HIGH RISK" indicator; Valuesfrom E to L are a "MEDIUM RISK" indicator; The values from M to P are a "LOW RISK" indicator. Note that Crif's score does not take into account the earning capacity of the queried entity, but only the history of its past or existing financing. The indicator has no absolute value, since the credit quality opinion is calibrated according to the commitment for which the applicant is assessed.

(D) **Assessment of guarantees**

The main guarantees in use at Mediocredito Italiano comprise Collateral and Personal Guarantees.

The various guarantees offer various levels of protection and meet different needs: The guarantees that provide true protection, called "Strong Guarantees", if taken in compliance with the specific formalities and approved texts, consist of the Collateral mentioned above.

Eligible personal guarantees (personal or corporate surety, comfort letters) being less protective in nature and being more complex to enforce, are called Medium Guarantees.

In addition to the aforementioned guarantees, there are others, typical of leasing transactions, such as the commitment to take over the contract (surety) and the repurchase agreement; These guarantees, although not expressly governed by the legal system, are, in practice, a valid risk mitigation tool.

When the above mentioned guarantees are provided, the Underwriting Service will carry out information / documentary /asset checks on the guarantors (personal guarantees) in order to ascertain their financial and operating capacity in relation to the requested funding. For collateral, the assessment concerns adequacy and validity.

If the specificities of the transaction so require, any changes to the standard texts providing lesser protection for the Company and the drafting of specific guarantees will have to be examined by the Legal and Corporate Affairs Service.

In finalizing the leasing transaction, the relevant services, which deal with the preparation and signing of the contractual documents, are responsible for verifying that the agreements are consistent with the resolution passed. They also fulfil specific operating requirements such as verifying the signing authority, ascertaining that the signatory parties are actually entitled to sign the contractual documents/issue the guarantees.

(E) **Supplier rating**

An additional element for assessing the risk of a leasing transaction refers to the characteristics of the supplier of the good.

In real estate transactions, in particular, the associated risk is the claw-back risk, according to the current bankruptcy law; In the event of supplier's insolvency, "all the acts for valuable consideration carried out in the year preceding the declaration of bankruptcy, in which the services performed or the obligations assumed by the insolvent party, greatly exceed what it has been given or promised" are revoked (Article 67, 2nd paragraph, Bankruptcy Law).

The above applies unless the other party proves that it was not aware of the debtor's insolvency status. In the practical application of the law, there is a presumption of knowledge of the state of insolvency with regard to leasing companies (and banks in general).

In this case, the fairness of the price at which the transaction is made in relation to the commercial value of the asset is decisive. This helps mitigate the risk of claw-back, without however eliminating it altogether, as the assessment of the disproportion of the consideration is subject to the assessment of the bankruptcy bodies, which always entails an element of subjectivity. That said, the acquisition of valuation elements on the supplier may be decisive in attenuating the above risk.

Therefore, in real estate transactions it is advisable to carefully verify the seller, for example by obtaining financial statements data, chamber of commerce file searches and other data from available databases.

A special type of transaction involving a "supplier risk" is the lease-back. In these transactions the customer and the supplier are the same. The customer sells the asset (usually a real property) to the leasing company and then takes it back under a sub-lease. In this case, special

attention must be paid to the nature of the transaction (especially if financial and / or intragroup), the customer / supplier data and to the fairness of the purchase price.

The same caution must be paid for intercompany transactions, i.e. when there is a (legal or de facto) link between supplier and customer.

1.1 MEDIOCREDITO ITALIANO INTERNAL RESOLUTION

As mentioned, the lending resolution may be taken by the Banks of the Intesa Sanpaolo S.p.A. Group (Pronto Leasing) or internally by Mediocredito Italiano.

The following transactions fall within the exclusive responsibility of Mediocredito Italiano:

- New Co
- Unrated
- Counterparties with a rating greater than or equal to M4
- Lease back transactions
- Intercompany transactions
- Transactions with an advance payment threshold of less than 20% for real estate, less than one instalment for other types of leasing. However, real estate transactions with an advance instalment of less than 10% cannot be considered by Mediocredito Italiano.
- Transaction based on work progress on real estate "under construction" and for "renovation"
- Pool contracts
- transactions that involve offsetting payables and receivables
- structured finance transactions, meaning transactions in which the repayment is wholly or to a large extent covered by the cash flows generated by the investment/acquisition financed by the transaction
- Financing /leasing in the energy and aviation- rail-naval sector
- Maximum amount per transaction €2,000,000 (nominal values)
- With a cumulative limit of 5 million RWAs per customer group/MCI

In all these cases, the proposing branch must send Mediocredito Italiano all necessary documentation to pass the relevant resolution.

(A) The process

In the next step the application is examined by the technical department to assess the asset to be financed, the fairness of the price and the duration of the amortization plan.

Subsequently the application is examined by the Underwriting Service which analyses the loan coverage margin, the financial and capital structure of the applicant from both a historical and prospective standpoint in the event the transaction is completed. Particular attention is also paid to the debtor's business sector.

(B) **General credit lines leasing transactions**

Decision-Making Bodies with the required authority are responsible for granting general credit lines, which can be granted with respect to equipment leasing and within a single investment project, each within their respective responsibility; the resolution must contain a precise definition of all the features required for the application of the individual operating credit lines that will subsequently be approved (subject-matter, term guarantees, previ, subordini, advance, redemption etc).

The head of Commercial Market is responsible, regardless of the powers assigned to him/her for the resolution on operating credit lines, provided it is in full compliance with the requirements set out in the resolution of the general credit line.

Otherwise, the resolution on the operating credit line shall be the responsibility of the decision-making body having the relevant authority.

Once the resolution's validity deadline is expired, the general credit line is valid for a further 6 months if the rating is valid or is renewed for the same level. The resolution for an operating credit line may never be passed if the general credit line has expired.

(C) **Mediocredito Italiano's approval powers**

The following table shows the approval powers, in terms of RWAs, granted by Mediocredito Italiano's General Manager on a personal basis to the various company heads, depending on their experience and position held.

Organi deliberanti	Classificazione clientela	Rischi di credito[1]		Rischi di consegna
		Clientela Ordinaria	Clientela Banche[3]/Enti Finanziari[4] appartenenti a Gruppi bancari	
Comitato Crediti	In bonis	32.000	32.000	16.000
	Deteriorato	32.000	32.000	16.000
Direttore Generale	In bonis	23.000	23.000	11.500
	Deteriorato	23.000	23.000	11.500

(1) I rischi di credito comprendono : rischi di credito ordinario, di sostituzione, di posizione (collocamento) e altri rischi.

I limiti di autonomia sono esercitabili anche per le delibere previa acquisizione del "Parere di conformità" della Capogruppo.

Organi deliberanti	Classificazione clientela	Rischi di credito[1] Clientela Ordinaria
Struttura Crediti		
Responsabile Crediti	In bonis	20.000
	Deteriorato	20.000
Responsabile Concessione Credito	In bonis	15.000
Responsabile Concessione Credito MLT	In bonis	12.000
Altri Dirigenti/QD Concessione Credito MLT – 1^ fascia	In bonis	9.500
Altri Dirigenti/QD Concessione Credito MLT – 2^ fascia	In bonis	2.850

Organi deliberanti	Classificazione clientela	Rischi di credito[1] Clientela Ordinaria
Struttura Commerciale		
Responsabile Mercato	In bonis	1.700
Coordinatore Mercato	In bonis	1.200
Altri Dir/QD Mercato	In bonis	500
Responsible Global Corporate MLT	In bonis	1.700
Altri Dir/QD Corporate e Global Corporate MLT – 1^ Fascia	In bonis	1.200
Altri Dir/QD Global Corporate MLT – 2^ Fascia	In bonis	500

(1) I rischi di credito comprendono: rischi di credito ordinario, di sostituzione, di posizione (collocamento) e altri rischi.

(D) **Resolutions passed with the Parent Company's compliance statement**

The "Compliance Statement" is the instrument by which the relevant decision-making bodies of the Parent Company assess and share the creditworthiness of exposures (single counterparty or Economic Group) that exceed the powers delegated to the Banks and Companies of the Intesa Sanpaolo S.p.A. Group, in terms of approval limits and in accordance with "Credit underwriting rules".

The "Compliance Statement" request must be submitted to the relevant decision-making Body of the Parent Company according to the "procedure" in place at Mediocredito Italiano and before adoption of the relevant decision.

Mediocredito Italiano must also request the "Compliance Statement" for transactions carried out with counterparties that are subject to a "Credit Limit" except for the following.

For Mediocredito Italiano the "Compliance Statement" is issued by the Parent Company as a minimum at the level of:

- BdT Credit Head Office Department in the case of exclusive clients of Mediocredito Italiano or shared with the Banca dei Territori Division;
- CIB Credit Head Office Department in the case of customers shared with the Corporate and Investment Banking Division or subject to a "credit limit".

The "Compliance Statement" request must be submitted by the Credit Manager or by the Credit Underwriting Manager to the relevant Parent Company's functions prior to the adoption of the related resolution whenever the limits granted to the Credit Committee are exceeded.

Mediocredito Italiano is not required to request the "Compliance Statement" if:

- the transaction makes use of a portion of the credit limit allocated to Mediocredito Italiano in favour of banking clients and financial institutions that are part of banking groups;
- exposure to the Counterparty falls within the following limits for approval and compliance with the "credit limit" approved by the relevant Parent Company's Bodies and the assigned portions.

The following Decision-Making Bodies have the power to grant, vary and renew the credit lines:

- the Credit Committee within 50% of the approval limits allocated to it;
- the General Manager within 50% of the approval limits allocated to him/her;
- the Credit Manager within 50% of the approval limits allocated to him/her.

These limits must be exercised in favour of a single counterparty on Intesa Sanpaolo S.p.A. Group.

Each time the transaction exceeds the maximum specified powers, the right to approve and/or change credit facilities is granted, at the minimum level of the Board of Directors, subject to prior Compliance Statement issued by the Parent Company.

If Mediocredito Italiano decides not to accept the indications contained in the compliance statement issued by the relevant decision-making body, it must submit the decision to its Board of Directors and notify the body that issued the "Statement" providing an explanation.

2. PAYMENT SYSTEMS AND MANAGEMENT OF EARLY REIMBURSEMENTS

2.1 Procedures and payment systems

The most widespread collection method for lease payments is the Sepa Direct Debit - SDD (permanent authorization to debit the current account in relation to collection requests).

SDD is a form of payment by which, upon signing of the contract the customer authorizes the bank, by signing a special mandate, to pay the sums owed in connection with the finance lease agreement.

For uploading the SDD authorization, Mediocredito Italiano performs the "electronic database alignment" (SEDA service): given the contract signed by the customer, the bank operator is not required to enter the data into the system, which are instead entered by MCI, through an "alignment bank" that automatically enters all necessary information in the interbank channel through an electronic flow, the acceptance of which will be the sole responsibility of the branch holding the account to be debited.

MCI sends the electronic instructions to debit the customers' accounts to the concerned banks on a daily basis. Credit to MCI is made subject to collection.

Currently, MCI sends the SDD streams daily for loans expiring up to 30 days after the transmission date.

For contracts - as a matter of fact a very limited number (e.g.: foreign clients, customers subject to Law 136/2010 on traceability, non-performing clients) - for which the SDD procedure is not used (however increasingly widespread for leases that are subject to traceability requirements), collection is made using traditional payment systems (bank transfers, checks, etc.).

2.2 Management of early reimbursements and contractual amendments

Contracts generally do not provide for the option to change the scheduled repayment plan or to early reimburse the financing. However, customer requests are assessed on a case-by-case basis and subject to Company staff's powers to approve changes in repayment plans and the early reimbursement of the financing.

Authorization for early reimbursement is the responsibility of the Head of the Administrative Department (or his/her assistants as personally identified and delegated):

(i) independently, for contracts with outstanding debt up to €250,000 for floating rate leases and up to €100,000 for fixed rate leases;

(ii) subject to prior agreement with the Commercial Manager (or his/her assistants as personally identified and delegated) for contracts with an outstanding debt exceeding €250,000 (Floating Rate) and €100,000 (fixed rate) respectively.

Requests to calculate the amount to be paid in case of early termination of the contract must be sent in writing to the relevant Post Sales Leasing function. When discussing the matter with customers, the User is advised that early termination of the contract at his/her discretion is not provided by contractual terms and therefore the leasing company has the right to decide whether or not to grant it.

The applicable default terms are from time to time defined by an inter-functional working group that has the task of evaluating the different aspects (cost of the transaction, pricing, ...).

The amount to be paid is notified in writing to the customer. Upon receipt of the acceptance by the customer - which must be received within the deadline specified in the above notice, together with the payment - the reimbursement procedure is carried out either directly or through partner companies.

Requests for an amendment to the contract, due to events that occurred after the signing of the contract and which entail a risk increase are handled by the Commercial function (with regard to receipt and preliminary handling of the request) and by the Underwriting function (for the evaluation and resolution phase) by applying the same rules as those applicable for new approvals.

The formalization of these contractual amendments, including the resolutions adopted in the area of Problem Loans, is overseen by the Leasing Finalization function.

A similar process is also followed for the management of compulsory changes in "personal data" (e.g. change of company name, legal form, tax code / VAT number, etc.), as they are essentially due to corporate changes.

3. PROCEDURE TO MANAGE PROBLEM/ NON-PERFORMING LOANS

3.1 Proactive credit management

The "Proactive Credit" process is the new model dedicated to managing customers in potential difficulties, with the aim of correctly and timely addressing anomalies as of their inception, avoiding a deterioration of the position and its subsequent classification as Non-performing loan.

This model is used for leasing exposures exceeding €750,000 (K6 and K8) and is based on the intervention of Business Specialists of the commercial area to monitor the positions and to support a dedicated central function within Loans.

The peculiarity of Proactive Management consists in monitoring the regularization of identified positions.

The main activities are:

a) identification of early warning signs based on an in-depth knowledge of the portfolio and the local area;

b) automatic identification through an Early Warning System that captures critical signals and immediate solution of situations where possible;

c) in-depth analysis of the most critical situations.

Initially ("Branch Management" (GF) status), it is up to the Commercial function to analyse the position and verify any criticalities, detecting anomalies and the underlying causes and defining proposals to remove them. Positions in K6 and K8 in the GF status that are not processed within the 30 days or that are processed but without outcome and classified as

performing become GN for an unlimited period. During this status, the Commercial function, alongside the Proactive Credit Management, must constantly monitor compliance with the terms agreed with the customer. In the case of positions for which no significant improvements have been made, the function must propose the classification as non-performing loan resulting in its transfer to the Credit Management function.

In view of the customer's temporary difficulties, the Commercial function agrees on a potential solution with the customer which, while maintaining the credit relationship, enables the elimination of the anomalies that caused the position to be detected by the process.

It is therefore possible to make certain decisions such as:

a) covering the overdrawn position without litigation;

b) regularization of arrears;

c) acquisition of new guarantees.

A renegotiation of the loan or the preparation of a specific repayment plan of arrears is also considered.

Following the worsening of the parameters due to additional critical signs being detected, the position moves into the "Proactive Management" status and the Proactive Credit Management function works alongside the Commercial function:

a) in analysing the position and the actions to be undertaken,

b) in assessing the possibility of meeting with the customer to agree on new proposed solutions,

c) in validating the Action Plan, entered by the Commercial function, and in the possible reclassification of the lease as non-performing loan;

d) in monitoring compliance with the Action Plan according to the predefined timing.

Exclusive leasing positions with an exposure of less than €750,000 and only detected due to unpaid instalment (K1), are monitored using a different process; in this case, the management is outsourced to external companies under the supervision of the Proactive Credit Office function; More specifically, the operating / management phases are as follows:

a) appointment of credit recovery companies operating via telephone ("Phone Banking" status - 30 days), which contact the customer and verify the issue, in order to define the actions needed to cure the position;

b) if the "Phone Banking" status has a negative outcome, appointment of credit recovery companies that visit the customer (2 distinct 30-day processing cycles each), corresponding to the internal "Proactive Management" phase.

In these cases, the internal function is responsible for managing credit lines, monitoring the activities of external credit collectors, evaluating the outcomes and arranging potential solutions (e.g. restructuring, reimbursement plans, ...). The counterparty's situation is also assessed and, consequently, keeping it in the performing category or other actions (e.g.,

transition to a worse status) are assessed, while maintaining coordination with other Group functions in relation to common positions.

3.2 **Manual interception**

Manual inclusion in problem loan processes is possible when one or more of the events referred to as "Negative Symptoms"[1] occur, including in relation to the size and specific weight of each of them.

The Commercial Function must quickly analyse the causes and, if deemed appropriate, it must submit a request to the Authorized Decision-Making Body for classification of these positions in the proper management status.

Conversely, if an "Adverse Event"[2] occurs, the Commercial Function must submit a proposal to the Authorized Decision-Making Body for classification as "Unlikely to pay" or "Defaulted", depending on the severity of the detected anomalies.

If, on the contrary, they believe that the events detected are not such as to constitute a deterioration in credit quality, they must submit a proposal to confirm the performing classification of the position.

If an adverse event occurs, Auditing may also request a reclassification as non-performing loan of the most risky positions identified in ordinary activities, characterized by serious anomalies but not automatically detected as the request is justified by reasons other than unpaid instalments or overdrawn positions.

3.3 **Credit Management**

Following the detection of risky positions, the procedure automatically includes the position in the appropriate management process, depending on the MLT / LEA or FACTORING product, and identifies the organizational unit within the Credit Management function which must be given responsibility for managing the position.

The above, in any case, is without prejudice to the discretion of the Credit Managers.

The following units are involved:

a) MLT Credit Management

b) Factoring Credit Management

The Credit Manager analyses the position in order to "confirm" its inclusion in the process, or to request its classification in a higher risk status.

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[1] Negative Symptoms are events that, while not being in themselves indicative of an impairment process already in place, still suggest a clear situation of difficulty.

[2] Adverse events are defined as events that suggest an impairment process is already well under way or which, in any case, involve a reduction in the overall liable assets.

More specifically, the Manager is tasked with preparing a summary sheet containing the main basic queries and, with regard to common positions with other Group Banks / Companies, the contact with the relevant manager or the Credit function that has responsibility in terms of amount range (relationships already detected in the problem loan /non-performing loan procedure at the Banking Group level).

The advisability / need to directly contact the customer to request the regularization of the contracts is then assessed.

The definition of non-performing loan coincides with that of "impaired assets" used for the preparation of the "financial statements", as well as that of the "Default" provided by the New Basel Accord.

According to Banca d'Italia's rules, "Impaired Assets" correspond to "Unlikely to pay"[3], "Defaulted"[4] and past-due[5] positions by over 90 days (Past Due).

These positions must be managed in compliance with the principles and requirements set forth in the New Basel Accord on capital (Basel II) and the regulations subsequently issued by the Bank of Italy and the International Accounting Standards (IAS).

Through Credit Management, MCI, as well as the Intesa Sanpaolo S.p.A. Group, intends to pursue the following objectives:

a) to ensure at all times the correct allocation of the risk status and adequate credit assessment through timely classification of positions and appropriate valuation of the expected realizable value of the loan;

b) to take action in the most timely and effective way to minimize losses to the company by implementing management measures aimed at overcoming the state of difficulty wherever possible, including through a fruitful collaboration with the client and with the other Banks/Companies of the Intesa Sanpaolo S.p.A. Group.

Therefore, the Credit Manager must ensure:

a) the timely classification of a position in the correct risk status on the basis of adverse events that may lead/have led to a default status, of reporting/decisions from other corporate units, of requests to align to a higher-risk classification received from the Parent Company or other Group Banks/Companies for shared customers, of

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[3] "Unlikely to pay" are defined as exposures of a debtor for which the Bank considers it unlikely that it will fully (principal and/or interest) fulfil its credit obligations ("unlikely to pay") without undertaking actions such as the enforcement of collateral. This classification in practice includes the old positions called "doubtful loans" and "restructured loans". Defaulted Loans are defined as exposures to an insolvent counterparty (including if the insolvency is not ascertained in court) or in substantially comparable situations, regardless of any loss forecast.

[4] Therefore, any guarantees (collateral or personal guarantees) in place to protect the exposures are not considered.

[5] Past-due overdrawn exposures are defined as exposures other than those classified as Defaulted or Unlikely to pay (former doubtful loans and restructured loans) which, at the reporting date, are past due or overdrawn by more than 90 days. The past due or overdrawn amount must be of a continuing nature and must be above the relevant threshold (5%).

automatic reporting as a result of a position remaining in a Past-Due/Overdrawn or Objective Doubtful Loan status;

b) timely and effective action aimed at limiting the Company's losses;

c) the constant updating, where required, of the adequacy of the credit assessment.

(A) **Practical management of "past-due" positions**

The objective of managing past-due positions is to eliminate the anomalies that have led to this status, while ensuring prudent credit risk management, i.e. the reclassification as "Unlikely to pay" or "Defaulted", in case no significant improvements or a deterioration in credit quality is respectively detected.

Upon exceeding the 90 days continuous overdrawn over the threshold, or when the materiality threshold is exceeded (5% of total drawdowns by the Group) if the position is past-due by more than 90 days, any position (including if already reported to Problem Loans) is automatically classified as "Past-Due" in all banks that entertain relationships with the counterparty.

The automatic reclassification as "Unlikely to pay" occurs for positions that have exceeded both thresholds (days/amounts) i.e.: Have been past-due and overdrawn for more than 270 days and the 5% threshold for total group drawdowns has been exceeded.

(B) **Practical management of "Unlikely to pay" positions (former doubtful loans)**

The management objective is to overcome the crisis, in view of safeguarding commercial aspects, by helping rebalance the financial-capital situation, or, in view of disengaging from the business relationship, through recovery of the exposure, including gradually, characterized by the possible strengthening of appropriate safeguards, the desirable reduction in management times and, of course, the maximization of recovery rates.

For positions for which the critical issues are no longer just potential but real, in order to safeguard overall credit quality and minimize recovery costs, the termination of the contract will be carefully assessed. In special cases, the classification as Defaulted may be considered without termination of the contract.

Therefore, whenever managers consider it appropriate to protect the loans under their management with the commencement of legal proceedings, they will submit a request for termination of the contract to relevant Authorised Body.

In case of insolvency proceedings (insolvency and arrangement with creditors with termination of the lease agreement), the classification as defaulted is mandatory.

By entering the contract termination in the system application, the system prints the relevant letter to be sent by registered letter/certified e-mail to the counterparty and any guarantors.

The immediate effect of this act is the blocking by the manager of the invoicing of expiring lease instalments.

Upon receipt of the acknowledgement of receipt, or within 30 days from the termination date, the position will be transferred to the functions in charge of managing Defaulted loans.

(C) **Management of "forborne non performing" positions**

Management activities must ensure full compliance with the commitments made and careful monitoring of the exposure, including through the timely detection of any additional critical elements or the customer's satisfaction of the requirements attesting that it has overcome the difficult situation and is again solvent.

Therefore, the monitoring activity involves a more general activity of verifying the progress of the relationship (analysis of quantitative and qualitative financial variables, negative symptoms, adverse events, etc.), and a specific verification regarding the achievement of planned business objectives.

(D) **Practical management of "Defaulted" positions, outsourced to Provis**

The management of positions classified as "Defaulted" is outsourced to Intesa Sanpaolo S.p.A. company Provis S.p.A. (under control of Capital Light Bank Division) whose role within the ISP Group is to manage all Defaulted positions arising from leasing transactions. Its mission consists in enhancing the value of assets and in credit recovery to minimize loan losses.

As a result of early termination of the lease agreement due to breach, the user must:

- immediately return the assets;
- pay the lessor all expired and unpaid periodic instalments, plus interest for late payment and expenses;
- pay the amount equivalent to the instalment for the period after the return and until actual repossession of the asset by the lessor;
- pay, by way of penalty, the present value of the periodic instalments not yet expired as well as the price set for the final purchase option, less any amount obtained by the lessor through the sale of the asset;
- pay all the expenses, duties, taxes, fees and charges incurred by the lessor.

The transfer of these positions to the relevant functions of Intesa Sanpaolo S.p.A. Provis S.p.A. ("Provis") in charge of managing Defaulted positions (Real Estate Asset Class for the real estate sector; Movable Assets Class for other products) takes place after the decision and the entry into the system of the reclassification of the customer by the offices in charge of Mediocredito Italiano (MCI).

The position is then sent by MCI, completed with the document checklist and the electronic file with all the documents considered useful for the activities related to recovery of the claim and of the underlying leased asset (including any correspondence previously sent to the client, the guarantors and, for information, to the bank at which the user is a customer).

Once the activation email has been received, the Asset Class (Legal Asset Manager "LAM" & Asset Management) functions jointly take action to analyse the position for optimal

management, depending on the type of asset, managing the credit recovery and the asset enhancement and remarketing activities in an integrated manner.

3.4 **Legal Management Real Estate Asset Class**

All properties, as of the time their management is outsourced to Provis, undergo a surveying activity to ascertain their actual status on the basis of an external inspection, and of an internal inspection only if access is available (this activity is called Light Due Diligence, hereinafter referred to as "LDD").

This activity is carried out by the Real Estate Head Office of the Parent Company acting as Property Manager - upon a specific contractual mandate - relying on specialized market Advisors.

The aim of the DDL is to carry out a preliminary survey of the "as is" situation (maintenance, rent, environmental, etc.) and the legal situation (easements, encumbrances, etc.) of the properties, formulating proposals with regard to identified situations. To this end, the Advisor, under the supervision and validation of DCIL, must provide its assessment of the following aspects:

- **"As is" situation of the property**: size, use, etc.;
- **Maintenance Condition**: building, structures, systems, etc.;
- **Environmental Situation**: first level environmental tests;
- **Rental Situation**: rental situation of the property, pointing out any discrepancy between the "as is" situation and the situation according to the documents available;
- **Safety**: Identifying any hazards to health and safety of undelayable works to be carried out to ensure safety of any type (e.g. environmental, occupants and/or third party safety, etc.).

Being a Light Due Diligence, the level of detail is to be considered based on available documentary information and on findings from the inspections, mostly external, of the property and the surrounding environment.

Following repossession, the DUVRI (single assessment document on the assessment of risk from interference) is prepared and the Final Due Diligence (*Full Due Diligence Full*) is performed. Any further analyses are covered by a Full Due Diligence, which is completed when legal access to the property is obtained.

The analysis jointly carried out by LAM and Asset Manager constitutes the Preliminary Business Plan.

Strategies are typically of two kinds:

- out-of-court settlement;
- legal solution.

In the first case, considered to be prevalent, LAM, together with the counterparty and with the support of AM units, defines an out-of-court settlement designed to recover - as soon as possible - the asset and the receivable, or part thereof, depending on the valuation of its amount and recoverability given the user's and/ or the guarantors' financial capacity.

In the second case, LAM will appoint, and assign the case to an external lawyer to undertake the planned judicial actions, providing all the necessary documentation.

The external lawyer is appointed to suggest solutions and undertake the appropriate actions, e.g.:

- injunction for removal, in the case of movable assets or assertion of ownership in case of insolvency proceedings;
- summons (or other necessary measure) for real estate assets.

The manager of the non-performing position is responsible for monitoring the period the case is held by the external lawyer, who acts as representative of the Company before the courts.

The manager continues to play the role of "director" of all the activities carried out by the external lawyer:he/she receives copy of the records, verifies their consistency with the requested action, updates the status in the system and any other information regarding the management of the position, verifies the lawyers' fees in order to ensure compliance with the agreement in place.The manager's activities are supported by a specific management application (EPC) that enables tracking all the activities carried out by external operators (assignment of the case, selection of external lawyer, lawyer's handling of the case, management of judicial and out-of-court workflows, management of resolutions, ...).

Following the request for payment injunction and notification of the order, the lawyer notifies the name of the Court Officer responsible for removal of the assets to the manager; the latter (through a system transaction) activates his/her colleagues of the functions in charge of asset repossession (Asset Management Real Estate), for the fulfilment of the formalities related to the removal of the leased assets (contacts with the Court Officer, removal, sale, of the asset etc.).

Once the asset has been removed, LAM provides assistance to AM (for example, LAM is involved in giving the consent to the sale after verifying that there are no impediments, also providing information on the telegram by which the Asset Management colleagues will notify, where contractually provided, the user and the guarantors, of the deadline for submitting third-party purchase offers above the price agreed for the sale.

If the asset is sold, LAM, upon receipt of a copy of the sale invoice, will quantify the residual receivable from the obligors, informing them by way of formal notice to comply. LAM also assesses the actual possibility of recovering the additional receivable and the manager sends the external lawyer a copy of the invoice and the quantification of the residual receivable to take legal action for recovery after making the appropriate assessments.

Insolvency proceedings

- Following the User's admission to insolvency proceedings, the manager of the non-performing position assigns the correct status according to the type of proceedings (insolvency, arrangement with creditors, etc.).

- The applications for restitution of the assets and for filing proof of debt are made directly and/or through the appointed lawyer.

- Upon recognition of debt in the insolvency proceedings (subject to any other operating requirements), the manager submits a request to the relevant body to write-off the receivable.

- Also in these cases, LAM seeks to achieve a settlement with the Receivers, to the extent possible and with a view to recovering the asset quickly and to removing any related legal risks.

3.5 **Legal Management Movable Assets Class (special case)**

Except as indicated in the paragraph above, the specific situations described below apply to Movable Assets.

Due to the need to handle a large number of limited amount and small-value equipment transactions, Provis has put in place procedures for out-of-court recovery of the asset and the receivable in order to minimize time and recovery costs.

Recovery is outsourced to partner contractors, authorized to recover the assets and / or the receivables, including by writing off the debt according to predetermined rules or as agreed and authorized by the manager and the relevant Decision-Making Bodies.

An amicable recovery enables the out-of-court settlement of the position, the sale of the asset or, in the event of refusal by the debtor, the submission of a Complaint.

If the out-of-court action is unsuccessful, the manager may subsequently instruct the external lawyer to take legal action for the recovery of the asset and the receivable, after making the appropriate assessments.

Complaints for misappropriation

Following failure to identify /obtain restitution of the assets, and after assessing the advisability of taking action, the manager of the non-performing position instructs the criminal lawyer to prepare and lodge a complaint against the offender. Once a complaint has been filed, an application is filed for disposal of the asset and, in the case of registered vehicles, an application for registration of loss of ownership with the Motor Vehicle Registry (PRA) (through the relevant services).

The complaint is constantly monitored by the manager until the resulting criminal proceedings are closed.

4. EVALUATION, RECOVERY AND SALE OF THE ASSETS

4.1 Recovery and management of real estate assets

(A) Recovery management

Asset recovery activities are launched by LAM when title for recovery is made available or obtained.

Based on available information and especially of the light due diligence, the asset manager analyses the position and develops the final, light business plan which contains the enhancement strategy, the plan of action and the related budget.

Subsequently, the Asset Manager activates the Property Manager by providing the Strategic Plan and the Operating Plan for each position.

For recovery purposes, the Property Manager liaises, with the support of the Asset Manager, with the Credit Recovery Manager who activates the external lawyers in case of difficulties in recovering the asset and, after appropriate legal action, the court officers.

In most cases, returns are directly followed by the property manager's technical staff by attending and signing the delivery report with the Customer (or Court Officer, Receiver, etc.). For this activity, the Property management company can use specialized market Advisors to take over the property and to manage them through ordinary maintenance and, if necessary, extraordinary maintenance (structural work), after examining the estimates requested for the work and having consulted with a trusted expert.

Once the property has been recovered, the Property Manager (i) ensures it complies with safety standards and (ii) manages the asset.

After taking over the property, a full due diligence is carried out under the responsibility of the Property Manager unit, to ascertain the size, occupancy status, maintenance status and compliance of the property with urban planning regulations and land registry records.

After receiving the full due diligence, the Asset Manager updates, where applicable, revises the final business plan.

(B) Management and Value Enhancement

A.M. defines the combination of target market, customer type, sales channel (i.e. "sales strategy").

Upon completion of value enhancement activities, where applicable, A.M. (including by appointing Real Estate Agencies) carries out a market research to identify potential buyers and collects bids and purchase offers from interested counterparties.

Once the purchase offers have been received, A.M. assesses any discrepancies with respect to standard terms and business goals. In the outcome of the assessment is favourable, he/she prepares the draft resolution.

If purchase offers are received for properties for which, not being included in the current sales plan, no active marketing has been started (e.g. through mandate to specialized agencies

supported by advertising), A.M. starts advertising activities locally, on the Internet and/or on local and/or national newspapers in order to verify whether there are are parties interested in purchasing the property.

If additional manifestations of interest for the purchase of the Property are received, A.M. will appoint a Notary to conduct a competitive sale procedure of the property involving all the interested bidders, including the Proponent.

The Notary in charge will notify bidders and the Proponent of the procedures for participation in the competitive sale procedure.

4.2 **Recovery and management of movable assets**

For the recovery of movable assets, Provis relies on one of the partner outsourcers.

The Asset Manager subsequently:

- sends the technical documentation for identification of the machinery (purchase invoice, CE certificate, copy of the contract and whatever else may be necessary, and for vehicles, license plate number or chassis number) to the party in charge of recovery (outsourcer);
- requests and evaluates the requested estimate and submits it to those who have the necessary signing authority, in accordance with current legislation;
- sends the authorization to take over the asset with delegation to pick it up.

Following removal of the asset, the Asset Manager:

- verifies the removal report drawn up by the party in charge of recovery;
- verifies if there are any missing parts and makes the appropriate reporting / updating in the information system;
- examines the photographs provided by the party in charge of recovery to assess the state of use of the assets.

Where the size and/or relevance of the machinery (in terms of market value) so require, the Asset Manager appoints an Outsourcer who conducts an inspection at the customer in order to verify the technical issues for the removal and any commercial interests on site.

Removal of the asset

During removal operations, the following events may occur:

- the asset is not found: The Outsourcer draws up a report of asset not removed and uploads it to the information system; the Asset Manager reports the non-removal of the asset to the Credit Recovery manager and removes the asset from the information system;
- the asset is taken over locally and sold on site;
- the asset is removed and transported to a selected warehouse.

Management of warehouses

The assets recovered by partner companies are deposited at one of their warehouses or at their premises.

Asset Managers carry out periodic inspection visits at the warehouses to verify the preservation of the assets and, if applicable, the occupied area.

4.3 **Sale of real estate**

The "guidelines" and criteria followed by the Company to carry out real estate sales are described below.

- the sale is made in accordance with the business plan / cash flow analysis produced during the position evaluation and strategy definition (full final business plan);
- in the cases provided, a telegram is sent to the lessees and the guarantors, who are given 10 days to indicate a potential buyer that may offer a price higher than that agreed by the asset recovery manager to ensure fairness of the sale value.

Sales are always carried out in accordance with the decision-making powers and delegated authority granted.

The Asset Management manager, with the support of the relevant functions, formalizes the sale by collecting all the documentation required for the transaction.

Upon sale and delivery of the asset, the position is closed in the system and the asset removed.

4.4 **Sale of movable assets**

To maximize revenue from the sale of goods, Provis has adopted a marketing model based on two guidelines:

- keep high protection levels in the resale activity;
- maximize sales price.

In this perspective, whenever possible, Provis offers the assets for sale to end users (only entities with VAT number and excluding private consumers).

For the purpose of reselling, movables assets, are classified into four categories:

- premium: Conforming assets, in excellent preservation state that can also be sold to end users;
- plus: assets that are in good condition, which can be sold to traders / manufacturers, but not to end users;
- base: Non-compliant assets, in a poor preservation state that must be sold to manufacturers of similar assets but not to end users;
- scrap:intended for sale of "iron", where possible, or, alternatively, for scrapping.

The sale price is defined by the Asset Manager, who, having regard to the appraisal and taking into account the state of preservation and characteristics of the asset, performs a targeted market research and submits the outcome to the Head of A.M.

The partner-outsourcers may purchase the assets at the price specified by the Asset Manager as target sale price. Alternatively, the Outsourcers are in charge of marketing the assets.

The "guidelines" and criteria followed by the Company to carry out the sales activities are described below.

(A) the sale is made in accordance with the cash flow analysis produced during the position evaluation and strategy definition;

(B) the on-site sale is preferred to eliminate recovery costs for goods of considerable size (for example, the Machinery segment) or with negligible commercial value (e.g. Low Value assets);

(C) the aim is to ensure timely and rapid sales to avoid the depreciation of the assets;

(D) the sale of the assets is not conditional upon receiving several bids when the sale price is equal to or higher than the target sale price;

(E) if more that one bid is received, a restricted tender is carried out to maximize the sale price;

(F) in the cases provided, a telegram is sent to the lessees and the guarantors, who are given 10 days to indicate a potential buyer that may offer a price higher than that agreed by the asset recovery manager to ensure fairness of the sale value;

(G) the sale of the assets is carried out in compliance with the accident prevention regulations in force (currently Legislative Decree No. 81/2008).

Sales are always carried out in accordance with the decision-making powers and delegated authority granted. The Asset Management manager, with the support of the relevant functions, formalizes the sale by collecting all the documentation required for the transaction.

Upon sale and delivery of the asset, the position is closed in the system and the asset removed.

Capital assets

The sale is made in accordance with the strategies defined when analysing the position.

In the event the sale cannot be made at market value, the Asset Manager submits the outcome of the negotiations to the Manager or his/her delegate and justifies the request for a review of the valuation; if the latter deems it appropriate, he/she may also request the relevant function to verify the market value.

Means of transport

For the sale of assets already in the depot, an appraisal is carried out prior to the sale by the function in charge of valuation, which defines the state of use of the asset, quantifies any damage and subsequently determines the market value.

THE ISSUER

Introduction

The Issuer was incorporated in the Republic of Italy on 14 April 2011 as a *società a responsabilità limitata* under the name of "Zamia SPV S.r.l." and changed its name in "Adriano Lease Sec. S.r.l." by an extraordinary resolution of the meeting of its quotaholders held on 28 November 2011. The Issuer's by-laws provides for termination of the same on 31 December 2100. The registered office of the Issuer is at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy, the fiscal code and number of enrolment with the companies register of Treviso-Belluno is 04454640261. The Issuer is also enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017. The Issuer has no employees and no subsidiaries. The Issuer's telephone number is +39 0438 360 926.

The authorised and issued quota capital of the Issuer is €10,000 fully paid up and held by SVM Securitisation Vehicles Management S.r.l. ("**SVM**") for the amount of €9,500 and Intesa Sanpaolo S.p.A. for the amount of €500. SVM is an Italian *società a responsabilità limitata*, whose quota capital is wholly owned by Stichting Cima, a Dutch foundation (*stichting*) incorporated under the laws of The Netherlands.

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

Issuer's principal activities

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

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

Directors and Statutory Auditors of the Issuer

The current directors of the Issuer are:

Chairman of the board of directors	Andrea Perin, a director of Securitisation Services S.p.A., a company providing services related to securitisation transactions. The domicile of Andrea Perin, in his capacity of chairman of the board of directors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Director	Andrea Fantuz, an employee of FISG S.r.l.. The domicile of Andrea Fantuz, in his capacity of Director of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

Director	Alessandro Chieffi, a lawyer. The domicile of Alessandro Chieffi, in his capacity of Director of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

The current statutory auditors of the Issuer are:

Chairman of the board of statutory auditors	Vittorio Da Ros, accountant and auditor (*commercialista e revisore contabile*). The domicile of Vittorio Da Ros, in his capacity of chairman of the board of statutory auditors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Statutory auditor	Alberto De Luca, accountant and auditor (*commercialista e revisore contabile*). The domicile of Alberto De Luca, in his capacity of chairman of the board of statutory auditors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Statutory auditor	Elena Fornara, accountant and auditor (*commercialista e revisore contabile*). The domicile of Elena Fornara, in her capacity of chairman of the board of statutory auditors of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Alternate statutory auditor	Francesca Monti, accountant and auditor (*commercialista e revisore contabile*). The domicile of Francesca Monti, in her capacity of statutory auditor of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.
Alternate statutory auditor	Denis Bozzetto, accountant and auditor (*commercialista e revisore contabile*). The domicile of Denis Bozzetto, in his capacity of statutory auditor of the Issuer, is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy.

The previous securitisation

On 29 December 2011, the Issuer carried out a securitisation transaction having as its object receivables deriving from financial leases (*leasing finanziari*) executed with its customers, through the issuance, pursuant to the Securitisation Law, of €2,787,600,000 Class A Asset Backed Floating Rate Notes due January 2041 and €3,044,320,000 Class B Asset Backed Additional Return Notes due January 2041. On 27 January 2017, the Issuer has performed the optional redemption of the above mentioned notes by redemption in full thereof, together with the reimbursement of all its outstanding liabilities under such securitisation transaction. All the creditors of the Issuer under such securitisation transaction have acknowledged that any amount due by the Issuer thereunder has been paid, no further amount is due and that they have no claims against the Issuer under the relevant securitisation documents.

The Quotaholders' Agreement

Pursuant to the term of the Quotaholders' Agreement entered into on 27 October 2017, between the Issuer and the Quotaholders, the Quotaholders have agreed, *inter alia*, not to amend the by-laws (*statuto*) (other than as otherwise (a) required by any applicable law or by the Bank of Italy, or (b) necessary (i) to correct any formal or technical manifest error, (ii) to transfer the registered office of the Issuer within the Republic of Italy, or (iii) to extend the termination date of the Issuer) of the Issuer and not to pledge, charge or dispose of the quotas (save as set out below) of the Issuer (as to SVM) or not to pledge, charge or dispose of the quotas of the Issuer (as to ISP) without the prior written consent of the Representative of the Noteholders. The Quotaholders' Agreement and any non-contractual obligations arising out of or in connection with it is governed by, and will be construed in accordance with, Italian law.

Accounts of the Issuer and accounting treatment of the Portfolio

Pursuant to the applicable accounting principles, 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**
Issued, authorised and fully paid up capital	10,000.00
Loan Capital (Securitisation)	**Euro**
€2,869,700,000 Class A Asset Backed Floating Rate Notes due due January 2049	2,869,700,000
€1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049	1,350,500,000
Total loan capital (euro)	4,220,200,000
Total capitalisation and indebtedness (euro)	4,220,210,000

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

Financial statements and auditors

The Issuer's accounting reference date is 31 December in each year. The Issuer's financial statements as of 31 December 2015 and 31 December 2016 have been audited by independent auditors.

The financial statements of the Issuer as of 31 December 2015 and 31 December 2016 are incorporated by reference in this Prospectus.

Copy 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.

The financial statements of the Issuer as of 31 December 2015 and 31 December 2016 have been duly audited by KPMG S.p.A., an auditing company enrolled with the *Albo Speciale delle società di revision* held by CONSOB pursuant to article 161 of the Financial Laws Consolidation Act, with offices at Via Rosa Zalivani, 2, 31100 Treviso, Italy.

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

Securitisation Services S.p.A. will act as Calculation Agent, Representative of the Noteholders and Corporate Servicer under the Transaction.

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

Securitisation Services S.p.A. is a professional Italian dealer specialising in managing and monitoring securitisation transactions. In particular, Securitisation Services S.p.A. acts as servicer, corporate servicer, calculation agent, programme administrator, representative of the noteholders, back-up servicer, back-up servicer facilitator, back-up calculation agent in several structured finance deals.

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

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

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

THE ACCOUNT BANK AND THE PAYING AGENT

Intesa Sanpaolo S.p.A. is a company limited by shares, incorporated in 1925 under the laws of Italy and registered with the Companies' Registry of Turin under registration number 00799960158. It is also registered on the National Register of Banks under No. 5361 and is the parent company of "Gruppo Intesa Sanpaolo S.p.A.".

Intesa Sanpaolo S.p.A. is the banking group which was formed by the merger of Banca Intesa and Sanpaolo IMI. The merger brought together two major Italian banks with shared values so as to increase their opportunities for growth, enhance service for retail customers, significantly support the development of businesses and make an important contribution to the country's growth.

Intesa Sanpaolo S.p.A. is among the top banking groups in the euro zone, with a market capitalisation of 48.3 billion euro (as at 31 October 2017).

Intesa Sanpaolo S.p.A. is the leader in Italy in all business areas (retail, corporate, and wealth management). The Group offers its services to 12.6 million customers through a network of over 4,800 branches well distributed throughout the country with market shares no lower than 12% in most Italian regions.

Intesa Sanpaolo S.p.A. has a selected presence in Central Eastern Europe and Middle Eastern and North African areas with approximately 1,100 branches and 7.6 million customers belonging to the Group's subsidiaries operating in commercial banking in 12 countries.

Moreover, an international network of specialists in support of corporate customers spreads across 26 countries, in particular in the Middle East and North Africa and in those areas where Italian companies are most active, such as the United States, Brazil, Russia, India and China.

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

USE OF PROCEEDS

The total proceeds of the issue of the Notes are expected to be Euro 4,220,200,000.00 and will be applied by the Issuer to pay to the Originator the Purchase Price for the Portfolio in accordance with the Receivables Purchase Agreement. Any remaining amount (deriving from any rounding adjustment) will be credited to the Payments Account.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. THE RECEIVABLES PURCHASE AGREEMENT

On 7 November 2017, the Originator and the Issuer entered into the Receivables Purchase Agreement, pursuant to which the Originator has assigned and transferred to the Issuer, without recourse (*pro soluto*), all of its rights, title and interest in and to the Portfolio, with economic effects as of the same date.

The Purchase Price is equal to Euro 4,220,198,461.65 and shall be paid by the Issuer to the Originator on the latest of the following dates: (i) the date of the publication of the notice of assignment of the Portfolio in the Official Gazette; (ii) the date of registration of such notice in the competent companies' register (*Registro delle Imprese*); and (iii) the Issue Date.

The sale of the Portfolio was made in accordance with article 58, subsections 2, 3 and 4 of the Consolidated Banking Act (as provided by article 4 of the Securitisation Law). Notice of the transfer was published in the Official Gazette (*Gazzetta Ufficiale della Repubblica Italiana*, *Parte Seconda*), number 135 of 16 November 2017, and registered in the companies' register of Treviso-Belluno on 14 November 2017.

The Receivables included in the Portfolio have been selected on the basis of the Criteria agreed between the Originator and the Issuer under the Receivables Purchase Agreement; for further details see the section entitled "*The Portfolio*".

The Receivables Purchase Agreement provides that: (i) if, after the Effective Date, it results that any Receivable did not meet the relevant Criteria as at the Valuation Date, then such Receivable will be deemed not to have been assigned and transferred to the Issuer, and (ii) if, after the Effective Date, it results that any Receivable which met the Criteria as at the Valuation Date has not been included in the Portfolio, then such Receivable shall be deemed to have been assigned and transferred to the Issuer by the Originator, pursuant to the terms and modalities as set out in the Receivables Purchase Agreement. In such cases, the Purchase Price shall be adjusted in accordance with the provisions of clause 4 of the Receivables Purchase Agreement.

Under the terms of the Receivables Purchase Agreement, the Originator shall have the right to re-negotiate certain terms of the Lease Agreements and, specifically, in order to:

(a) amend the indexation of the Lease Agreements, provided that such an amendment does not result in a reduction of the interest rate; and/or

(b) amend the amortisation plans of the Lease Agreements (including the extension of the relevant repayment period), it being understood that the expiry date of the last Instalment that is due to be paid by the relevant Lessee shall not in any case fall beyond 31 December 2029 for the Motorvehicles Pool, 31 December 2030 for the Equipment Pool and 31 December 2038 for the Real Estate Pool; and

(c) suspend the Instalments, provided that (i) the relevant Lessee continues to pay at least the Interest Instalments during the suspension period; (ii) such suspension period is not longer than 12 months; (iii) the sum of the Principal Instalments and the Residual Value upon the relevant renegotiation is the same as before the renegotiation,

it being understood that (x) the renegotiations under paragraphs (a), (b) and (c) above may only occur as long as the total amount of the renegotiated Receivables does not exceed the 15% of the Portfolio as at the Valuation Date, and (y) any renegotiation, which the Originator will comply with pursuant any legislative act (as instance, in consequence of natural disaster), will not be considered for the purposes of the calculation of the above percentage limit; and/or

(d) consent the replacement of a new Lessee into a Lease Agreement, provided that such new Lessee (a) meets the Criteria no. 9, 10, and 11 (as listed under the section entitled "*The Porfolio*"), and (b) is not a company of the Intesa Sanpaolo S.p.A. Banking Group (*Gruppo Bancario Intesa Sanpaolo S.p.A.*),

(any of the abovementioned events, a "**Renegotiation**").

If a Renegotiation results in a redistribution of the amounts yet to be paid among the Instalments and the Residual Value, the Originator shall:

(a) transfer to the Issuer the negative difference (if any) among the Principal Instalments due to the Issuer after the Renegotiation and the Principal Instalments due to the Issuer prior to the Renegotiation; and

(b) retain from the collections transferred to the Issuer the positive difference (if any) among the Principal Instalments due to the Issuer after the Renegotiation and the Principal Instalments due to the Issuer prior to the Renegotiation.

The Originator has undertaken to indemnify the Issuer for any damages, costs and expenses that the latter may sustain as a consequence of any such Renegotiation.

The parties have agreed that (i) the Renegotiations shall be carried out by the Originator only within the limits of the Credit, Collection and Recovery Policy and (ii) where the Originator intends to carry out Renegotiations or in any way amend the terms of the Receivables and/or the Lease Agreements in violation of clause 13 of the Receivables Purchase Agreement, it shall obtain, upon notice to the Rating Agencies (until the Senior Notes will be rated), the prior consent of the Representative of the Noteholders.

In the event of an early termination of a Lease Agreement, the Originator has undertaken to transfer to the Issuer, as assignment by way of satisfaction, (a) its claims deriving from the sale of the Assets originally leased under the relevant terminated Lease Agreement or, (b) if the Originator chooses not to sell the relevant leased Asset but to lease it again by entering into a New Lease Agreement, its claims deriving from the instalments, interests, penalties and indemnities deriving and/or connected to such New Lease Agreement. In the circumstances described under paragraphs (a) and (b) above, the Originator shall transfer to the Issuer certain amounts that in any case shall be at least equal to the aggregate of: (i) its receivables accrued and unpaid against the Lessee as at the date of termination of the relevant Lease Agreement; (ii) the amount provided in the terminated Lease Agreement in the event of termination; and (iii) the amount (if any) payable by the Issuer pursuant to article 1526 of the Italian civil code.

The Receivables Purchase Agreement contains also a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Receivables which may prejudice the validity or recoverability of any Receivable or adversely affect the benefit which the Issuer may derive from the Receivables and, in particular, not to assign or transfer the Receivables to any third party or to create any security interest in favour of any third party in respect of the Receivables.

Further, under the Receivables Purchase Agreement, the Issuer, pursuant to article 1331 of the Italian civil code, has granted to the Originator an option right to repurchase (in whole but not in part), on any Payment Date subsequent to the Clean Up Option Date, the residual Portfolio in accordance with article 58 of the consolidated banking act, provided that the repurchase price of such residual Portfolio is at least equal to the sum of: (a) the interests accrued and unpaid on the Senior Notes then outstanding; (b) the Principal Amount Outstanding of the Senior Notes; (c) the Principal Amount Outstanding of the Junior Notes (or the lesser amount that has been determined by a meeting of the Junior Noteholders); (d) all the sums due, in accordance with the Priority of Payments, in priority or *pari passu* with the amounts due under letters (a) to (c) above; *less* (e) the sums standing to the credit of the Accounts (and likely to be used in accordance with the Priority of Payments) on the date of repurchase of the Portfolio. The Issuer has undertaken to apply the sums paid by the Originator as repurchase price of the Portfolio under the terms set out above, together with the sums standing to the credit of the Accounts (as specified under letter (e) above) at the time of the repurchase of the Portfolio, towards the early redemption of the Notes, in accordance with the terms and the modalities as provided for in the Conditions.

In addition, under the Receivables Purchase Agreement, the Issuer has granted to the Originator, pursuant to article 1331 of the Italian civil code, an option right to repurchase individual Receivables, in accordance with article 1260 and following of the Italian civil code (or article 58 of the Consolidated Banking Act, to the extent applicable). This option right may be exercised by the Originator, without prejudice to the right to repurchase the entire Portfolio as described above, within the limits specified in the Receivables Purchase Agreement.

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

2. THE SERVICING AGREEMENT

On 7 November 2017, the Originator and the Issuer entered into the Servicing Agreement, pursuant to which the Issuer has appointed Mediocredito Italiano S.p.A. as Servicer of the Receivables.

The receipt of the Collections is the responsibility of the Servicer acting as agent (*mandatario*) of the Issuer. Under the Servicing Agreement, the Servicer has undertaken: (i) to transfer to the Collection Account, on the Issue Date, all Collections received in respect of the Receivables between the Effective Date (included) and the Issue Date (excluded); and (ii) starting from the Issue Date (included), to transfer, or cause to transfer, on a daily basis any amounts collected from the Receivables to the Collection Account. The Servicer will also act as the "*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento*" pursuant to the Securitisation Law. In such capacity, the Servicer shall be responsible for ensuring that such

operations comply with the provisions of articles 2, paragraph 3, letter c), and 2, paragraph 6-*bis* of the Securitisation Law.

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

The Servicer shall be entitled to delegate the activities to which it is responsible under the Servicing Agreement to any other authorised company, provided that the Servicer shall remain fully liable *vis-à-vis* the Issuer for the performance of any activity so delegated.

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

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

In relation to the Defaulted Receivables, the Servicer may enter into settlement agreements (*accordi transattivi*) with the relevant Lessees, or grant moratoria or delays in payments to the same Lessees in connection with the Receivables without the prior consent of the Issuer, only within the limits as set forth under clause 10.1.1 of the Servicing Agreement; where the Servicer intends to carry out settlement agreements in violation to the limits provided for under clause 10.1.1 of the Servicing Agreement, it shall obtain, upon notice to the Issuer and the Rating Agencies, the prior consent of the Representative of the Noteholders. It remains understood that such settlement agreements shall be entered into by the Servicer in accordance with the provisions of the Credit, Collection and Recovery Policy.

The Servicer may allow any Lessee to pay the Advanced Residual Value, provided that Mediocredito Italiano S.p.A., within two Business Days from the date on which it becomes aware of the exercise of the abovementioned Advanced Residual Value and related payment, transfers to the credit of the Collection Account an amount in any case not lower than the sum of (a) all Principal Instalments non yet due or due but unpaid and (b) the principal component of the Residual Value, as resulting from the relevant Lease Agreement, net of the Residual Value. It remains understood that the advances made by the Lessees at the time of the exercise of an Advanced Residual Value shall be part of the Collections.

In the event of theft or destruction, even partial, of an Asset, Mediocredito Italiano S.p.A. has undertaken under the Servicing Agreement to credit to the Collection Account, within two Business Days from the date on which it becomes aware of the collection of the amount paid by a Lessee or Insurance Company as insurance indemnity in respect to any Lease Agreement, an amount equal the Penalty in respect of Stolen or Destroyed Assets; such amount shall be applied by the Servicer as provided for under clause 10.4.2 of the Servicing Agreement.

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

(i) for the activity of administration, management and collection of the Receivables defined as *in bonis*, a fee to be calculated as 0.10% (including VAT, if applicable) of the Collections made in respect to the Collateral Portfolio, calculated the last day of the Collection Period immediately preceding such Payment Date;

(ii) for the activity of recovery of the Defaulted Receivables, a fee to be calculated as 0.15% (including VAT, if applicable) of the Collections made by the Servicer in respect to the abovementioned Defaulted Receivables during the Collection Period immediately preceding such Payment Date; and

(iii) for the activity of monitoring, information and reporting, an annual fee equal to Euro 5,000.00 (including VAT, if applicable).

The Servicer has undertaken to prepare and submit to the Issuer monthly and quarterly reports containing a summary of the performance of the Portfolio, a detailed summary of the status of the Receivables and a report on the level of collections in respect of principal and interest on the Portfolio, for delivery to, *inter alios*, the Issuer, the Calculation Agent and the Representative of the Noteholders.

The Issuer may terminate the Servicer's appointment and appoint a successor servicer if certain events occur (each a "**Servicer Termination Event**"). The Servicer Termination Events include the following events:

(a) failure on the part of the Servicer to deposit or pay any amount required to be paid or deposited, which failure continues unremedied for 3 Business Days after the due date thereof and cannot be attributed to force majeure;

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

(c) any of the representations and warranties given by the Servicer, pursuant to the Servicing Agreement and/or the other Transaction Documents to which it is a party, has been proved to be untrue, false or deceptive in any material respect and such default is materially prejudicial to the Issuer or the Noteholders;

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

(e) 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;

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

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

3. THE WARRANTY AND INDEMNITY AGREEMENT

On 7 November 2017, the Issuer and the Originator entered into the Warranty and Indemnity Agreement, pursuant to which the Originator has given certain representations and warranties in favour of the Issuer in relation to the Receivables comprised in the Portfolio and certain other matters and has agreed to indemnify the Issuer in respect of certain Liabilities of the Issuer that may be incurred in connection with the purchase and ownership of the Receivables.

The Warranty and Indemnity agreement contains representations and warranties given by the Originator as to matters of law and fact affecting the Originator including, without limitation, that the Originator validly exists as a juridical person, has the corporate authority and power to enter into the Transaction Documents to which it is party and assume the obligations contemplated therein, and has all the necessary authorisations therefore.

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

Pursuant to the Warranty and Indemnity Agreement, the Originator has agreed to indemnify and hold harmless the Issuer, its officers or agents or any of its permitted assigns from and against any and all damages, losses, claims, costs and expenses awarded against, or incurred by such parties which arise out of or result from, *inter alia*, (a) any representations and/or warranties made by the Originator under the Warranty and Indemnity Agreement, being false, incomplete or incorrect; (b) the failure by the Originator to comply with any of its obligations under the Transaction Documents; (c) any amount of any Receivable not being collected as a result of the proper and legal exercise of any right of set-off against the Originator by the relevant Lessee and/or any insolvency receiver of the Originator; (d) the failure of the terms and conditions of any Lease Agreement to comply with the provisions of article 1283, article 1346 of the Italian civil code or article 120, comma 2, of the Consolidated banking Act; or (e) the failure to comply with the provisions of the Usury Law in respect of any interest accrued under the Lease Agreements.

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

4. THE CASH ALLOCATION, MANAGEMENT AND PAYMENTS AGREEMENT

On or about the Issue Date, the Issuer, the Account Bank, the Calculation Agent, the Paying Agent, the Corporate Servicer, the Listing Agent and the Servicer entered into the Cash Allocation, Management and Payments Agreement.

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

(a) the Account Bank has agreed to establish and maintain, in the name and on behalf of the Issuer, the Collection Account, the Cash Reserve Account, the Payments Account

and the Expenses Account, to provide the Issuer with certain reporting services together with account handling services in relation to monies from time to time standing to the credit of the above mentioned Accounts and, upon the receipt of the notice referred to in clause 4.3.1(b) of the Cash Allocation, Management and Payments Agreement, to open a Securities Account with the Issuer;

(b) the Calculation Agent has agreed to provide the Issuer with calculation services and reporting services, to prepare and deliver the Payments Report and the Investors Report, and to provide the Issuer with certain calculation services in relation to the Notes;

(c) the Listing Agent has agreed to assist the Issuer to comply with its obligations in connection with the listing of the Senior Notes, to co-operate for the publication of any notice which is to be given to the Senior Noteholders, to forward the Issuer information and communications by any Noteholder or related to the maintance of records and deliver the Investors Report to the Luxembourg Stock Exchange (so long as, the Senior Notes are listed on the official list of the Luxembourg Stock Exchange); and

(d) the Paying Agent has agreed to provide the Issuer with certain payment services, to determine the Euribor on each Interest Determination Date and to provide the Issuer with certain calculation services in relation to the Notes.

The Accounts shall be opened in the name of the Issuer and (other than the Quota Capital Account) shall be operated by the Account Bank and the amounts or securities (as the case may be) standing to the credit thereof shall be debited and credited in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

The Issuer may (with the prior approval of the Representative of the Noteholders and prior notice to the Rating Agencies) revoke its appointment of any Agent by giving not less than 90 calendar days written notice to the relevant Agent (with a copy to the Representative of the Noteholders), regardless of whether a Trigger Event has occurred, provided that no revocation of the appointment of any Agent shall take effect until a successor has been duly appointed. The appointment of an Agent may terminate in accordance with article 1456 of the Italian civil code if the relevant Agent is rendered unable to perform its obligations under the Cash Allocation, Management and Payments Agreement.

The appointment of an Agent may terminate in accordance with article 1373 of the Italian civil code or 78 of the Bankruptcy Law, as applicable, if an Insolvency Event occurs in relation to any Agent. Any Agent may resign from its appointment under the Cash Allocation, Management and Payments Agreement, upon giving not less than 90 calendar days (or such shorter period as the Representative of the Noteholders may agree) prior written notice of resignation to the Issuer and the Representative of the Noteholders, it being understood that in the event the prior notice is given with at least 90 calendar days or such other shorter period agreed with the Representative of the Noteholders which is an adequate notice ("*congruo preavviso*") for the purpose of article 1727 of the Italian civil code, the relevant Agent may resign without giving any reason and without being responsible for Liabilities whatsoever which may be caused as a result of such resignation. Such resignation will be subject to and conditional upon: (i) if such resignation would otherwise take effect less than ten days before

or after any Payment Date (or any other date on which the Issuer is allowed or obliged for whatever reason to effect payments in respect of the Notes), such resignation not taking effect until the tenth day following such date; (ii) a substitute Calculation Agent and Paying Agent or Account Bank, as the case may be, being appointed by the Issuer, on substantially the same terms as those set out in the Cash Allocation, Management and Payments Agreement (in particular, the substitute Paying Agent or Account Bank must be an Eligible Institution); (iii) no Agent being released from its obligations under the Cash Allocation, Management and Payments Agreement until a substitute Agent has entered into such new agreement and it has become a party to the Intercreditor Agreement and the other relevant Transaction Documents; and (iv) notice of such resignation having been given to the Rating Agencies by the Issuer or the Representative of the Noteholders or the resigning Agent.

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

5. THE INTERCREDITOR AGREEMENT

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

In the Intercreditor Agreement the Other Issuer Creditors have agreed, *inter alia*, to the order of priority of payments to be made out of the Issuer Available Funds. The obligations owed by the Issuer to the Noteholders and, in general, to the Other Issuer Creditors are limited recourse obligations of the Issuer. The Noteholders and the Other Issuer Creditors have a claim against the Issuer only to the extent of the Issuer Available Funds in each case subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

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

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

6. THE MANDATE AGREEMENT

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

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

7. THE CORPORATE SERVICES AGREEMENT

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

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

THE ACCOUNTS

The Issuer has opened and, subject to the terms of the Transaction Documents, shall at all times maintain the following accounts. The Issuer undertakes to pay to or deposit, or cause to be paid to or deposited the following amounts in and out of such accounts:

(1) **Collection Account**

(a) In:

(i) on or prior to the Issue Date, the Collections and Recoveries received or recovered between the Valuation Date and the Issue Date;

(ii) the Collections and Recoveries received or recovered from the Lessees by the Servicer in accordance with the provisions of the Servicing Agreement;

(iii) all positive amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Collection Account; and

(iv) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments, if any, purchased with amounts transferred from the Collection Account pursuant to item (b)(ii) below;

(b) out:

(i) on or about the Issue Date, to pay the Initial Costs referred to the Securitisation, if any;

(ii) on or about the Issue Date, to pay the Initial Cash Reserve Amount to the Cash Reserve Account;

(iii) on or about the Issue Date, to pay the Retention Amount to the Expenses Account;

(iv) during each Collection Period, any amounts standing to the credit of the Collection Account may be used to invest in Eligible Investments; and

(v) two Business Days before each Payment Date, any amounts standing to the credit of the Collection Account shall then be transferred on the Payments Account.

(2) **Cash Reserve Account**

(a) In:

(i) on the Issue Date, the Initial Cash Reserve Amount;

(ii) on each Payment Date prior to the delivery of a Trigger Notice, the Cash Reserve Required Amount in accordance with the Priority of Payments;

(iii) all positive amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Cash Reserve Account; and

(iv) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments, if any, purchased with amounts transferred from the Cash Reserve Account pursuant to item (b)(i) below;

(b) out:

(i) any amounts standing to the credit of the Cash Reserve Account may be used to invest in Eligible Investments;

(ii) two Business Days before each Payment Date, any amounts standing to the Credit of the Cash Reserve Account shall then be transferred on the Payments Account; and

(iii) upon closing of the Cash Reserve Account, any amounts standing to the credit thereof shall be transferred to the Payments Account.

(3) **Payments Account**

(a) In:

(i) any remaining proceeds of the issue of the Notes following payment by the Issuer of the Purchase Price for the Portfolio in accordance with the Receivables Purchase Agreement;

(ii) any amount paid by the Originator in accordance with the provisions of the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or Servicing Agreement (if not due to be credited on the Collection Account in accordance with the relevant Transaction Document);

(iii) the proceeds deriving from the sale, if any, of individual Receivables in accordance with the provisions of the Receivables Purchase Agreement;

(iv) the proceeds deriving from the sale of the Portfolio, where permitted in accordance with the Transaction Documents;

(v) all positive amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Payments Account;

(vi) all proceeds (including their yield) deriving from the realisation, liquidation or maturity of the Eligible Investments, if any, (X) purchased with amounts transferred from the Payments Account pursuant to item (b)(ii) below or (Y) liquidated on the second Business Day immediately preceding a Payment Date,;

(vii) two Business Days before each Payment Date, all amounts transferred from the Collection Account and the Cash Reserve Account in accordance with the provisions of this Agreement and the relevant Payments Report;

(viii) any amounts standing to credit of the Cash Reserve Account and/or the Expenses Account, upon their closing;

(ix) any amounts (if any) due to be paid on the Payments Account in accordance with the applicable Priority of Payments; and

(x) any amounts received under any Transaction Document and not allocated to any other Account;

(b) out:

(i) all payments to be made on each Payment Date in accordance with the applicable Priority of Payments pursuant to the Payments Report;

(ii) any amounts standing to the credit of the Payments Account after the payments pursuant to item (b)(i) above have been made may be used to invest in Eligible Investments.

(4) **Expenses Account**

(a) In:

(i) on the Issue Date, the Retention Amount;

(ii) on each Payment Date, such an amount as will bring the balance of the Expenses Account up to (but not in excess of) the Retention Amount in accordance with the Priority of Payments; and

(iii) all positive amounts in respect of interest accrued and paid on the balance from time to time standing to the credit of the Expenses Account,

(b) out:

(i) during each Interest Period, any Expenses of the Issuer; and

(ii) upon closing of the Expenses Account, any amounts standing to the credit thereof shall be transferred to the Payments Account.

(5) **Quota Capital Account**

The Issuer has established the Quota Capital Account with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch, for the deposit of the Quotaholders' contributions on account of its quota capital.

(6) **Securities Account**

The Issuer may establish with the Account Bank the Securities Account in which any Eligible Investments represented by bonds, debentures, notes or other financial instruments shall be deposited or recorded.

The Account Bank will be required at all times to be an Eligible Institution. Should the Account Bank no longer be an Eligible Institution, the Accounts held with it will be transferred to an Eligible Institution in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

TERMS AND CONDITIONS OF THE SENIOR NOTES

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

The €2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049 and the €1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049 have been issued by the Issuer on the Issue Date pursuant to the Securitisation Law to finance the purchase by the Issuer of the Portfolio pursuant to the Receivables Purchase Agreement. The principal source of payment of any amounts due under the Notes will be the Collections and other amounts received in respect of the Portfolio and the other Transaction Documents.

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

1. INTRODUCTION

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

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

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

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

1.3 *Copies of Transaction Documents available for inspection*

Copies of the Transaction Documents (other than the Subscription Agreement) are available for inspection by the Senior Noteholders during normal business hours at the registered office of the Issuer and the Representative of the Noteholders, both being, as at the Issue Date, Via V. Alfieri n. 1, 31015 Conegliano (TV), Italy and at the specified office of the Paying Agent, being, as at the Issue Date, Via Verdi, 8, 20121 Milan, Italy.

1.4 *Description of Transaction Documents*

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

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

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

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

1.4.4 Pursuant to the Cash Allocation, Management and Payments Agreement, the Account Bank, the Calculation Agent, the Listing Agent, the Corporate Servicer and the Paying Agent have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling services in relation to moneys from time to time standing to the credit of the Accounts and with certain agency services. The Cash Allocation, Management and Payments Agreement also contains provisions relating to, *inter alia*, the payment of any amounts in respect of the Notes of each Class.

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

1.4.6 Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject to a Trigger Notice being served upon the Issuer following the occurrence of a Trigger Event or upon failure by the Issuer to exercise its rights under the Transaction Documents and fulfilment of certain other conditions, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

1.4.7 Pursuant to the Corporate Services Agreement, the Corporate Servicer has agreed to provide, respectively, certain corporate and administrative services to the Issuer.

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

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

1.5 *Acknowledgement*

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

2. DEFINITIONS AND INTERPRETATION

2.1 *Definitions*

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

"**Accounts**" means collectively the Collection Account, the Payment Account, the Cash Reserve Account, the Expenses Account and, upon opening thereof, the Securities Account, and "**Account**" means any of them.

"**Account Bank**" means ISP or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Additional Return**" means the amount of variable return payable on the Junior Notes on any Payment Date subject to the Junior Notes Conditions, determined in accordance with Junior Notes Condition 7 (*Additional Return*) by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority to the Additional Return pursuant to the applicable Priority of Payments on such Payment Date.

"**Adjustment**" means a Negative Adjustment or a Positive Adjustment, as the case may be.

"**Advances**" means the advances made by the Lessees at the time of the exercise of an Advanced Residual Value in relation to an Asset whose ownership is not transferred together with such Advanced Residual Value.

"**Advanced Residual Value**" means the exercise by a Lessee of the Residual Value prior to the original due date as specified in the relevant Lease Agreement, it being understood that, for the avoidance of doubts, the amount paid by the Lessee in order to exercise such Advanced Residual Value shall be considered as to include all the Instalments due and unpaid pursuant to the relevant Lease Agreement.

"**Advanced Residual Value Amount**" means, for any Lease Agreement that is subject to an Advanced Residual Value, the amount owed by Mediocredito to the Issuer, calculated in accordance with the commercial practice from time to time adopted by Mediocredito in respect of its customers, and in any case not lower than the sum of (a) all Principal Instalments not yet due or due but unpaid and (b) the principal component of the Residual Value, as resulting from the relevant Lease Agreement.

"**Arrangers**" ISP and BANCA IMI.

"**Asset**" means any Equipment, Motorvehicle or Real Estate Asset which is leased under any Lease Agreement.

"**Business Day**" means a day on which banks are generally open for business in Milan, and Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

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

"**Calculation Date**" means the 20th day of January, April, July and October of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Calculation Date shall fall in April 2018.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Account Bank, the Paying Agent, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Listing Agent and the Calculation Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT97X0306909400100000012879), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Required Amount**" means (i) with reference to the Issue Date, the Initial Cash Reserve Amount and (ii) with reference to each subsequent Payment Date, an amount equal to the higher of (i) 1.5% of the Principal Amount Outstanding of the Senior Notes on the Calculation Date immediately preceding such Payment Date; and (ii) 0.75% of the initial principal amount of the Senior Notes as at the Issue Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the Final Maturity Date and/or on the Payment Date on which the Senior Notes are expected to be redeemed in full.

"**Cash Trapping Trigger**" means the condition which occurs when the Cumulative Gross Default Ratio is equal to, or higher than 12%.

"**Class A Noteholders**" or "**Senior Noteholders**" means the persons who are, from time to time, the holders of the Class A Notes.

"**Class A Notes** or **Senior Notes**" means the €2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049.

"**Class B Noteholders** or **Junior Noteholders**" means the persons who are, from time to time, the holders of the Class B Notes.

"**Class B Notes**" or "**Junior Notes**" means the €1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049.

"**Clean Up Option Date**" means the Payment Date on which the Senior Notes are redeemed in full.

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

"**Collateral Portfolio**" means, at any given date, all Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement which are not Defaulted Receivables as at such date.

"**Collateral Portfolio Outstanding Amount**" means the Outstanding Principal of all Receivables contained in the Collateral Portfolio.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT23W0306909400100000012878), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collection Period**" means each quarterly period commencing on a Reference Date (excluded), and ending on (and including) the next succeeding Reference Date, and in the case of the first Collection Period, commencing on (and including) the Valuation Date and ending on the Reference Date falling in March 2018.

"**Collections**" means all amounts received by the Servicer or any other person in respect of Instalments due under the assigned Receivables, and any other amount whatsoever received by the Servicer or by any other person in respect of the assigned Receivables including, but not limited to, the Advanced Residual Value Amounts, the Advances and the Recoveries.

"**Conditions**" means the terms and conditions at any time applicable to the Senior Notes or, as the case may be, the Junior Notes, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

"**CONSOB**" means the Italian Stock Exchange Commission (*Commissione Nazionale per le Società e la Borsa*).

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

"**Corporate Servicer**" means Securitisation Services S.p.A. or any other person for the time being acting as pursuant to the Corporate Services Agreement and its permitted successors and assignees from time to time.

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

"**Credit, Collection and Recovery Policy**" means Mediocredito's credit, collection and recovery policy in relation to the Receivables and the Instalments and of any other amount due in respect of the Receivables and the Lease Agreements, attached as schedule 4 to the Servicing Agreement.

"**Criteria**" means the objective criteria on the basis of which the Receivables have been selected, as indicated in the Receivables Purchase Agreement.

"**Cumulative Gross Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Reference Date, the ratio obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables during the

period between the Issue Date and such Reference Date, by (B) the Outstanding Principal of all the Receivables comprising the Portfolio as at the Valuation Date.

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

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

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

"**DBRS Minimum Rating**" means:

(i) if a Fitch long term public rating, a Moody's long term public rating and an S&P long term public rating (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and

(ii) 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

(iii) 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 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.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of ''*imposta sostitutiva*'' under Decree 239.

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

"**Defaulted Receivable**" means any Receivable arising from a Lease Agreement which has been (A) terminated upon default of the relevant Lessee in accordance with the Credit, Collection and Recovery Policy or (B) which has at least (i) in case of monthly amortisation plans, six Instalments due and unpaid, or (ii) in case of quarterly amortisation plan, at least three Instalments due and unpaid, in both cases for at least 31 days starting from the relevant Scheduled Instalment Date.

"**Delinquent Receivables**" means any Receivable arising from a Lease Agreement which is not a Defaulted Receivable and which has at least one Instalment due and unpaid by the relevant Lessee for an amount higher than 5% of the relevant Instalment and for not less than 31 days from the relevant Scheduled Instalment Date.

"**Eligible Institution**" means (a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or of the United States of America, having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(a) with respect to DBRS:

(i) the greater of (a) the rating one notch below the institution's long-term critical obligations rating ("**COR**") and (b) at least "BBB (low)" in respect of the institution's long-term senior debt rating ; or

(ii) if a COR is not currently maintained for the institution, at least "BBB (low)" in respect of the long-term senior debt rating of the institution; or

(iii) if there is no such public rating, a private COR or long-term senior debt rating of the institution supplied by DBRS of at least "BBB (low)".

(b) with respect to Moody's:

(i) "Ba1" in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long term deposit rating by Moody's, "P-3" in respect of short term debt;

"**Eligible Investment Maturity Date**" means (i) with respect to Eligible Investments the interest and principal proceeds of which are known at time the investment was made, the date falling no later than two Business Days prior to each Payment Date; and (ii) with respect to Eligible Investments the interest and principal proceeds of which are not yet known at the time the investment was made, the date falling no later than one Business Day prior to each Calculation Date immediately preceding the Payment Date in respect of which such Eligible Investments were made.

"**Eligible Investments**" means:

(a) euro-denominated senior, unsubordinated debt securities, commercial papers, accounts, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date; and (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided that the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued or held by, or fully and unconditionally guaranteed on an unsubordinated basis by, an

institution whose unsecured and unsubordinated debt obligations have at least the following ratings (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 Notes):

(i) "Baa3" by Moody's in respect of long-term debt, or, in the event of an investment which does not have a long-term rating by Moody's, such other rating compliant with the criteria established by Moody's from time to time; and

(ii) (i) (A) "R-2 (middle)" by DBRS in respect of short-term debt or "BBB (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than 30 days; or (B) such other rating as acceptable to DBRS from time to time; or (ii) (A) "R-1 (low)" by DBRS in respect of short-term debt or "A (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity exceeding 30 days but not exceeding 90 days; or (B) such other rating as acceptable to DBRS from time to time; provided that a rating by DBRS is (a) the public long term senior debt rating assigned by DBRS or, if there is no public DBRS rating, (b) the private long term senior debt rating assigned by DBRS. In the event of debt securities or other debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution which does not have a private rating nor a public rating from DBRS, then the minimum rating requirements of the relevant debt instrument for DBRS will be defined having reference to the DBRS Minimum Rating,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) caps, 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) money market funds.

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

"**Equipment**" means each plant or machinery located in the Republic of Italy (with the exception of energy plants) not under construction which is leased under a Lease Agreement and comprising the Equipment Pool.

"**Equipment Pool**" means the aggregate of Receivables originating from Lease Agreements the underlying Assets of which are Equipment.

"**Euribor**" means the rate at which Euro inter-bank term deposits are offered by one prime bank to another prime bank within the EMU-Zone calculated at 11:00 a.m. (CET) for spot value (T+2), which appears on the display page designated Euribor 01 on Reuters (except in respect of the First Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month deposits in Euro which appears on the display page designated Euribor 01 on Reuters will be applied), *provided that*:

(i) Euribor shall be determined by reference to such other page as may replace the relevant Reuters page on that service for the purpose of displaying such information; or

(ii) Euribor shall be determined, if the Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs above being the "**Screen Rate**" or, in the case of the First Interest Period, the "**Additional Screen Rate**") at 11:00 a.m. (CET time) on the Interest Determination Date; and

if the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(1) the arithmetic mean (rounded, if necessary, to three decimal places with the mid-point rounded up) of the rates notified by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Banks to leading banks in the EMU-Zone interbank market at 11.00 a.m. (CET time) on the Interest Determination Date; or

(2) if only two of the Reference Banks provide such offered quotations, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or

(3) if only one or none of the Reference Banks provides the Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding Interest Period.

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

"**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 (IBAN: IT19R0306909400100000012881), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

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

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

"**Final Maturity Date**" means the Payment Date falling in January 2049.

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

"**Guarantors**" means any person, other than a Lessee, which has provided a guarantee or a security in favour of a Lessee in relation to the Receivables, and/or its successors and/or assignees.

"**Index Rate**" means, in respect to each Receivable bearing a floating interest rate, the index rate applicable pursuant to the provisions of the relevant Lease Agreement.

"**Initial Accrued Interest**" means, as at the Valuation Date, the portion of the Interest Instalment accrued as at the Valuation Date but not yet due and payable at that date.

"**Initial Cash Reserve Amount**" means Euro 43,045,500.00.

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect

of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

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

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

"**Instalment**" means the amount from time to time payable by the Lessees under each Lease Agreement as consideration for the use of the relevant Asset.

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

"**Interest Determination Date**" means (a) with respect to the First Interest Period, the date falling two Target2 Days prior to the Issue Date; and (b) with respect to each subsequent Interest Period, the date falling two Target2 Days prior to the Payment Date at the beginning of such Interest Period.

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

"Interest Payment Amount" has the meaning ascribed to that term in Senior Notes Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the "**First Interest Period**" shall commence on (and include) the Issue Date and end on (but excluded) the First Payment Date.

"**Interest Rate**" shall have the meaning ascribed to it in Senior Notes Condition 7.5 (*Interest Rate*).

"**ISP**" means Intesa Sanpaolo S.p.A., a bank incorporated under the laws of the Republic of Italy as *società per azioni*, having its registered office at Piazza San Carlo, 156 Turin, Italy and secondary seat at Via Monte di Pietà 8, 20121 Milan, Italy, share capital of euro 8,731,984,115.92 fully paid up, fiscal code and enrolment with the companies register of Turin number 00799960158, enrolled under number 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo S.p.A. Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**ISPBL**" means Intesa Sanpaolo S.p.A. Bank Luxembourg S.A., a bank incorporated under the laws of the Grand Duchy of Luxembourg as a *société anonyme*, having its registered office at 19-21 Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 13859, or any other person for the time being acting as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 30 November 2017.

"**Issuer**" means Adriano Lease Sec. S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10,000.00 fully paid up, having its registered office at Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso-Belluno number 04454640261, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, with reference to each Payment Date, the aggregate of:

(i) all Collections received or recovered by the Issuer through the Servicer in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Account during the immediately preceding Collection Period;

(ii) all amounts transferred on the Payments Account on the immediately preceding Payment Date as Advances in accordance with item *Sixth* of the Pre Trigger Notice Priority of Payments;

(iii) on the First Payment Date, the Initial Cash Reserve Amount, and on any Payment Date thereafter, all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Trigger Notice Priority of Payments;

(iv) all amounts in respect of interest and profit accrued or generated and paid on Eligible Investments (if any) up to the relevant applicable Eligible Investment Maturity Date;

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

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payments Account (including, for the avoidance of doubts, amounts transferred from the Cash Reserve Account, and the Expenses Account upon their closing in accordance with the Cash Allocation, Management and Payments Agreement) as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Payments Account on the Issue Date as issue price of the Notes in excess of the Purchase Price;

(ix) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

For the avoidance of doubts, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of any Payment Date shall also comprise any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

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

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

"**Junior Notes Conditions**" means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

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

"**Lease Agreement**" means each agreement under which a Receivable arises from, entered into between Mediocredito and a Lessee in accordance with Mediocredito's standard form of lease agreements, pursuant to which Mediocredito leases an Asset to the relevant Lessee, and the latter agrees to pay the Instalments and the other sums specified therein.

"**Lessees**" means the lessees under the terms of the Lease Agreements entered into by Mediocredito in the ordinary course of its business.

"**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.

"**Listing Agent**" means Intesa Sanpaolo S.p.A. Bank Luxembourg S.A., or any other person for the time being acting as listing agent pursuant to Cash Allocation, Management and Payments Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, whereby the Representative of the Noteholders shall, subject to a Trigger Notice having been served by the Representative of

the Noteholders upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which it is a party, as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

"**Mediocredito**" means a bank incorporated under the laws of the Republic of Italy as a *società per azioni* subject to the activity of direction and coordination (*attività di direzione e coordinamento*) of its sole shareholder Intesa Sanpaolo S.p.A., having its registered office at Via Montebello 18, 20121 Milan, share capital of euro 992,043,495.00 fully paid up, fiscal code and enrolment with the companies register of Milan number 13300400150 and enrolled under number 5489 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

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

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

"**Moody's**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Moody's Investors Service España S.A., and (ii) in any other case, any entity of Moody's Investors Service, in which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Most Senior Class of Notes**" means, at any Payment Date, the Senior Notes or the Junior Notes if the Senior Notes have been redeemed in full.

"**Motorvehicles**" means any scooters, motorbikes, cars or trailers and any other movable assets registered in Italy, with the exception of boats, ships or aircrafts, which are the subject of any Lease Agreement and included in the Motorvehicles Pool.

"**Motorvehicles Pool**" means the aggregate of Receivables originating from Lease Agreements the underlying Assets of which are Motorvehicles.

"**Negative Adjustments**" means, in respect of each floating rate Lease Agreement (*Contratto di Locazione a tasso variabile*), the amount (if any) which is due to be paid to the Lessee pursuant to the relevant Lease Agreement by reason of the decrease of the Index Rate applicable from time to time to the Instalments, as set out in such Lease Agreement.

"**New Lease Agreement**" means any lease agreement, entered into with a new lessee (i) that is not a company of the Intesa Sanpaolo S.p.A. Banking Group (*Gruppo Bancario Intesa Sanpaolo S.p.A.*), and (ii) meeting the Criteria number 9, 10 and 11 listed under the Receivables Purchase Agreement, having at its subject the leasing of an Asset already leased under a Lease Agreement which has been terminated.

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

"**Notes**" means, collectively, each of the Senior Notes and the Junior Notes.

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

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

"**Organisation of the Noteholders**" means the association of Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders' rights and, more generally, any action for the protection of their rights.

"**Originator**" means Mediocredito.

"**Other Issuer Creditors**" means collectively the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Paying Agent, the Account Bank, the Listing Agent, the Underwriter, and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the aggregate amount of all Principal Instalments due on any following Scheduled Instalment Date and of any Principal Instalment due but unpaid.

"**Paying Agent**" means ISP or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT42Q0306909400100000012880), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means the First Payment Date and, thereafter, the 27th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately succeeding Business Day.

"**Payments Report**" means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Calculation Date by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Portfolio**" means the portfolio purchased by the Issuer from Mediocredito under the Receivables Purchase Agreement.

"**Positive Adjustment**" means, in respect of each floating rate Lease Agreement (*Contratto di Locazione a tasso variabile*), the amount (if any) which is due to be paid by the Lessee pursuant to the relevant Lease Agreement by reason of the increase of the Index Rate applicable from time to time to the Instalments, as set out in such Lease Agreement.

"**Post Trigger Notice Priority of Payment**" means the order of priority of payments applicable upon delivery of a Trigger Notice, as provided for by Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*).

"**Pre Trigger Notice Priority of Payment**" means the order of priority of payments applicable before delivery of a Trigger Notice, as provided for by Senior Notes Condition 6.1 (*Pre Trigger Notice Priority of Payments*).

"**Principal Amount Outstanding**" means, in relation to a certain date and to any Note, the nominal amount due for that Note as at the Issue Date, minus the amounts in respect of principal that have been paid in relation to such Note prior to such date.

"**Principal Deficiency Amount**" means, with reference to each Payment Date prior to the service of a Trigger Notice, the Principal Amount Outstanding of the Notes as at the Calculation Date immediately preceding such Payment Date **less** (i) the Cash Reserve Required Amount as at such Payment Date, and (ii) the Collateral Portfolio Outstanding Amount as at the Calculation Date immediately preceding such Payment Date.

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

"**Principal Payment Amount**" has the meaning ascribed to that term in Condition 8.6.2.

"**Priority of Payments**" means the Pre Trigger Notice Priority of Payments and/or the Post Trigger Notice Priority of Payments, as the case may be.

"**Purchase Price**" means the amount of Euro 4,220,198,461.65 due by the Issuer to Mediocredito as consideration for the purchase of the Portfolio.

"**Quarterly Servicer Report**" means the quarterly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Quarterly Servicer Report Date pursuant to the Servicing Agreement.

"**Quarterly Servicer Report Date**" means the 15th day of January, April, July and October, of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Quarterly Servicer Report Date shall fall in April 2018.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch (IBAN: IT 14 B 01030 61622 000061254930), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Quotaholders**" means, together, ISP and SVM Securitisation Vehicles Management S.r.l., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata con socio unico*, quota capital of euro 30,000.00 fully paid up, having its registered office at Via

V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in in the companies register of Treviso-Belluno number 03546650262

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into between the Quotaholders and the Issuer, as amended and/or supplemented from time to time.

"**Rating Agencies**" means DBRS and Moody's.

"**Real Estate Asset**" means any building or real property located in the Republic of Italy (with the exceptions of energy plants) not under construction or restoration, which is the subject of a Lease Agreement and comprising the Real Estate Pool.

"**Real Estate Pool**" means the aggregate of Receivables originating from Lease Agreements the underlying Assets of which are Real Estate Assets.

"**Receivables**" means:

(a) all amounts payable by the Lessees as Instalments under the Lease Agreements, such Instalments comprising Principal Instalments and Interest Instalments;

(b) default interest (where applicable) and/or interest due by the Lessees as a consequence of payment deferrals granted by Mediocredito, in each case, accrued or accruing on all Instalments and adjustments thereof due from the Lessees under the Lease Agreements;

(c) penalties, including the amounts due by the Lessees in relation to the early termination of or withdrawal from the relevant Lease Agreement; and

(d) any indemnity liquidated pursuant to any Insurance Policy relating to any leased Assets, or part of them, in favour of Mediocredito, and any amounts received by Mediocredito pursuant to any guarantee related to the Lease Agreements,

all the foregoing as adjusted by the Adjustments, and together with all the relevant security interests and guarantees, connected privileges and pre-emptive rights, and all other ancillary rights pertaining thereto, as well as all other rights, claims and actions (including any action for damages) and defences thereto inherent or otherwise ancillary to such rights, claims and actions and/or to the exercise thereof, in accordance with the provisions of the Lease Agreements and/or all other documents and agreements connected to them and/or pursuant to the applicable law.

"**Receivables Purchase Agreement**" means the receivables purchase agreement entered into between the Issuer and Mediocredito on 7 November 2017, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Recoveries**" means the proceeds arising from the Defaulted Receivables, including the proceeds deriving from Asset's sales and the Re-Leased Amounts.

"**Reference Banks**" means three primary banks in the EMU-Zone interbank market.

"**Reference Date**" means the last calendar day of March, June, September and December of each year, it being understood that the first Reference Date will fall in March 2018.

"**Re-Leased Amounts**" means the amount of the principal instalments under any New Lease Agreement.

"**Representative of the Noteholders**" means Securitisation Services S.p.A. or such other person or persons acting from time to time as representative of the Noteholders in accordance the Subscription Agreement and the Rules of the Organisation of the Noteholders.

"**Residual Value**" means the payment due at the end of the contractual term under any Lease Agreement if the Lessee were to exercise its option to purchase the relevant Asset.

"**Retention Amount**" means an amount equal to Euro 40,000.00.

"**Rules of the Organisation of the Noteholders**" means the rules governing the Organisation of the Noteholders, attached to these Senior Notes Conditions.

"**Scheduled Instalment Date**" means the date on which the payment of an Instalment under the relevant Lease Agreement is contractually due.

"**Securities Account**" means the securities account which may be established in the name of the Issuer with the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement.

"**Securitisation Law**" means the Italian law no. 130 dated 30 April 1999, as amended and/or supplement from time to time.

"**Securitisation**" means the securitisation transaction involving the Receivables carried out by the Issuer pursuant to the Securitisation Law.

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

"**Security Interest**" means:

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

(ii) 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

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

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

"**Senior Notes Conditions**" means these terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Senior Notes Condition shall be construed accordingly.

"**Senior Notes Principal Payable Amount**" means, with reference to each Payment Date following the service of a Trigger Notice, the amount of principal payable on the Senior Notes on such Payment Date, and equal to the lower of (i) the Issuer Available Funds *less* the sum of the amounts due under the items immediately preceding in the Post Trigger Notice Priority of Payments on such Payment Date, and (ii) the Principal Amount Outstanding of the Senior Notes on such Payment Date.

"**Subscription Agreement**" means the agreement for the subscription of the Notes entered into on or about the Issue Date between the Issuer, the Arrangers, the Underwriter, the Originator and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

"**Servicing Agreement**" means the servicing agreement entered into on 7 November 2017 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

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

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

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

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

"**Transaction Documents**" means, collectively, the Receivables Purchase Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate Services Agreement, the Intercreditor Agreement, the Subscription Agreement, the Cash Allocation, Management and Payments Agreement, the Master Definitions Agreement, the Mandate Agreement, the Quotaholders' Agreement, the Conditions, this Prospectus and any other document which may be entered into in order to perfect the Securitisation.

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

"**Trigger Event**" means any of the events described in Senior Notes Condition 12.1 (*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 Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*).

"**Underwriter**" means Mediocredito.

"**Valuation Date**" means 31 October 2017.

"**Warranty and Indemnity Agreement**" means the agreement entered into on 7 November 2017 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

2.2 *Interpretation*

2.2.1 *References in Senior Notes Condition*

Any reference in these Senior Notes Conditions to:

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

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

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

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

2.2.2 *Transaction Documents and other agreements*

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

2.2.3 *Transaction parties*

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

2.2.4 *Master Definitions Agreement*

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

3. DENOMINATION, FORM AND TITLE

3.1 *Denomination*

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

3.2 *Form*

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

3.3 *Title and Monte Titoli*

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

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 Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Senior Note, as the absolute owner of such Senior Note for the purposes of payments to be made to the holder of such Senior Note (whether or not the Senior Note is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the Senior Note or any notice of any previous loss or theft of the Senior Note) and shall not be liable for doing so.

3.5 *The Rules*

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

4. STATUS, SEGREGATION AND RANKING

4.1 *Status*

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

4.2 *Segregation by law and security*

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

4.3 *Ranking*

4.3.1 In respect of the obligation of the Issuer to pay interest and Additional Return (as applicable) on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the repayment of principal due on the Senior Notes, payments of interest, repayment of principal and payment of Additional Return on the Junior Notes; and

(b) the Junior Notes (a) in respect of interest, rank *pari passu* and *pro rata* without any preference or priority among themselves, but subordinated to payments of interest and repayment of principal due on the Senior Notes and in priority to repayment of principal and Additional Return on the Junior Notes; and (b) in respect of Additional Return, rank *pari passu* and *pro rata* without any preference or priority among themselves, but in priority to the Junior Notes Retained Amount and subordinated to payments of interest and repayment of principal due on the Senior Notes and payment of interest and repayment of principal due on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount.

4.3.2 In respect of the obligation of the Issuer to repay principal due on the Notes, the Conditions provide that, prior to the delivery of a Trigger Notice:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest due on the Senior

Notes, but in priority to payments of interest, repayment of principal and payment of Additional Return due on the Junior Notes;

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves, subordinated to payments of interest and repayment of principal due on the Senior Notes and interest on the Junior Notes, but in priority to the Additional Return until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount and subordinated to the Additional Return for an amount equal to the Junior Notes Retained Amount.

4.3.3 Following the delivery of a Trigger Notice, in respect of the obligation of the Issuer to pay interest, Additional Return and to repay principal on the Notes, the Conditions provide that:

(a) the Senior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but in priority to the Junior Notes; and

(b) the Junior Notes rank *pari passu* and *pro rata* without any preference or priority among themselves for all purposes, but subordinated to the Senior Notes.

4.3.4 The Rules of the Organisation of the Noteholders contain provisions regarding the protection of the respective interests of all Noteholders in connection with the exercise of the powers, authorities, rights, duties and discretions of the Representative of the Noteholders under or in relation to the Notes or any of the Transaction Documents. If, however, in the opinion of the Representative of the Noteholders, there is a conflict between interests of different Classes of Noteholders, then the Representative of the Noteholders is required to have regard to the interests of the Most Senior Class of Noteholders only.

4.4 *Obligations of Issuer only*

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

5. COVENANTS

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

5.1 *Negative pledge*

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

5.2 *Restrictions on activities*

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

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

5.2.3 at any time approve or agree or consent to any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents and shall not do, or permit to be done, any act or thing in relation thereto which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

5.2.4 become the owner of any real estate asset including in the context of enforcement proceedings relating to a real estate asset; or

5.3 *Dividends or distributions*

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

5.4 *De-registrations*

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

5.5 *Borrowings*

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

5.6 *Merger*

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

5.7 *No variation or waiver*

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

5.8 *Bank accounts*

open or have an interest in any bank account other than the Accounts, the Quota Capital Account or any bank account opened in relation to any further securitisation permitted pursuant to Condition 5.11 (*Further securitisations*) below; or

5.9 *Statutory documents*

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

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

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

5.11 *Further securitisations*

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

6. PRIORITY OF PAYMENTS

6.1 *Pre Trigger Notice Priority of Payments*

Prior to the delivery of a Trigger Notice or redemption of the Notes pursuant to Conditions 8.1 (*Redemption, Purchase and Cancellation – Final redemption*), 8.3 (*Redemption, Purchase and Cancellation – Optional redemption*) and 8.4 (*Redemption, Purchase and Cancellation – Optional redemption in whole for taxation reasons*), 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 or credited to the relevant Accounts):

First, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses (to the extent that amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

Second, to credit to the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of

the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Servicer and the Servicer;

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

Fifth, to credit to the Cash Reserve Account such an amount as will bring the balance of such account up to (but not in excess of) the Cash Reserve Required Amount;

Sixth, to credit to the Payments Account the Advances for an amount equal to the amount evidenced as such in the immediately preceding Quarterly Servicer Report;

Seventh, to pay, *pari passu* and *pro rata*, principal on the Senior Notes for an amount up to the Principal Deficiency Amount on such Payment Date;

Eighth, to the extent the Cumulative Gross Default Ratio is higher than the Cash Trapping Trigger on such Payment Date, to use all residual Issuer Available Funds, to repay, *pari passu* and *pro rata*, principal on the Senior Notes until the Senior Notes are redeemed in full;

Ninth, to pay to the Originator any amount received or collected by the Issuer as Initial Accrued Interest;

Tenth, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

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

Twelfth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full any amount of principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Thirteenth, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes;

Fourteenth, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

6.2 *Post Trigger Notice Priority of Payments*

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

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 amounts standing to the credit of the Expenses Account have been insufficient to pay such Expenses during the immediately preceding Interest Period);

Second, if the relevant Trigger Event is not an Insolvency Event, to credit to the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

Third, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable on account of remuneration or proper costs and expenses incurred under the provisions of, or in connection with, any of the Transaction Documents by the Representative of the Noteholders, the Account Bank (including any amount charged to the Issuer by reason of the application of any negative interest rate on any of the Accounts held with it, if applicable), the Calculation Agent, the Paying Agent, the Listing Agent, the Corporate Servicer and the Servicer;

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

Fifth, to pay *pari passu* and *pro rata* principal on the Senior Notes for an amount equal to the Senior Notes Principal Payable Amount;

Sixth, to pay to any Transaction Party any amount due and payable under the Transaction Documents, to the extent not already paid or payable under other items of this Priority of Payments;

Seventh, to pay, *pari passu* and *pro rata*, all amounts of interest due and payable on the Junior Notes;

Eighth, to pay, *pari passu* and *pro rata* and provided that the Senior Notes have been redeemed in full, principal on the Junior Notes until the Principal Amount Outstanding of the Junior Notes is equal to the Junior Notes Retained Amount;

Ninth, to pay, *pari passu* and *pro rata*, the Additional Return on the Junior Notes; and

Eleventh, on the Payment Date falling on or after the earlier of (i) the Final Maturity Date, or (ii) the date on which there are no longer outstanding Receivables, or (iii) the date on which the Junior Notes are to be redeemed in full or cancelled, to pay, *pari passu* and *pro rata*, all amounts outstanding in respect of Junior Notes Retained Amount on the Junior Notes.

7. INTEREST

7.1 *Accrual of interest*

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

7.2 *Payment Dates and Interest Periods*

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

7.3 *Termination of interest accrual*

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

7.4 *Calculation of interest*

Interest in respect of any Interest Period or any other period shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

7.5 *Rate of interest*

The rate of interest applicable to the Senior Notes (the "**Interest Rate**") for each Interest Period, including the Initial Interest Period, shall be the lower of:

7.5.1 5% per annum; and

7.5.2 the higher of:

(a) 0% per annum; and

(b) by reference to the First Interest Period and so long as no Trigger Notice has been served, the sum of (1) the rate calculated as the linear interpolation of Euribor with a designated maturity of 3 months and Euribor with a designated maturity of 6 months, plus (2) a margin of 0.85% per annum; or

(c) by reference to any subsequent Interest Period and so long as no Trigger Notice has been served, the sum of (1) 3 months Euribor, plus (2) a margin of 0.85% per annum; or

(d) by reference to any Interest Period after the service of a Trigger Notice, the sum of (1) the EMU-Zone inter-bank offered rate for euro deposits in respect of the period determined by the Representative of the Noteholders in accordance with the provisions of the Intercreditor Agreement, plus (2) a margin of 0.85% per annum

7.6 *Determination of Interest Rate and calculation of Interest Payment Amounts*

The Issuer shall on each Interest Determination Date determine or cause the Paying Agent to determine:

7.6.1 the Interest Rate applicable to the next Interest Period beginning after such Interest Determination Date (or, in the case of the Initial Interest Period, beginning on and including the Issue Date);

7.6.2 the Euro amount (the "**Interest Payment Amount**") payable as interest on a Senior Note in respect of the following Interest Period calculated by applying the Interest Rate to the Principal Amount Outstanding of a Senior Note on the Payment Date at the commencement of such Interest Period (or, in the case of the Initial Interest Period, the Issue Date) (after deducting therefrom any payment of principal due and paid on that Payment Date), multiplying the product of such calculation by the actual number of days in the Interest Period and dividing by 360, and rounding the resultant figure to the nearest cent (half a cent being rounded up).

7.7 *Notification of the Interest Rate, Interest Payment Amount and Payment Date*

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

7.7.1 the Interest Rate applicable for the related Interest Period;

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

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

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

7.8 *Amendments to publications*

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

7.9 *Determination by the Representative of the Noteholders*

If the Issuer does not at any time for any reason determine (or cause to be determined) the Interest Rate or calculate the Interest Payment Amount for the Senior Notes in accordance with this Senior Notes Condition 7 (*Interest*), the Representative of the Noteholders as legal representative of the Organisation of the Noteholders shall:

7.9.1 determine (or cause to be determined) the Interest Rate at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

7.9.2 determine (or cause to be determined) the Interest Payment Amount for each Senior Note in the manner specified in Senior Notes Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*);

and any such determination shall be deemed to have been made by the Issuer.

7.10 *Notifications to be final*

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

7.11 *Paying Agent*

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

7.12 *Unpaid interest with respect to the Senior Notes*

Unpaid interest on the Senior Notes shall accrue no interest.

8. REDEMPTION, PURCHASE AND CANCELLATION

8.1 *Final redemption*

8.1.1 Unless previously redeemed in full or cancelled as provided in this Senior Notes Condition, the Issuer shall redeem the Senior Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Final Maturity Date.

8.1.2 The Issuer may not redeem the Senior Notes in whole or in part prior to the Final Maturity Date except as provided below in Senior Notes Conditions 8.2 (*Mandatory redemption*), 8.3 (*Optional redemption*) and 8.4 (*Optional redemption for taxation reasons*), but without prejudice to Senior Notes Condition 12 (*Trigger Events*) and Senior Notes Condition 13 (*Enforcement*).

8.2 *Mandatory Redemption*

On each Payment Date on which there are Issuer Available Funds available for payments of principal in respect of the Senior Notes in accordance with the Priority of Payments set out in Senior Notes Condition 6 (*Priority of Payments*), the Issuer will cause the Senior Notes to be redeemed on such Payment Date in an amount equal to the Principal Deficiency Amount (or, upon delivery of a Trigger Notice, to the Senior Notes Principal Payable Amount) determined on the relevant Calculation Date.

8.3 *Optional redemption*

Provided that no Trigger Notice has been served on the Issuer, on any Payment Date falling on or after the Clean Up Option Date the Issuer may redeem the Senior Notes (in whole but not in

part) and the Junior Notes (in whole or in part, the Junior Noteholders having consented to such partial redemption) at their Principal Amount Outstanding (plus any accrued but unpaid interest thereon), in accordance with the Post Trigger Notice Priority of Payments, subject to the following:

8.3.1 that the Issuer has given not more than 60 days and not less than 30 days' notice to the Representative of the Noteholders and to the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) of its intention to redeem the Notes; and

8.3.2 delivering, prior to the notice referred to in paragraph 8.3.1 above being given, to the Representative of the Noteholders a certificate duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest of any third party) on such Payment Date to discharge all of its outstanding Liabilities in respect of the Senior Notes and any other payment in priority to or *pari passu* with the Senior Notes in accordance with the Post Trigger Notice Priority of Payments and all its outstanding Liabilities in respect of the Junior Notes (or, in case of redemption in part of the Junior Notes, the relevant portion of its outstanding Liabilities in respect of the Junior Notes, the Junior Noteholders' having consented to such partial redemption) and any other payment ranking higher or *pari passu* therewith in accordance with the Post Trigger Notice Priority of Payments.

8.4 *Optional redemption in whole for taxation reasons*

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

8.4.1 after the date on which the Issuer is required to make any payment in respect of the Notes and the Issuer or any other person would be required to make a Tax Deduction in respect of such payment (other than in respect of a Decree 239 Deduction); or

8.4.2 after the date of a change in the Tax law of Italy (or the application or official interpretation of such law) which would cause the total amount payable in respect of the Portfolio to cease to be receivable by the Issuer, including as a result of any of the Lessees being obliged to make a Tax Deduction in respect of any payment in relation to any Receivables,

subject to the following:

8.4.3 that the Issuer has given not more than 60 days' and not less than 30 days' notice to the Representative of the Noteholders and the Noteholders in accordance with Senior Notes Condition 16 (*Notices*) of its intention to redeem all (but not some only) of the Notes of each Class; and

8.4.4 that prior to giving such notice, the Issuer has provided to the Representative of the Noteholders:

(a) a certificate signed by the Issuer to the effect that the obligation to make a Tax Deduction or the imposition resulting in the total amount payable in respect of

the Portfolio ceasing to be receivable by the Issuer cannot be avoided by taking measures reasonably available to the Issuer and not prejudicial to its interests as a whole; and

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

8.5 *Conclusiveness of certificates*

Any certificate given by or on behalf of the Issuer pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*) may be relied upon by the Representative of the Noteholders without further investigation and shall be binding on the Noteholders and the Other Issuer Creditors.

8.6 *Calculation of Principal Payment Amount and Principal Amount Outstanding*

8.6.1 On each Calculation Date, the Issuer shall calculate or cause the Calculation Agent to calculate:

(a) the amount of the Issuer Available Funds;

(b) the aggregate principal payment (if any) due on the Senior Notes on the next following Payment Date, being (a) prior to the delivery of a Trigger Notice, the Principal Deficiency Amount, and (b) after the delivery of a Trigger Notice, the Senior Notes Principal Payable Amount;

(c) the Principal Payment Amount (if any) due on each Senior Note;

(d) the Cash Reserve Required Amount; and

(e) the Principal Amount Outstanding of each Senior Note on the next following Payment Date (after deducting any principal payment due to be made on that Payment Date in relation to each such Senior Note).

8.6.2 The principal amount redeemable in respect of each Senior Note (the "**Principal Payment Amount**") on any Payment Date shall be a *pro rata* share of the principal payment due in respect of all the Senior Notes, in accordance with the relevant Priority of Payments, on such date. The Principal Payment Amount is calculated by multiplying (a) prior to the delivery of a Trigger Notice, the Principal Deficiency Amount, and (b) after the delivery of a Trigger Notice, the Senior Notes Principal Payable Amount available to make the principal payment in respect of the Senior Notes, in accordance with the relevant Priority of Payments, on such date by a

fraction, the numerator of which is the then Principal Amount Outstanding of each Senior Note and the denominator of which is the then Principal Amount Outstanding of all the Senior Notes, and rounding down the resultant figures to the nearest cent, provided always that no such Principal Payment Amount may exceed the Principal Amount Outstanding of the relevant Senior Note.

8.7 *Calculation by the Representative of the Noteholders in case of Issuer's default*

If the Issuer does not at any time for any reason calculate (or cause the Calculation Agent to calculate) the Issuer Available Funds, the Senior Notes Principal Payment Amount, the Principal Payment Amount or the Principal Amount Outstanding in relation to each Senior Note in accordance with this Senior Notes Condition, such amounts shall be calculated by (or on behalf of) the Representative of the Noteholders in accordance with this Senior Notes Condition (based on information supplied to it by the Issuer or the Calculation Agent) and each such calculation shall be deemed to have been made by the Issuer.

8.8 *Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*

The Issuer will cause each calculation of the Principal Payment Amount and Principal Amount Outstanding in relation to each Senior Note to be notified immediately after calculation (through the Payments Report) to the Representative of the Noteholders, the Paying Agent and, for so long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and will cause notice of each calculation of a Principal Payment Amount and Principal Amount Outstanding in relation to each Senior Note to be given in accordance with Senior Notes Condition 16 (*Notices*) not later than two Business Days prior to each Payment Date.

8.9 *Notice of no Principal Payment Amount*

If no Principal Payment Amount is due to be made in relation to the Most Senior Class of Notes on any Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 16 (*Notices*) not later than two Business Days prior to such Payment Date.

8.10 *Notice Irrevocable*

Any such notice as is referred to in Senior Notes Condition 8.3 (*Optional redemption*), Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*) and Senior Notes Condition 8.8 (*Notice of calculation of Principal Payment Amount and Principal Amount Outstanding*) shall be irrevocable and, upon the expiration of notice pursuant to Senior Notes Condition 8.3 (*Optional redemption*) or Senior Notes Condition 8.4 (*Optional redemption for taxation reasons*), the Issuer shall be bound to redeem the Senior Notes at their Principal Amount Outstanding.

8.11 *No purchase by Issuer*

The Issuer is not permitted to purchase any of the Notes at any time.

8.12 *Cancellation*

All Senior Notes redeemed in full will be cancelled forthwith by the Issuer and may not be resold or reissued.

9. LIMITED RECOURSE AND NON PETITION

9.1 *Noteholders not entitled to proceed directly against Issuer*

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Obligations and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of the Obligations. In particular,

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

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

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

9.2 *Limited recourse obligations of Issuer*

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

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

9.2.2 sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the Issuer Available Funds, net of any sums which are payable by the Issuer in accordance with the Priority of Payments in priority to or *pari passu* with the sums payable to such Noteholder; and

9.2.3 if the Servicer has certified to the Representative of the Noteholders that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets which would be available to pay unpaid amounts outstanding under the Transaction Documents and the Representative of the Noteholders has given notice on the basis of such certificate in accordance with Condition 16 (*Notices*) that there is no reasonable likelihood of there being any further realisations in respect of the Portfolio and/or the other Segregated Assets (whether arising from judicial enforcement proceedings or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

10. PAYMENTS

10.1 *Payments through Monte Titoli*

Payment of any amounts in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the 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 Clearstream to the accounts with Clearstream of the beneficial owners of those Notes, all in accordance with the rules and procedures of Monte Titoli or Clearstream, as the case may be.

10.2 *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 *Payments on Business Days*

Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a business day in the place of payment to such Noteholder.

10.4 *Change of Paying Agent and appointment of additional paying agents*

The Issuer reserves the right, in accordance with the provisions of the Cash Allocation, Management and Payments Agreement, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that (for as long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require) the Issuer will at all times maintain a paying agent with a Specified Office in the Grand Duchy of Luxembourg. The Issuer will cause at least 30 days' prior notice of any change in or addition to the Paying Agent or its Specified Offices to be given in accordance with Senior Notes Condition 16 (*Notices*).

11. TAXATION

11.1 *Payments free from Tax*

All payments in respect of the Notes will be made free and clear of and without withholding or deduction (other than a Decree 239 Deduction, where applicable) for any Taxes imposed, levied, collected, withheld or assessed by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent or any paying agent, as the case may be, appointed under Senior Notes Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) is required by law to make any Tax Deduction. In that event the Issuer, the Representative of the Noteholders or such Paying Agent or other person (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.

11.2 *No payment of additional amounts*

None of the Issuer, the Representative of the Noteholders, the Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*) will be obliged to pay any additional amounts to the Senior Noteholders as a result of any such Tax Deduction.

11.3 *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Senior Notes Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

11.4 *Tax Deduction not Trigger Event*

Notwithstanding that the Representative of the Noteholders, the Issuer, the Paying Agent 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*

Each of the following events is a "**Trigger Event**":

12.1.1 *Non-payment*

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

(b) the Issuer defaults in the repayment of the Notes of any Class in full on the Final Maturity Date if such default is not remedied within a period of five Business Days from the due date thereof; or

12.1.2 *Breach of representations and warranties*

any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made and in respect of which no remedy has been taken within thirty calendar days from discovery that such representations and warranties were incorrect or misleading; or

12.1.3 *Breach of other obligations*

the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or any of the Transaction Documents to which it is a party (other than any obligation for the payment of the Interest Payment Amount and/or principal on the Most Senior Class of the Notes pursuant to Condition 12.1.1) and (except where, in the sole opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no notice requiring remedy will be required) such default remains unremedied for thirty days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the same to be remedied; or

12.1.4 *Insolvency of the Issuer*

an Insolvency Event occurs with respect to the Issuer; or

12.1.5 *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, when compliance with such obligations is deemed by the Representative of the Noteholders to be material.

12.2 *Delivery of a Trigger Notice*

If a Trigger Event occurs, subject to Senior Notes Condition 13 (*Enforcement*) the Representative of the Noteholders:

12.2.1 in the case of a Trigger Event under Conditions 12.1.1 (*Non-payment*) and 12.1.4 (*Insolvency of the Issuer*) above, shall; and

12.2.2 in the case of a Trigger Event under Conditions 12.1.2 (*Breach of representations and warranties*), 12.1.3 (*Breach of other obligations*) or 12.1.5 (*Unlawfulness*) above, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and if the conditions set out in Senior Note Condition 12.3.1 are met, shall,

deliver a written notice (a "**Trigger Notice**") to the Issuer.

12.3 *Conditions to delivery of Trigger Notice*

Notwithstanding Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*) the Representative of the Noteholders shall not be obliged to deliver a Trigger Notice unless:

12.3.1 in the case of the occurrence of any of the events mentioned in Senior Notes Condition 12.1.5 (*Unlawfulness*), the Representative of the Noteholders shall have certified in writing that the occurrence of such event is in its sole opinion materially prejudicial to the interests of the Senior Noteholders; and

12.3.2 it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.4 *Consequences of delivery of Trigger Notice*

Upon the delivery of a Trigger Notice, all payments of principal, interest, Additional Return and other amounts in respect of the Notes of each Class shall become immediately due and payable without further action or formality at their Principal Amount Outstanding, together with any accrued interest and shall be payable in accordance with the order of priority set out in Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*) and on such dates as the Representative of the Noteholders shall determine as being Payment Dates.

13. **ENFORCEMENT**

13.1 *Proceedings*

At any time after a Trigger Notice has been delivered, the Representative of the Noteholders may, at its discretion and without further notice take such steps and/or institute such proceedings as it thinks fit to enforce repayment of the Notes and payment of accrued interest thereon but it shall not be bound to do so unless directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.2 *Directions to the Representative of the Noteholders*

The Representative of the Noteholders shall not be bound to take any action described in Senior Notes Condition 13.1 (*Proceedings*) and may take such action without having regard to the effect of such action on any individual Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders of any Class other than the Most Senior Class of Notes then outstanding unless:

13.2.1 to do so would not, in its sole opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such Class; or

13.2.2 (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of each Class ranking senior to such Class.

13.3 *Sale of Portfolio*

Following the delivery of a Trigger Notice the Representative of the Noteholders shall direct the Issuer to sell the Portfolio or a substantial part thereof only if so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding and strictly in accordance with the instructions approved thereby.

14. THE REPRESENTATIVE OF THE NOTEHOLDERS

14.1 *The Organisation of the Noteholders*

The Organisation of the Noteholders shall be established upon and by virtue of the issue of the Notes and shall remain in force and in effect until repayment in full or cancellation of the Notes. The provisions relating to the Organisation of the Noteholders and the Representative of the Noteholders are contained in the Rules of the Organisation of the Noteholders.

14.2 *Appointment of the Representative of the Noteholders*

Pursuant to the Rules of the Organisation of the Noteholders there shall at all times be a Representative of the Noteholders.

15. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the date on which a payment in respect thereof first becomes due and payable.

16. NOTICES

16.1 *Notices given through Monte Titoli*

Any notice regarding the Senior Notes, as long as the Senior Notes are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

16.2 *Notices in the Grand Duchy of Luxembourg*

16.2.1 As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of such exchange so require, any notice to relevant Senior Noteholders given by or on behalf of the Issuer shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and shall also be considered sent for the purposes of Directive 2004/109/EC. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

16.2.2 In addition, as so long as the Senior Notes are listed on the Luxembourg Stock Exchange, any notice regarding the Senior Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the "**Transparency Directive**").

16.3 *Other method of giving Notice*

The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Senior Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

17. NOTIFICATIONS TO BE FINAL

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Senior Notes Conditions, whether by the Reference Banks (or any of them), the Paying Agent or any paying agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders shall (in the absence of gross negligence or wilful default) be binding on the Reference Banks, the Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer, the Representative of the Noteholders and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Reference Banks, the Paying Agent or any paying agent appointed under Senior Notes Condition 10.4 (*Change of Paying Agent and appointment of additional paying agents*), the Calculation Agent, the Issuer or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

18. GOVERNING LAW AND JURISDICTION

18.1 *Governing Law of Notes*

The Senior Notes and any non-contractual obligations arising out of or in connection with them are governed by Italian law.

18.2 *Governing Law of Transaction Documents*

All the Transaction Documents and any non-contractual obligations arising out of or in connection with them, are governed by Italian law.

18.3 *Jurisdiction of courts*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Senior Notes and any non-contractual obligations arising out thereof or in connection therewith.

18.4 *Jurisdiction of courts in relation to the Transaction Documents*

The Courts of Milan are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with all the Transaction Documents and any non-contractual obligations arising out thereof or in connection therewith.

EXHIBIT TO THE TERMS AND CONDITIONS OF THE SENIOR NOTES

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I
GENERAL PROVISIONS

1. **GENERAL**

1.1 The Organisation of the Noteholders is created concurrently with the issue of and subscription for the €2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049 (the "**Class A Notes**" or the "**Senior Notes**") and the €1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049 (the "**Class B Notes**" or the "**Junior Notes**"), issued by Adriano Lease Sec. S.r.l. and is governed by the Rules of the Organisation of the Noteholders set out therein ("**Rules**").

1.2 The Rules shall remain in force and effect until full repayment or cancellation of all the Notes.

1.3 The contents of the Rules are deemed to be an integral part of each Note issued by the Issuer.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

2.1.1 In these Rules, the terms set out below have the following meanings:

"**Basic Terms Modification**" means any proposal:

(a) to change any date fixed for the payment of principal, interest or Additional Return in respect of the Notes of any Class;

(b) to reduce or cancel the amount of principal, interest or Additional Return due on any date in respect of the Notes of any Class or to alter the method of calculating the amount of any payment in respect of the Notes of any Class on redemption or maturity;

(c) to change the quorum required to validly hold any Meeting or the majority required to pass any Ordinary Resolution or Extraordinary Resolution;

(d) to change the currency in which payments due in respect of any Class of Notes are payable;

(e) to alter the priority of payments of interest, Additional Return or principal in respect of any of the Notes;

(f) to effect the exchange, conversion or substitution of the Notes of any Class for, or the conversion of such Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed;

(g) to resolve on the matter set out in Condition 9.1 (*Noteholders not entitled to proceed directly against Issuer*); or

(h) a change to this definition.

"**Blocked Notes**" means Notes which have been blocked in an account with a clearing system or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining from the Paying Agent a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required.

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

(a) certifying that certain specified Notes are held to the order of the Paying Agent or under its control or have been blocked in an account with a clearing system and will not be released until the earlier of:

(i) a specified date which falls after the conclusion of the Meeting; and

(ii) the surrender to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption) of the confirmation that the Notes are Blocked Notes and notification of the release thereof by the Paying Agent to the Issuer and Representative of the Noteholders;

(b) certifying that the Holder of the relevant Blocked Notes or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such Notes are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number of such specified Blocked Notes, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual in respect of the relevant Blocked Notes to vote in accordance with such instructions.

"**Chairman**" means, in relation to a Meeting, the individual who takes the chair in accordance with Article 8 (*Chairman of the Meeting*) of the Rules.

"**Condition**" means, as applicable, a condition of the Senior Notes or of the Junior Notes.

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in the Rules by a majority of not less than three quarters of the votes cast.

"**Holder**" in respect of a Note means the ultimate owner of such Note.

"**Meeting**" means a meeting of Noteholders of any Class or Classes whether originally convened or resumed following an adjournment.

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

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli (*as intermediari aderenti*) in accordance with article 83-*quater* of the Financial Laws Consolidation Act and includes any depositary banks approved by Clearstream.

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

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

"**Ordinary Resolution**" means any resolution passed at a Meeting duly convened and held in accordance with the provisions contained in the Rules by a majority of the vote cast.

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or the person appointed to vote under a Block Voting Instruction, in each case, other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed.

"**Resolutions**" means Ordinary Resolutions and Extraordinary Resolutions collectively.

"**Specified Office**" means (i) with respect to the Paying Agent (a) the office specified against its name in clause 21.3 (*Addresses*) of the Cash Allocation, Management and Payments Agreement; or (b) such other office as the Paying Agent may specify in accordance with clause 16.10 (*Change in Specified Offices*) of the Cash Allocation, Management and Payments Agreement and (ii) with respect to any additional or other paying agent appointed pursuant to Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*) and the provisions of the Cash Allocation, Management and Payments Agreement, the specified office notified to the Noteholders upon notification of the appointment of each such paying agent in accordance with Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*) and in each such case, such other address as it may specify in accordance with the provisions of the Cash Allocation, Management and Payments Agreement.

"**Transaction Party**" means any person who is a party to a Transaction Document.

"**Trigger Event**" means any of the events described in Condition 12 (*Trigger Events*).

"**Trigger Notice**" means a notice described as such in Condition 12.2 (*Delivery of Trigger Notice*).

"**Voter**" means, in relation to any Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Paying Agent or a Proxy named in a Block Voting Instruction.

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time; or

(b) a certificate issued by the Paying Agent stating that:

(i) Blocked Notes will not be released until the earlier of:

(1) a specified date which falls after the conclusion of the Meeting; and

(2) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all Noteholders of the relevant Class or Classes who at any relevant time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its Specified Office.

"**48 hours**" means 2 consecutive periods of 24 hours.

2.1.2 Unless otherwise provided in these Rules, or the context requires otherwise, words and expressions used in the Rules shall have the meanings and the constructions ascribed to them in the Conditions.

2.2 **Interpretation**

2.2.1 Any reference herein to an "**Article**" shall, except where expressly provided to the contrary, be a reference to an article of these Rules.

2.2.2 A "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has

assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred.

2.2.3 Any reference to any person defined as a "**Transaction Party**" in these Rules or in any Transaction Document or the Conditions shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

3. PURPOSE OF THE ORGANISATION

3.1 Each Noteholder is a member of the Organisation of the Noteholders.

3.2 The purpose of the Organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more generally, to take any action necessary or desirable to protect the interest of the Noteholders.

TITLE II
MEETINGS OF THE NOTEHOLDERS

4. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

4.1 Issue

4.1.1 A Noteholder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

4.1.2 A Noteholder may also obtain a Voting Certificate from the Paying Agent or require the Paying Agent to issue or obtain (as the case may be) a Block Voting Instruction by arranging for Notes to be (to the satisfaction of the Paying Agent) held to its order or under its control or blocked in an account in a clearing system (other than Monte Titoli) not later than 48 hours before the time fixed for the relevant Meeting.

4.2 Expiry of validity

A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates.

4.3 Deemed Holder

So long as a Voting Certificate or Block Voting Instruction is valid, the party named therein as Holder or Proxy, in the case of a Voting Certificate issued by a Monte Titoli Account Holder, the bearer thereof, in the case of a Voting Certificate issued by a Paying Agent, and any Proxy named therein in the case of a Block Voting Instruction issued by the Paying Agent shall be deemed to be the Holder of the Notes to which it refers for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

4.4 Mutually exclusive

A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

4.5 References to the blocking or release

Reference to the blocking or release of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

5. VALIDITY OF BLOCK VOTING INSTRUCTIONS AND VOTING CERTIFICATES

A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at any other place approved by the Representative of the Noteholders, at least 24 hours before the time of the relevant Meeting. If such a Block Voting Instruction or Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders so requires, satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holder or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the Noteholders shall not be obliged to investigate the validity of a Block Voting Instruction or Voting Certificate or the identity of any Proxy

named in a Voting Certificate or Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

6. **CONVENING A MEETING**

6.1 **Convening a Meeting**

The Representative of the Noteholders or the Issuer may convene separate or combined Meetings of the Noteholders of any Class or Classes at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing by Noteholders representing at least one-tenth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes.

6.2 **Meetings convened by Issuer**

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the Noteholders specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

6.3 **Time and place of Meetings**

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the Noteholders.

6.4 **Meetings via audio conference or teleconference**

Meetings may be held where there are Voters located at different places connected via audio-conference or video-conference, provided that:

6.4.1 the Chairman may ascertain and verify the identity and legitimacy of those Voters, monitor the Meeting, acknowledge and announce to those Voters the outcome of the voting process;

6.4.2 the person drawing up the minutes may hear well the meeting events being the subject-matter of the minutes;

6.4.3 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;

6.4.4 the notice of the Meeting expressly states, where applicable, how Voters may obtain the information necessary to attend the relevant Meeting via audio-conference and/or video-conference equipment; and

6.4.5 for the avoidance of doubt, the Meeting is deemed to take place where the Chairman and the person drawing up the minutes will be.

7. **NOTICE**

7.1 **Notice of meeting**

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant Noteholders, the Paying Agent and any other agent appointed under Condition 10.4 (*Change of Paying Agent and appointment of additional paying agent*), with a copy to the Issuer, where the Meeting is convened by the Representative of the Noteholders, or with a copy to the Representative of the Noteholders, where the Meeting is convened by the Issuer.

7.2 **Content of notice**

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the Noteholders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall state that Voting Certificate for the purpose of such Meeting may be obtained from a Monte Titoli Account Holder in accordance with the provisions of the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time and that for the purpose of obtaining Voting Certificates from the Paying Agent or appointing Proxies under a Block Voting Instruction, Notes must (to the satisfaction of the Paying

Agent) be held to the order of or placed under the control of the Paying Agent or blocked in an account with a clearing system not later than 48 hours before the relevant Meeting.

7.3 **Validity notwithstanding lack of notice**

A Meeting is valid notwithstanding that the formalities required by this Article 7 are not complied with if the Holders of the Notes constituting the Principal Amount Outstanding of all outstanding Notes, the Holders of which are entitled to attend and vote, are represented at such Meeting and the Issuer and the Representative of the Noteholders are present at the Meeting.

8. **CHAIRMAN OF THE MEETING**

8.1 **Appointment of Chairman**

An individual (who may, but need not be, a Noteholder), nominated by the Representative of the Noteholders may take the chair at any Meeting, but if:

8.1.1 the Representative of the Noteholders fails to make a nomination; or

8.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

8.2 **Duties of Chairman**

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and defines the terms for voting.

8.3 **Assistance to Chairman**

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be Noteholders.

9. **QUORUM**

9.1 The quorum at any Meeting convened to vote on:

9.1.1 an Ordinary Resolution relating to a Meeting of a particular Class or Classes, will be one or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or Classes or, at any adjourned Meeting one or more persons being or representing Noteholders of that Class or Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.2 an Extraordinary Resolution, other than in respect of a Basic Terms Modification, relating to a Meeting of a particular Class or Classes of Notes, will be one or more persons holding or representing at least 50 per cent of the Principal Amount Outstanding of the Notes then outstanding in that Class or Classes, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class or Classes whatever the Principal Amount Outstanding of the Notes then outstanding so held or represented in such Class or Classes;

9.1.3 an Extraordinary Resolution, in respect of a Basic Terms Modification (which must be proposed separately to each Class of Noteholders), will be one or more persons holding or representing at least 75 per cent of the Principal Amount Outstanding of the Notes then outstanding in the relevant Class, or at an adjourned Meeting, one or more persons being or representing Noteholders of that Class whatever the Principal Amount Outstanding of the Notes so held or represented in such Class.

10. **ADJOURNMENT FOR WANT OF QUORUM**

If a quorum is not present within 15 minutes after the time fixed for any Meeting:

10.1 if such Meeting was requested by Noteholders, the Meeting shall be dissolved; and

10.2 in any other case, the Meeting (unless the Issuer and the Representative of the Noteholders otherwise agree) shall, subject to paragraphs 10.2.1 and 10.2.2 below, be adjourned to a new date no earlier than 14 days and no later than 42 days after the original date of such Meeting, and to such place as the Chairman determines with the approval of the Representative of the Noteholders provided that:

10.2.1 no Meeting may be adjourned more than once for want of a quorum; and

10.2.2 the Meeting shall be dissolved if the Issuer and the Representative of the Noteholders together so decide.

11. **ADJOURNED MEETING**

Except as provided in Article 10 (*Adjournment for want of a quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned Meeting except business which might have been transacted at the Meeting from which the adjournment took place.

12. **NOTICE FOLLOWING ADJOURNMENT**

12.1 **Notice required**

Article 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for lack of a quorum except that:

12.1.1 10-days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

12.2 **Notice not required**

It shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 10 (*Adjournment for want of a quorum*).

13. **PARTICIPATION**

The following categories of persons may attend and speak at a Meeting:

13.1 Voters;

13.2 the directors and the auditors of the Issuer;

13.3 representatives of the Issuer, the Servicer and the Representative of the Noteholders;

13.4 financial advisers to the Issuer and the Representative of the Noteholders;

13.5 legal advisers to the Issuer and the Representative of the Noteholders;

13.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the Noteholders.

14. **VOTING BY SHOW OF HANDS**

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

15. **VOTING BY POLL**

15.1 **Demand for a poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Representative of the Noteholders or one or more Voters representing or holding not less than one-fiftieth of the Principal Amount Outstanding of the outstanding Notes conferring the right to vote at the Meeting. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business.

15.2 **The Chairman and a poll**

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null. After voting ends, the votes shall be counted and after the counting the Chairman shall announce to the Meeting the outcome of the vote.

16. **VOTES**

16.1 **Voting**

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, one vote for each €1,000 in aggregate nominal amount of outstanding Notes represented or held by the Voter.

16.2 **Block Voting Instruction**

Unless the terms of any Block Voting Instruction or Voting Certificate appointing a Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 **Voting tie**

In the case of a voting tie, the relevant resolution shall be deemed to have been rejected.

17. **VOTING BY PROXY**

17.1 **Validity**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the Noteholders or the Chairman, has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 **Adjournment**

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

18. **ORDINARY RESOLUTIONS**

18.1 **Powers exercisable by Ordinary Resolution**

Subject to Article 19 (*Extraordinary Resolutions*), a Meeting shall have power exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the Noteholders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 **Ordinary Resolution of a single Class**

No Ordinary Resolution of any Class of Noteholders shall be effective unless it is sanctioned by an Ordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class would be materially prejudiced by the absence of such sanction.

19. **EXTRAORDINARY RESOLUTIONS**

19.1 A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

19.1.1 approve any Basic Terms Modification;

19.1.2 approve any modification, abrogation, variation or compromise of the provisions of these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes which, in any such case, is not a Basic Terms Modification and which shall be proposed by the Issuer, the Representative of the Noteholders and/or any other party thereto;

19.1.3 in accordance with Article 28 (*Appointment, Removal and Remuneration*), appoint and remove the Representative of the Noteholders;

19.1.4 authorise or instruct the Representative of the Noteholders to issue a Trigger Notice as a result of a Trigger Event pursuant to Condition 12;

19.1.5 discharge or exonerate, including retrospectively, the Representative of the Noteholders from any liability in relation to any act or omission for which the Representative of the Noteholders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

19.1.6 grant any authorisation or approval, which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

19.1.7 authorise and ratify the actions of the Representative of the Noteholders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document;

19.1.8 waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of these Rules, the Notes or any other Transaction Document or any act or omission which might otherwise constitute a Trigger Event under the Notes or which shall be proposed by the Issuer and/or the Representative of the Noteholders;

19.1.9 appoint any persons as a committee to represent the interests of the Noteholders and confer on any such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution;

19.1.10 authorise the Representative of the Noteholders (subject to its being indemnified and/or secured to its satisfaction) and/or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

19.1.11 terminate the appointment of the Originator in its capacity as Servicer;

19.1.12 direct the disposal of the Portfolio after the delivery of a Trigger Notice upon occurrence of a Trigger Event.

19.2 **Basic Terms Modification**

No Extraordinary Resolution involving a Basic Terms Modification that is passed by the Holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes then outstanding.

19.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution of any Class of Noteholders to approve any matter (other than a Basic Terms Modification) shall be effective unless it is sanctioned by an Extraordinary Resolution of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to such Class (to the extent that there are Notes outstanding ranking *pari passu* with or senior to such Class), unless the Representative of the Noteholders considers that none of the Holders of each of the other Classes of Notes ranking *pari passu* with or senior to with such Class would be materially prejudiced by the absence of such sanction.

20. **EFFECT OF RESOLUTIONS**

20.1 **Binding Nature**

Subject to Article 18.2 (*Ordinary Resolution of a single Class*), Article 19.2 (*Basic Terms Modification*) and Article 19.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of the Noteholders of one or more Classes of Notes duly convened and held in accordance with these Rules shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting and any resolution passed at a Meeting of the Senior Noteholders duly convened and held as aforesaid shall also be binding upon all the Junior Noteholders and all of the relevant Classes of Noteholders shall be bound to give effect to any such resolutions accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

20.2 **Notice of Voting Results**

Notice of the results of every vote on a Resolution duly considered by Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer and the Representative of the Noteholders within 14 days of the conclusion of each Meeting).

21. **CHALLENGE TO RESOLUTIONS**

Any absent or dissenting Noteholder has the right to challenge Resolutions which are not passed in compliance with the provisions of the Rules.

22. **MINUTES**

Minutes shall be made of all resolutions and proceedings of each Meeting. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted at such Meeting shall be regarded as having been duly passed and transacted. The Minutes shall be recorded in the minute book of Meetings of Noteholders maintained by the Issuer (or the Corporate Servicer on behalf of the Issuer).

23. **WRITTEN RESOLUTION**

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

24. **JOINT MEETINGS**

Subject to the provisions of the Rules and the Conditions, joint Meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same Ordinary Resolution or Extraordinary Resolution and the provisions of the Rules shall apply *mutatis mutandis* thereto.

25. **SEPARATE AND COMBINED MEETINGS OF NOTEHOLDERS**

25.1 The following provisions shall apply in respect of Meetings where outstanding Notes belong to more than one Class:

25.1.1 business which, in the sole opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the Noteholders of such Class;

25.1.2 business which, in the sole opinion of the Representative of the Noteholders, affects more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted either at separate Meetings of the Noteholders of each such Class of Notes or at a single Meeting of the Noteholders of all such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion; and

25.1.3 business which, in the sole opinion of the Representative of the Noteholders, affects the Noteholders of more than one Class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate Meetings of the Noteholders of each such Class.

26. **INDIVIDUAL ACTIONS AND REMEDIES**

26.1 Each Noteholder has accepted and is bound by the provisions of Condition 9 (*Limited recourse and non petition*) and, accordingly, if any Noteholder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the Notes, any such action or remedy shall be subject to a Meeting not passing an Ordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

26.1.1 the Noteholder intending to enforce his/her rights under the Notes will notify the Representative of the Noteholders of his/her intention;

26.1.2 the Representative of the Noteholders will, without delay, call a Meeting in accordance with the Rules;

26.1.3 if the Meeting passes an Ordinary Resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

26.1.4 if the Meeting of Noteholders does not object to an individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

26.2 No Noteholder will be allowed to take any individual action or remedy to enforce his/her rights under the Notes unless a Meeting of the holders of the Most Senior Class of Notes has been held to resolve on such action or remedy in accordance with the provisions of this Article.

26.3 The provisions of this Rule 26 shall not prejudice the right if any Noteholder, under Condition 9.1.2, to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party.

27. **FURTHER REGULATIONS**

Subject to all other provisions contained in these Rules, the Representative of the Noteholders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the Noteholders in its sole discretion may decide.

TITLE III
THE REPRESENTATIVE OF THE NOTEHOLDERS

28. APPOINTMENT, REMOVAL AND REMUNERATION

28.1 Appointment

The appointment of the Representative of the Noteholders takes place by Extraordinary Resolution of the Most Senior Class of Noteholders in accordance with the provisions of this Article 28, except for the appointment of the first Representative of the Noteholders which will be Securitisation Services S.p.A.

28.2 Identity of Representative of the Noteholders

The Representative of the Noteholders shall be:

28.2.1 a bank incorporated in any jurisdiction of the European Union, or a bank incorporated in any other jurisdiction acting through an Italian branch; or

28.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act or otherwise complying with the provisions of Italian Legislative Decree 13 August 2010 number 141 as subsequently amended and the relevant implementing regulations applicable to it as a financial intermediary; or

28.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the Noteholders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in article 2399 of the Italian civil code cannot be appointed as Representative of the Noteholders, and if appointed as such they shall be automatically removed.

28.3 Duration of appointment

Unless the Representative of the Noteholders is removed by Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes pursuant to Article 19 (*Extraordinary Resolutions*) or resigns pursuant to Article 29 (*Resignation of the Representative of the Noteholders*), it shall remain in office until full repayment or cancellation of all the Notes.

28.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the Noteholders, which shall be an entity specified in Article 28.2 (*Identity of Representative of the Noteholders*), accepts its appointment, and the powers and authority of the Representative of the Noteholders the appointment of which has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the Notes.

28.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders from the Issue Date, as agreed either in the initial agreement(s) for the issue of and subscription for the Notes or in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the Priority of Payments up to (and including) the date when the Notes shall have been repaid in full or cancelled in accordance with the Conditions.

29. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time by giving at least three calendar months' written notice to the Issuer, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a new Representative of the Noteholders has been appointed in accordance with Article 28.1 (*Appointment*) and such new Representative of the Noteholders has accepted its appointment and adhered to the Intercreditor Agreement and the other relevant Transaction Documents, provided that if Noteholders fail to select a

new Representative of the Noteholders within three months of written notice of resignation delivered by the Representative of the Noteholders, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to Article 28.2 (*Identity of the Representative of the Noteholders*).

30. DUTIES AND POWERS OF THE REPRESENTATIVE OF THE NOTEHOLDERS

30.1 Representative of the Noteholders is legal representative

The Representative of the Noteholders is the legal representative of the Organisation of the Noteholders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the Noteholders.

30.2 Meetings and Resolutions

Unless any Resolution provides to the contrary, the Representative of the Noteholders is responsible for implementing all Resolutions of the Noteholders. The Representative of the Noteholders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

30.3 Delegation

The Representative of the Noteholders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

30.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the Noteholders;

30.3.2 whenever it considers it expedient and in the interest of the Noteholders, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any delegation pursuant to Article 30.3.2 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interest of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer of the appointment of any sub-delegate as soon as reasonably practicable.

30.4 Judicial Proceedings

The Representative of the Noteholders is authorised to initiate and to represent the Organisation of the Noteholders in any judicial proceedings including Insolvency Proceedings.

30.5 Consents given by Representative of Noteholders

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to (i) for so long as the Senior Notes have a rating by the Rating Agencies, a prior written notice being given to the Rating Agencies and (ii) such conditions (if any) as the Representative of the Noteholders deems appropriate and notwithstanding anything to the contrary contained in these Rules or in the Transaction Documents such consent or approval may be given retrospectively.

30.6 Discretions

The Representative of the Noteholders save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by these Rules, the Notes, any Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the

exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful misconduct (*dolo*).

30.7 **Obtaining instructions**

In connection with matters in respect of which the Representative of the Noteholders is entitled to exercise its discretion hereunder, the Representative of the Noteholders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the 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 as specified in Article 31.2 (*Specific limitations*).

30.8 **Trigger Events**

The Representative of the Noteholders may certify whether or not a Trigger Event is in its sole opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Transaction Documents.

30.9 **Remedy**

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Rules, the Notes or any other Transaction Documents may be remedied, and if the Representative of the Noteholders certifies that any such default is, in its sole opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other party to the Securitisation.

31. **EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS**

31.1 **Limited obligations**

The Representative of the Noteholders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

31.2 **Specific limitations**

Without limiting the generality of Article 31.1, the Representative of the Noteholders:

31.2.1 shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders hereunder or under any other Transaction Document, has occurred and until the Representative of the Noteholders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Trigger Event or such other event, condition or act has occurred;

31.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that the Issuer and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

31.2.3 except as expressly required in the Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

31.2.4 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time;

31.2.5 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(a) the nature, status, creditworthiness or solvency of the Issuer;

(b) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection with the Notes or the Portfolio;

(c) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(d) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolio; and

(e) any accounts, books, records or files maintained by the Issuer, the Servicer and the Paying Agent or any other person in respect of the Portfolio;

31.2.6 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

31.2.7 shall have no responsibility for procuring or maintaining any rating or listing of the Notes (where applicable) by any credit or rating agency or any other person;

31.2.8 shall not be responsible for or for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the Noteholders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or produced by any Party to the Transaction Documents or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

31.2.9 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

31.2.10 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer in relation to the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

31.2.11 shall not be under any obligation to guarantee or procure the repayment of the Portfolio or any part thereof;

31.2.12 shall not be responsible for reviewing or investigating any report relating to the Portfolio provided by any person;

31.2.13 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

31.2.14 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio or any Transaction Document;

31.2.15 shall not be under any obligation to insure the Portfolio or any part thereof;

31.2.16 shall not have any liability for any loss, liability, damages claim or expense directly or indirectly suffered or incurred by the Issuer, any Noteholder, any Other Issuer Creditor or any other person as a result of the delivery by the Representative of the Noteholders of a certificate of material prejudice pursuant to Condition 12.3.1 on the basis of an opinion formed by it in good faith;

31.2.17 unless and to the extent ordered so to do by a court of competent jurisdiction, shall not be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other person any confidential,

financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information, it being understood that in the event that the Representative of the Noteholders discloses any of such information, such information shall have to be disclosed to all the Noteholders and Other Issuer Creditors at the same time.

31.3 **Specific Permissions**

31.3.1 When in the Rules or any Transaction Document the Representative of the Noteholders is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, the Representative of the Noteholders shall have regard to the interests of the Noteholders as a class and shall not be obliged to have regarded to the consequences of such exercise for any individual Noteholder resulting from his or its being for any purpose domiciled, resident in or otherwise connected with or subject to the jurisdiction of any particular territory or taxing authority.

31.3.2 The Representative of the Noteholders shall, as regards the exercise and performance of the powers, authorities, duties and discretions vested in it by the Transaction Documents, except where expressly provided otherwise herein or therein, have regard to the interests of both the Noteholders and the Other Issuer Creditors but if, in the sole opinion of the Representative of the Noteholders, there is a conflict between their interests the Representative of the Noteholders will have regard solely to the interest of the Noteholders.

31.3.3 Where the Representative of the Noteholders is required to consider the interests of the Noteholders and, in its sole opinion, there is a conflict between the interests of the Holders of different Classes of Notes, the Representative of the Noteholders will consider only the interests of the Holders of the Most Senior Class of Notes.

31.3.4 The Representative of the Noteholders may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all costs, charges, damages, expenses and liabilities which may be suffered, incurred or sustained by it as a result. Nothing contained in the Rules or any of the other Transaction Documents shall require the Representative of the Noteholders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.4 **Notes held by Issuer**

The Representative of the Noteholders may assume without enquiry that no Notes are, at any given time, held by or for the benefit of the Issuer.

31.5 **Illegality**

No provision of the Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the Noteholders may refrain from taking any action which would or might, in its sole opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or liability which it may incur as a consequence of such action. The Representative of the Noteholders may do anything which, in its sole opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

32. RELIANCE ON INFORMATION

32.1 Advice

The Representative of the Noteholders may act on the advice of, a certificate or opinion of or any written information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss incurred by so acting.

32.2 Transmission of Advice

Any opinion, advice, certificate or information referred to in Article 32.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the Noteholders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

32.3 Certificates of Issuer

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence:

32.3.1 as to any fact or matter *prima facie* within the Issuer's knowledge, a certificate duly signed by an authorised representative of the Issuer on its behalf;

32.3.2 that such is the case, a certificate of an authorised representative of the Issuer on its behalf to the effect that any particular dealing, transaction, step or thing is expedient; and

32.3.3 as sufficient evidence that such is the case, a certificate signed by an authorised representative of the Issuer on its behalf to the effect that the Issuer has sufficient funds to make an optional redemption under the Conditions.

and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

32.4 Resolution or direction of Noteholders

The Representative of the Noteholders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the Noteholders.

32.5 Certificates of Monte Titoli Account Holders

The Representative of the Noteholders, in order to ascertain ownership of the Notes, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time, which certificates are to be conclusive proof of the matters certified therein.

32.6 Clearing Systems

The Representative of the Noteholders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the Noteholders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of Notes.

32.7 **Rating Agencies**

The Representative of the Noteholder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the Noteholders or, as the case may be, the Most Senior Class of Noteholders if, along with other factors, it has accessed the view of, and, in any case, with prior written notice to, the Rating Agencies, and has ground to believe that the then current rating of the Senior Notes would not be adversely affected by such exercise. If the Representative of the Noteholders, in order properly to exercise its rights or fulfil its obligations, deems it necessary to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Senior Notes or any Class thereof, the Representative of the Noteholders shall inform the Issuer, which will have to obtain the valuation at its expense on behalf of the Representative of the Noteholders unless the Representative of the Noteholders which to seek and obtain such valuation itself at the cost of the Issuer.

32.8 **Certificates of Parties to Transaction Document**

The Representative of the Noteholders shall have the right to call for or require the Issuer to call for and to rely on written certificates issued by any party (other than the Issuer) to the Intercreditor Agreement or any other Transaction Document,

32.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

32.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

32.8.3 as to such party's opinion with respect to any issue

and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any loss, liability, cost, damage, expense, or charge incurred as a result of having failed to do so unless any of its officers responsible for the administration of the Securitisation shall have actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

32.9 **Auditors**

The Representative of the Noteholders shall not be responsible for reviewing or investigating any Auditors' report or certificate and may rely on the contents of any such report or certificate.

33. **MODIFICATIONS**

33.1 **Modification**

The Representative of the Noteholders may from time to time and without the consent or sanction of the Noteholders concur with the Issuer and any other relevant parties in making:

33.1.1 any modification to these Rules, the Notes or to any of the Transaction Documents in relation to which its consent is required if, in the sole opinion of the Representative of the Noteholders, such modification is of a formal, minor, administrative or technical nature, is made to comply with mandatory provisions of law or is made to correct a manifest error;

33.1.2 any modification to these Rules or any of the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of these Rules or any of the Transaction Documents referred to in the definition of Basic Terms Modification) in relation to which its consent is required which, in the sole opinion the Representative of the Noteholders, is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes then outstanding; and

33.1.3 any modification to these Rules or the Transaction Documents (other than in respect of a Basic Terms Modification or any provision of the Rules or any of the Transaction Documents referred to in the definition of a Basic Terms Modification) which the Issuer has requested the Representative of the Noteholders to approve in the context of any further securitisation referred to in Condition 5.11 of the Conditions and which, in the sole opinion of the Representative of the Noteholders, will not be materially prejudicial to the interests of the holders of the Most Senior Class of Noteholders and the fact that the execution of the

relevant amendment or modification would not adversely affect the then current ratings of the Senior Notes shall be conclusive evidence that the requested amendment or modification is not materially prejudicial to the interests of the Holders of the Most Senior Class of Notes.

33.2 **Binding Notice**

Any such modification referred to in Article 33.1 (*Modification*) shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall procure that such modification be notified to the Noteholders and the Other Issuer Creditors as soon as practicable thereafter in accordance with provisions of the Conditions relating to notices of Noteholders and the relevant Transaction Documents.

33.3 **Modifications requested by the Noteholders**

The Representative of the Noteholders shall be bound to concur with the Issuer and any other party in making any modifications if it directed to do so by an Extraordinary Resolution of the Most Senior Class of Noteholders or, in the case of any modification which constitutes Basic Terms Modification, of the holders of each Class of the Notes but only if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

34. **WAIVER**

34.1 **Waiver of Breach**

The Representative of the Noteholders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the Most Senior Class of Notes then outstanding shall not be materially prejudiced thereby:

34.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Notes or any of the Transaction Documents; or

34.1.2 determine that any Trigger Event shall not be treated as such for the purposes of the Transaction Documents,

without any consent or sanction of the Noteholders.

34.2 **Binding Nature**

Any authorisation, waiver or determination referred in Article 34.1 (*Waiver of Breach*) shall be binding on the Noteholders.

34.3 **Restriction on powers**

The Representative of the Noteholders shall not exercise any powers conferred upon it by this Article 34 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding but so that no such direction or request:

34.3.1 shall affect any authorisation, waiver or determination previously given or made; or

34.3.2 shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless each Class of Notes has, by Extraordinary Resolution, so authorised its exercise.

34.4 **Notice of waiver**

Unless the Representative of the Noteholders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the Other Issuer Creditors, as soon as practicable after it has been given or made in accordance with the provisions of the conditions relating to Notices and the relevant Transaction Documents.

35. **INDEMNITY**

Pursuant to the Subscription Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the Noteholders and without any obligation to first make demand upon the Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands properly incurred by or made against the Representative of the Noteholders or any entity to which the Representative of the Noteholders has delegated any power, authority or discretion in relation to the exercise or purported exercise of its powers, authorities and discretions and the performance of its duties under and otherwise in relation to the Rules and the Transaction Documents, including but not limited to all reasonable legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under the Rules, the Notes or the Transaction Documents, except insofar as the same are incurred as a result of fraud (*frode*), gross negligence (*colpa grave*) or wilful misconduct (*dolo*) of the Representative of the Noteholders.

36. **LIABILITY**

Notwithstanding any other provision of these Rules, the Representative of the Noteholders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the Notes or these Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV
THE ORGANISATION OF THE NOTEHOLDERS AFTER SERVICE OF AN ENFORCEMENT NOTICE

37. **POWERS**

It is hereby acknowledged that, upon service of a Trigger Notice or prior to the service of a Trigger Notice, following the failure of the Issuer to exercise any right to which it is entitled, pursuant to the Mandate Agreement, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, shall be entitled (also in the interests of the Other Issuer Creditors) pursuant to articles 1411 and 1723 of the Italian civil code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the Noteholders, in its capacity as legal representative of the Organisation of the Noteholders, will be authorised, pursuant to the terms of the Mandate Agreement, to exercise, in the name and on behalf of the Issuer and as *mandatario in rem propriam* of the Issuer, any and all of the Issuer's Rights under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V
GOVERNING LAW AND JURISDICTION

38. **GOVERNING LAW**

The Rules and any non-contractual obligations arising out of or in connection with it are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

39. **JURISDICTION**

The Courts of Milan will have jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Rules and any non-contractual obligations arising out thereof or in connection therewith.

ESTIMATED MATURITY AND WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

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

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

The following table shows the estimated weighted average life of the Senior Notes and was prepared based on the characteristics of the Receivables included in the Portfolio as at 31 October 2017 and on additional assumptions, including the following:

(i) all Receivables are duly and timely paid and there are no Delinquent Receivables or Defaulted Receivables at any time;

(ii) the constant prepayment rate as per table below, has been applied to the Portfolio in homogeneous terms;

(iii) no Trigger Event occurs in respect of the Notes;

(iv) no redemption for taxation pursuant to Condition 8.4 (*Optional redemption for taxation reasons*) occurs in respect of the Notes;

(v) the terms of the Receivables will not be affected by any legal provision authorising borrowers to suspend payment of interest and/or principal instalments;

(vi) no variation in the interest rates;

(vii) no purchase/sale/indemnity/renegotiations on the Portfolio is made according to the Transaction Documents;

(viii) all the Receivables included in the Portfolio bearing a fixed rate as at 31 October 2017 have been considered to bear such rate until their maturity date;

(ix) all the Receivables included in the Portfolio bearing a floating rate as at 31 October 2017 have been considered to bear such rate until their maturity date;

(x) no positive or negative interest accrues on the accounts;

(xi) no Cash Trapping Trigger occurs;

(xii) the Issue Date has been assumed to be 30 November 2017.

The actual performance of the Receivables are likely to differ from the assumptions used in constructing the tables set forth below, which is hypothetical in nature and is provided only to give a general sense of how the principal cash-flows might behave. Any difference between such assumptions and the actual characteristics and performance of the Receivables will cause the

estimated weighted average life and the principal payment window of the Senior Notes to differ (which difference could be material) from the corresponding information in the following tables.

Constant Prepayment Rate (*% per annum*)	**Estimated Weighted Average Life** (*years*)	**Estimated Maturity** (*Payment Date falling on*)
0.0%	2.7 years	October 2023
2.0%	2.4 years	April 2023
4.0%	2.2 years	October 2022
8.0%	1.9 years	January 2022

The estimated maturity and the estimated weighted average life of the Senior Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

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, *inter alia*, 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.

Ring-fencing of the assets

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the receivables (including any other receivables purchased by the Issuer pursuant to the Securitisation Law). Prior to and on a winding up of such a company such receivables will only be available to holders of the notes issued to finance the acquisition of the relevant receivables and to certain creditors claiming payment of debts incurred by the company in connection with the securitisation of the relevant receivables. In addition, the receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

The segregation principle set out in the second paragraph of article 3 of the Securitisation Law has been extended by Law Decree number 91 of 24 June 2014, as converted into law by Law number 116 of 11 August 2014 ("**Law 116/2014**") in order to include not only the relevant receivables but also (i) any monetary right arising, in the context of the relevant securitisation transaction, in favour of the company incorporated under the Securitisation Law, (ii) the cash-flows deriving from the relevant receivables and such monetary rights and (iii) the financial instruments acquired in the context of the relevant securitisation transaction with such cash-flows.

In addition, Law 116/2014 has introduced the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law, pursuant to which the segregation principle of amounts standing to the credit of the accounts opened in the context of securitisation transactions has been strengthened and the commingling risk in respect of collections collected, on behalf of the relevant company incorporated under the Securitisation Law, by the servicers and/or sub-servicers of the relevant securitisation transaction has been limited. In particular, in accordance with the new paragraphs 2-bis and 2-ter to article 3 of the Securitisation Law:

(i) the amounts credited into the accounts opened by companies incorporated as special purpose vehicles pursuant to article 3 of the Securitisation Law with the servicers or with the depositary bank of securitisation transactions, on which the amounts paid by the assigned debtors as well as any other amount due to the relevant special purpose vehicle under the securitisation may be credited, may be utilized only to fulfil the obligations of the relevant special purpose vehicle against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or

depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to 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 to file 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.

The assignment

The assignment of the receivables is governed by the Securitisation Law.

According to article 4, first paragraph, of the Securitisation Law, article 58 paragraphs 2, 3 and 4 of the Consolidated Banking Act is applicable to the assignment of receivables made pursuant to the Securitisation Law. The prevailing interpretation of this provision, which view has been strengthened by article 4 of the Securitisation Law, is that the assignment can be perfected against the originator of the relevant receivables, the debtors in respect of the assigned debts, and third party creditors by way of publication of the relevant notice of sale in the Official Gazette and, in the case of the debtors, registration in the companies register for the place where the Issuer has its registered office, so avoiding the need for individual notification to be served on each debtor.

However, please note that in the presence of a contractual undertaking of the seller to notify the borrowers of the assignment of the receivables, enforceability of the assignment vis-à-vis the borrowers may be obtained only upon notification.

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Law number 52 of 21 February 1991 (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraph 1, 1-*bis* and 2 of Italian Law number 52 of 21 February 1991, according to which the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law.

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law of payment (in whole or in part) of the purchase price for the assigned receivables:

1) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

2) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date;

3) the assignment becomes enforceable against:

   (a) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

   (b) any creditors of the originator who have not obtained, prior to the date of the publication of the notice in the Official Gazette, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

Assignments executed under the Securitisation Law are subject to revocation on bankruptcy under article 67 of the Bankruptcy Law but only in the event that the adjudication of bankruptcy of the relevant party is made within three months of the securitisation transaction or, in cases where paragraph 1 of article 67 applies, within six months of the securitisation transaction.

According to article 4, third paragraph, of the Securitisation Law, payments made by an assigned debtor to a securitisation company are not subject to any claw-back action according to article 67 of the Bankruptcy Law. Furthermore, pursuant to the same provision, payments made by assigned debtors in relation to the relevant receivables assigned in the context of a securitisation transaction carried out pursuant to the Securitisation Law will not be subject to declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

The Issuer

According to the Securitisation Law, the Issuer shall be a *società di capitali*.

Italian Law on leasing

The contract of financial leasing (*locazione finanziaria*) ("**Financial Leasing**") is a type of contract not expressly addressed by the Italian civil code that may be validly entered into pursuant to the general provisions of article 1322 of the Italian civil code. According to this article, the parties to a contract can enter into any contract not belonging to a type subject to a specific legal discipline provided that such contract aims to fulfil interests that deserve to be protected by the legal system. The Italian courts have established that Financial Leasing agreements falls within the scope of this provision.

Under Financial Leasing agreements, the lessor leases to the lessee certain assets (for the purpose of this section, the "**Leased Property**") which have been purchased by the lessor from, or have been constructed for the lessor by, a third party supplier, with the consideration to be paid by the lessee to the lessor determined by reference to the duration of the lease, the cost of the assets and remuneration of the financing provided by the lessor, and upon the expiry of the Financial Leasing agreement the lessee has the option to (i) return the Leased Property to the lessor, (ii) purchase upon payment of the

agreed residual price (*riscatto*), or (iii) enter into a new lease contract. Accordingly, three parties are generally involved in the transaction (i.e. lessor, lessee and supplier) which is completed through the stipulation of two contracts: the Financial Leasing agreement between lessor and lessee and the transfer agreement between the supplier and the lessor. The Italian Supreme Court (*Corte di Cassazione*) has established that although these contracts are separate, there is a contractual link between them arising from the fact that the assets acquired by the lessor from the supplier are selected and chosen by the lessee, who is responsible for their maintenance and is subject to the risk of their loss.

Financial Leasing is subject to the provisions of the Italian civil code on contracts in general and to those provisions regulating specific contracts that can be applied in analogy when, in view of the particular contractual discipline agreed by the parties, the circumstances are similar to those foreseen by such provisions.

In a number of decisions given by the Italian Supreme Court in 1989 and confirmed, *inter alia*, by a decision given by the *Sezioni Unite* of the Italian Supreme Court in 1993 (Cass. Sez. Un., 7 January 1993, number 65), contracts of Financial Leasing are distinguished into two different types: firstly, *leasing finanziario di godimento*, under which the payment of the agreed rentals represents, in line with the intention of the parties involved, only remuneration for the use of the Leased Property by the lessee; and secondly, *leasing finanziario traslativo*, under which the parties foresee, at the time of the execution of the contract, that the Leased Property (in view of its nature, the envisaged use and the duration of the contract) is to retain, upon expiry of the contract, a residual value significantly higher than the *riscatto*. Accordingly, it is reasonable to hold that rentals to be paid under *leasing finanziario traslativo* represent part of the consideration for the transfer of the Leased Property to the lessee following expiry of the contract upon payment of the *riscatto*, and that the exercise of the purchase option and transfer of the Leased Property to the lessee upon expiry of the contract does not constitute merely an option of the lessee but forms part of the original intention of the parties to the contract.

The Italian Supreme Court deems that the provisions of article 1526 of the Italian civil code are to be applied by analogy to contractual relationships between lessors and lessees under the *leasing finanziario traslativo*. Article 1526 of the Italian civil code establishes that in relation to a sale by instalments with retention of title, if the contract is terminated as a result of the non-performance by the purchaser of its obligations, the vendor must repay the instalments received, save for its right to an equitable compensation for the use of the good and damages. Such provisions of article 1526 do not apply to *leasing finanziario di godimento* in respect of which the general provisions of the Italian civil code shall apply; according to article 1458, paragraph 1, of the Italian civil code, termination of a lease contract for breach of contract has, as between the parties thereto, a retroactive effect unless the lease contract provides for continuing performance, in which case the termination does not affect those acts already performed by the parties.

Therefore, according to the above interpretation of the Italian Supreme Court, in the event of termination of a lease contract for breach by the lessee, under *leasing finanziario di godimento*, the lessor is entitled to have the Leased Property returned to him, to retain the amounts received in respect of the rental payments matured prior to termination and, in case of bankruptcy or insolvency of the lessee, to prove for the unpaid rental payments matured before the declaration of bankruptcy. On the contrary, in the event of termination of a *leasing finanziario traslativo*, the lessee (or the receiver in case of bankruptcy or insolvency of the lessee) has the right to receive from the lessor any amounts paid in respect of rental payments before termination but the lessee must return the Leased Property to the

lessor and pay to the lessor an equitable compensation for use of the Leased Property and, where appropriate, damages.

The enforcement proceedings in general

The enforcement proceedings can be carried out only on the basis of some legal instruments well known as *titoli esecutivi*, which are: (i) final judgments and the other judicial statements to whom the law attributes an executive effect; (ii) notarised private deeds, whose object concerns monetary obligations, or the other legal acts which have the same effect, the promissory notes and the other debt securities (iii) the legal acts received by the notary or by an authorised public notary.

Save where the law provides otherwise, the enforcement must be preceded by service of the order for the execution (*formula esecutiva*) and the notice to comply (*atto di precetto*);

Accordingly, on one hand, in order to commence an enforcement procedure, it is stated that the apposition of the order for the execution it's compulsory for: (i) the final judgments, (ii) for the other judicial statements to whom the law attributes an executive effect, (iii) for the notarised private deeds and the other legal acts having the same effect.

On the other hand, the notice to comply (*atto di precetto*) is a formal notice by a creditor to his debtor - containing an order to fulfil the obligation - through which the creditor advises that the enforcement proceedings will be initiated if the obligation specified in the title is not fulfilled within a given period (not less than ten days but not more than 90 days from the date on which the notice to comply (*atto di precetto*) is served). If delay would be prejudicial, the court may reduce or eliminate this period upon a justified request of the creditor.

Enforcement of an obligation to pay an amount of money is performed in different ways, according to the kind of the debtor's assets the creditor wants to seize. Therefore and mentioning the most important only, the Italian code of civil procedure provides for different rules concerning respectively:

- distraint and forced liquidation of mobile goods in possession of the debtor;
- distraint and forced liquidation of debtor's receivables or mobile goods in possession of third parties; and
- distraint and forced liquidation of real estate properties.

The Italian code of civil procedure provides for some common provisions applicable to any form of enforcement of an obligation to pay an amount of money and specific rules applicable to each form of enforcement.

Distraint and forced liquidation of assets are carried out in the following steps:

- first, the debtor's goods are seized;
- second, other creditors may intervene;
- third, the debtor's assets are liquidated; and
- fourth, the creditor is paid, or the proceeds from the liquidation of the debtor's assets are distributed amongst the creditors.

Seizure of assets is the necessary first step in forcing the liquidation of a property, when it is not already held in pledge.

Enforcement proceedings of mobile goods in possession of the debtor

With reference to the seizure and forced liquidation of mobile goods in possession of the debtor, seizure begins with the application of the lawyer to the bailiff; once the bailiff has the *titolo esecutivo* and the notice to comply he can start the seizure procedure going to the debtor's house/office or other place, and identifying all the debtor's movable assets which can be involved in the enforcement. According to that point, it is stated that the bailiff may look for the movables assets to seize in the debtor's house or in other places related to him and he is free to evaluate assets found and keep them seized, as long as the goods identified are able to be quickly and easily liquidated. However, certain items of personal property cannot be seized, while others can be seized only partially.

After the seizure, the bailiff writes a record that contains the injunction to the debtor to refrain from any act that would interfere with the liquidation of the seized property and the description of the movables beings seized, also attaching, if necessary, photographic documentation or other useful documents through which it's possible to evaluate the goods conditions at that moment; in that record, the bailiff estimates also the expected cash value of the assets. It is also possible to integrate the seizure request if the expected cash value is higher than the real assets value.

If the creditor agrees, the debtor can be named as custodian of the assets since any interference by causing the destruction, deterioration, or removal of seized property is a criminal offence; the bailiff can authorize the custodian to keep the goods seized in the original place, or to carry them elsewhere.

After the seizure, the bailiff has to provide the record to the creditor, the title executed and the notice to comply in order to let him, within 15 days (term subject to the penalty of ineffectiveness of the procedure), to enrol the proceeding in the register of the competent execution chancery, where he has to deposit the enrolment note and the certified copies of the above mentioned acts. In this moment the chancellor will open the file of the execution.

Save some specific cases, the creditor cannot apply for the assignment of the goods seized or for their sale, if the term of 10 days from the beginning of the seizure procedure is not expired. After that, the creditors can submit the request for the assignment or for the assets sale, asking also the judge to fix the hearing to define the formalities of the sale. At that hearing the parties can pass their proposals about the formalities of the sale. This hearing is also the last possibility for the parties to raise remedies against the enforcement procedure. If there are no oppositions to the procedure or if the parties reach an agreement about the oppositions, the judge fixes the sale. The judge may choose to delegate the sale to a commission agent. In the delegation, the judge fixes the lowest price of the sale and the total amount who must be obtained from the sale. Otherwise the judge may choose to realise the sale by auction.

After the sale, if there is only one secured creditor without others creditors intervened in the execution, the judge will pay the secured creditor's principal debt and the interests and also the costs of the enforcement proceedings with the sale's proceeds. If there are more than one secured creditor or if there are intervened creditors, they may prepare a project of distribution and propose it to the judge. If the judge is agrees, he provides consequently for the distribution. If there is no agreement between the creditors the judge provides for the distribution on the basis of the ranking of the creditors.

In addition to securing the creditor's rights, seizure serves the purpose of identifying the property to be liquidated. When movables in the possession of the debtor are seized, the bailiff must draw up a protocol describing the seized assets and indicating their value. When real estates are seized, distraint is recorded in the land registry, and the value should be set by a special technician appointed by the judge.

The seized assets are entrusted to a custodian. Although the debtor himself may be appointed custodian, he normally may neither use seized property nor keep rents, profits, interest, and similar revenues. Seizure also covers rents, profits, interest, and other revenues of the seized property.

The debtor may avoid the seizure by paying the amount due to the bailiff for delivery to the creditor. Such payment does not constitute recognition of the debt and the debtor is not precluded from bringing an action for restitution of the amount, even though he should prove that the enforcement procedure was wrongfully instituted.

If the value of seized property exceeds the amount of the debt and costs, the judge, after hearing the creditor and any creditors who have intervened, may order that part of the properties are released.

The creditor may select the property that is to be liquidated. He may select various types of property and may bring proceedings in more than one district. However, if he selects more properties than necessary to satisfy his right, the debtor may apply to have this selection restricted. The creditor who requested the seizure must apply for the sale by auction of the seized assets within a deadline of ninety days, otherwise the seizure lapses.

Normally, the debtor's distrained property is sold (*vendita forzata*). Sometimes, however, property may be assigned to the creditors in lieu of sale (*assegnazione forzata*). Seized property may be sold or assigned solely on the motion of the creditor who started the enforcement proceeding or of one of the intervening creditors who possesses an authority to execute. Unless the property is perishable, a motion to sell or assign it may not be made until at least ten days after distrain, but within 90 days.

The creditor who applies for the sale has the duty to anticipate court expenses and the sale fees.

Seized movable property may be sold through acquiring sealed bids (*vendita senza incanto*) or auction (*vendita con incanto*). Seized property may as well be offered for sale in several lots. Once the required amount has been obtained, the sale is discontinued.

Seized property may also be assigned to the creditors instead of being sold. Property may be assigned to discharge the debtor's obligation to the assignees up to the value of the assigned property. If the property is worth more than the amount of the debt, the assignees must pay the balance.

Unless the debtor's assets are assigned to the creditors in satisfaction of their claims, the proceeds of the liquidation must be distributed. The proceeds include:

(a) money received upon the sale or assignment of the debtor's assets;

(b) rents, profits, interest, and other revenues accruing from the debtor's assets during the period of distraint; and

(c) penalties or damages paid to the Court by the defaulting purchasers or assignees.

Distribution of the proceeds is made according to the following steps:

- costs and expenses of the proceeding are paid first;
- preferred creditors are paid in the order of their degree of priority;
- unsecured creditors who commenced or intervened into the proceeding in due time are paid: they share equally, in proportion to the amount of their claims, if there are insufficient funds to satisfy them;
- creditors who intervened after the hearing set for the authorisation of the liquidation of assets: they share the balance in proportion to their claims; and
- any surplus is returned to the debtor or to the third parties who had the properties possession at the time of the enforcement procedure beginning.

If there is any dispute concerning the distribution of proceeds, the judge hears the parties and he will decide. In this case distribution of the proceeds is suspended except to the extent to which it can be effected without prejudicing the rights of the claimants.

Attachment of Debtor's credits

Attachment proceedings may be commenced also on due and payable credits of a borrower (such as bank accounts, salary, etc.) or on borrower's movable property which is located on third party premises.

Insolvency proceedings

Under article 1 of the Bankruptcy Law commercial entrepreneurs (companies or individuals) (*imprenditori che esercitano un'attività commerciale*) may be subject to the insolvency proceedings (*procedure concorsuali*) provided for by the Bankruptcy Law being, *inter alia*, bankruptcy (*fallimento*) or pre-bankruptcy agreement (*concordato preventivo*).

Each commercial entrepreneur is not subject to insolvency proceedings pursuant to the Bankruptcy Law if the following conditions are jointly satisfied:

(a) its assets – on an annual basis – over the last three financial years (prior to the filing of a petition for bankruptcy or the start of the business) are not higher than Euro 300,000;

(b) its annual gross revenue over the last three financial years (prior to the filing of a petition for bankruptcy or the start of the business) is not higher than Euro 200,000; and/or

(c) its indebtedness – whether due or not – is in aggregate not higher than Euro 500,000.

Bankruptcy

A debtor can be declared bankrupt (*fallito*) (either by its own initiative or upon request of one or more of its creditors or of the public prosecutor) if it is not able to timely and duly fulfill its obligations.

The declaration of bankruptcy issued by the bankruptcy court will provide for, *inter alia*:

- the appointment of a deputy judge (*giudice delegato*) that will supervise the proceeding;

- the appointment of a receiver (*curatore fallimentare*) that will deal with the distribution of the debtor's assets;

- the filing of all the debtor's accounting records and ledgers with the court;

- the establishment of the terms upon which creditors must file their claims.

The court order deprives the debtor of the right to manage its business which is taken over by the court-appointed receiver and, as a result, the debtor is no longer able to dispose of all its assets. After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings or forced sale proceedings may be initiated. In addition, any legal action taken and proceedings already initiated by creditors against the debtor are automatically suspended (the so called "automatic stay").

The proceeding is closed by an order of the bankruptcy court. Once the receiver has disposed of all the debtor's assets, but prior to allocating the proceeds, it must submit a final report to the deputy judge on his administration. Finally (after creditors' motions against such final report have been decided) the deputy judge orders the allocation of the net proceeds. Thereafter, creditors may sue the debtor to obtain payment of any unrecovered portion of their claims and of interest thereon. A bankruptcy proceeding may also end with a settlement accepted by the creditors (*concordato fallimentare*).

*Pre-bankruptcy agreement (*concordato preventivo)

The debtor in "state of financial distress" (i.e. state of insolvency and/or financial crisis which may not constitute insolvency yet) may propose to its creditors a pre-bankruptcy agreement (*concordato preventivo*) on the basis of a recovery plan which may provide for:

(a) the restructuring of debts and the satisfaction of creditors in any manner, even through transfer of debtor's assets, novations or other extraordinary transactions, including the assignement to the creditors of shares, quotas, bonds (also convertible into shares) or other financial instruments and debt securities;

(b) the assignment of the debtor's assets in favour of an assignee (*assuntore*), that can be appointed even among the creditors;

(c) the division of creditors into classes; and

(d) different treatments for creditors belonging to different classes.

It is possible that, according to the proposed plan, creditors with liens or security interests (*pegno* and *ipoteca*) can be partially satisfied provided that their claims would not be satisfied in a higher measure through the sale of their secured assets.

Once the court declares the procedure admissible, from the date of the filing of the debtor's petition and until the order of the court becomes definitive, creditors whose claims have arisen prior to the date of the judicial approval (*decreto di omologazione*) cannot commence or proceed with restraining actions or enforcement proceedings on debtor's assets (the so called "automatic stay").

The pre-bankruptcy agreement (*concordato preventivo*) is approved by creditors representing the majority of the claims admitted to vote. In the event that the proposal provides for the creation of classes of creditors, the pre-bankruptcy agreement is approved when in the majority of classes a

favourable vote is obtained from the majority of the claims admitted to vote in each class. Should a creditor belonging to a dissenting class disagree with the proposed agreement, the court may also approve the pre-bankruptcy agreement if it deems that such a creditor would be satisfied in a measure not lower than compared with other practicable solutions.

If the required majorities are not reached, the court declares the proposed pre-bankruptcy agreement inadmissible. In such a case, the court declares the bankruptcy of the debtor only if there is a petition of a creditor or a request of the public prosecutor.

In case of judicial approval (*decreto di omologazione*), the pre-bankruptcy agreement becomes obligatory for all of the debtor's creditors in existence prior to the admission to the pre-bankruptcy agreement procedure.

It must be noted that a relevant innovation to the pre-bankruptcy agreement procedure has been introduced by Law Decree number 83 of 22 June 2012 (as converted into law by Law number 134 of 7 August 2012, the "**Decreto Sviluppo 2012**"). Pursuant to the Decreto Sviluppo 2012, a debtor can file with the competent Court just a simple request for admission to the pre-bankruptcy agreement, provided that it shall file the proposal, the plan and other necessary documents within a term established by the judge and which shall be included between 60 and 120 days from the date of filing of the sole request. The Decreto Sviluppo 2012 has also provided that in the period included between the date of filing of the request and the date of the decree admission to the pre-bankruptcy agreement, the debtor may execute not only acts of ordinary management but also urgent acts of extraordinary management, provided that, in such case, it has been duly authorised by the Court.

Moreover, the Decreto Sviluppo 2012 has also introduced in the Bankruptcy Law a specific provision (article 186-*bis*) regarding the hypothesis in which the pre-bankruptcy agreement may provide for the continuation of the business activity, the sale or transfer of the active business-concern to one or more companies.

*Debt restructuring agreements under Bankruptcy Law (*Accordi di ristrutturazione dei debiti*)*

Pursuant to article 182-*bis* of the Bankruptcy Law, an entrepreneur in state of distress can enter into a debt restructuring agreement with its creditors in the context of a pre-bankruptcy agreement (182-*bis* agreement or *accordo di ristrutturazione dei debiti*).

In order to obtain the court approval (*omologazione*), the entrepreneur must file with the competent court an agreement for the restructuring of debts entered into by creditors representing at least 60 per cent. of the debtor's debts, together with an assessment made by an expert on the feasibility of the agreement, particularly with respect to the regular payments (to be made within (i) 120 days from the Court's approval (*omologazione*) in respect of any receivables due and payable on such a date, and (ii) in respect of any receivables not yet due and payable on the Court's approval date, within 120 days from their respective due date) in favour of creditors who have not entered into such debt restructuring agreement.

From the day the agreement is published in the companies register:

(a) the agreement is effective;

(b) creditors whose claims have arisen prior to such date cannot commence or continue precautionary actions (*azioni cautelari*) or foreclosure proceedings (*azioni esecutive*) on the assets

of the debtor for 60 days and cannot obtain any pre-emption rights (except if it was so agreed); and

(c) creditors and any other interested party may oppose the agreement within 30 days.

The court can grant its judicial approval (*omologazione*) to the debt restructuring agreement once it has decided on any opposition.

According to the article 182-*bis*, paragraph 6, of the Bankruptcy Law, introduced by Italian law decree number 78 of 31 May 2010, upon request of the entrepreneur, the preventive effects mentioned under paragraph (b) above may also be produced before the entering into of the debt restructuring agreement, provided that the entrepreneur gives evidence of the feasibility of the debt restructuring plan under discussion by filing certain documents with the court. In particular, the entrepreneur shall:

(i) certify that negotiations are pending with creditors representing at least 60 per cent. of the debtor's debts;

(ii) provide an assessment by an expert confirming that the debt restructuring agreement being negotiated by the debtor allows regular payment of the creditors not entering into such agreement.

Recent main changes in Italian bankruptcy, tax and civil procedure law

The Italian Parliament has adopted the Italian Law Decree 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Italian Law 132 of 6 August 2015 (the "**Decree No. 83**"), providing for some significant changes in Italian bankruptcy, tax and civil procedure law.

The main features of the reform implemented by Decree No. 83 are summarised herein below:

(a) the rules governing the deductibility for tax purposes by banks and financial intermediaries of losses and write-off relating to receivables have been amended. Under the new rules both losses deriving from assignment of receivables and losses and write-off of receivables *vis-à-vis* customers (*crediti verso la clientela*) are entirely deductible in the fiscal year in which they are registered in the financial statements of the aforesaid companies. This provision has shortened the timeframe previously provided for deducting losses and write-off of receivables, which was equal to five fiscal years;

(b) debt enforcement proceedings have been accelerated and simplified, and judicial sales expedited;

(c) banks and financial intermediaries holding the majority of a company's overall debt can (subject to certain conditions) restructure its indebtedness, even in the face of a significant dissenting minority financial creditor;

(d) access to new financing has been simplified, enjoying super-priority, and the removal of claw back risk for bridging loans (including shareholder loans) for a company when proposing a pre-bankruptcy creditors arrangement or debt restructuring;

(e) creditors representing 10% of overall indebtedness are now entitled to present alternative proposals to those proposed by the debtor if the company's proposals do not satisfy at least

40% of nonpreferred creditors in case of liquidation or 30% in an on-going scenario. Measures have been introduced which will likely lead to greater use of controlled auctions in prepack creditor arrangements involving business sales, favouring independent investor participation. Such sales may now be completed even before court certification of the approved creditor arrangement, prioritising business continuity;

(f) a specific discipline has been provided in relation to the consequences of the termination of financial leasing contract; and

(g) a number of measures have been introduced to enhance the speed and effectiveness of bankruptcy proceedings, including the imposition of deadlines for bankruptcy trustee activities with the real threat of removal for failure to comply and the facilitation of interim distributions to creditors.

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

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

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

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

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

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

Upon filing of the draft arrangement and the supporting documents with the competent court, the judge appointed for the procedure is entitled to order a hearing to the extent that the relevant arrangement meets the requirements provided for by the applicable law. The draft arrangement and

the decree are subject to appropriate publication and communication to creditors. During the hearing, the judge awards an automatic stay with respect to the enforcement actions over the assets of the relevant debtor until the date on which the court's certification ("*omologa*") becomes final. The automatic stay however will not apply to those creditors having title to receivables which cannot be attached.

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

Once the draft restructuring arrangement is reached with 60% of claims, the competent body shall deliver to all creditors a report on the approval procedure attaching the restructuring arrangement and the relevant creditors may challenge such arrangement within 10 days of receipt of such report.

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

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

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

TAXATION

The statements herein regarding taxation of Notes are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made also on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. This summary will not be updated by the Issuer after the date of this Prospectus to reflect changes in laws after the Issue Date and, if such a change occurs, the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Italian legislative decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**"), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or bond-like securities (*titoli similari alle obbligazioni*) issued, *inter alia*, by Italian companies incorporated pursuant to Italian Law No. 130 of 30 April 1999.

For these purposes, under Article 44(2)(c) of Presidential Decree No. 917 of 22 December 1986 ("**Decree 917**"), bonds and bond-like securities (titoli similari alle obbligazioni) are securities that incorporate an unconditional obligation for the Issuer to pay, at maturity (or at any earlier full redemption of the securities), an amount not lower than their nominal/par value/principal and that do not grant the holder any direct or indirect right of participation in (or control on) the management of the Issuer or of the business in connection with which these securities are issued.

Italian resident Noteholders

Noteholders not Engaged in an Entrepreneurial Activity

Where an Italian resident beneficial owner of the Notes (a "**Noteholder**") is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected;

(b) a non-business partnership;

(c) a non-business private or public entity (other than Italian undertakings for collective investment); or

(d) an investor exempt from Italian corporate income tax,

then Interest derived from the Notes, and accrued during the relevant holding period, is subject to a tax withheld at source (*imposta sostitutiva*) levied at the rate of 26 per cent., unless the relevant Noteholder holds the Notes in a discretionary investment portfolio managed by an authorised intermediary and, if meeting the relevant conditions, has validly opted for the application of the "*Risparmio Gestito*" regime provided for by Article 7 of Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**"). In such latter case the Noteholder is subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each fiscal year (which increase

would include Interest accrued on the Notes). The substitute tax is applied on behalf of the taxpayer by the managing authorised intermediary. For more information, see also "*Tax Treatment of Capital Gains*" below.

Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be exempt from any income taxation (including from the 26 per cent. *imposta sostitutiva*) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 ("**Finance Act 2017**").

Noteholders Engaged in an Entrepreneurial Activity

In the event that the Italian resident Noteholders described under clauses (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. Interest will be subject to *imposta sostitutiva* on a provisional basis and will then be included in the relevant beneficial owner's income tax return. As a consequence, Interest will be subject to the ordinary income tax and *imposta sostitutiva* may be recovered as a credit that can be offset against the income tax due.

If a Noteholder is an Italian resident company or similar business entity, a business partnership, or a permanent establishment in Italy of a non-resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. Interest must, however, be included in the relevant Noteholder's income tax return and is therefore subject to general Italian corporate income tax ("**IRES**") and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities ("**IRAP**").

Italian Real Estate Alternative Investment Funds (Real Estate Investment Funds and Real Estate SICAFs)

Under Law Decree No. 351 of 25 September 2001 ("**Decree 351**"), converted into law with amendments by Law No. 410 of 23 November 2001, Article 32 of Law Decree No. 78 of 31 May 2010, converted into law with amendments by Law No. 122 of 30 July 2010, and Article 2(1)(c) of Decree 239, payments of Interest deriving from the Notes to Italian resident real estate investment funds are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Italian real estate investment fund, provided that the Notes, together with the relevant coupons, are timely deposited with an authorised intermediary. However, a withholding tax or a substitute tax at the rate of 26 per cent. will generally apply to income realised by unitholders in the event of distributions, redemption or sale of the units.

Subject to certain conditions, income realised by Italian real estate investment funds is attributed pro rata to the Italian resident unitholders irrespective of any actual distribution on a tax transparency basis.

Under Article 9 of Legislative Decree No. 44 of 4 March 2014 ("**Decree 44**"), the above regime applies also to Interest payments made to closed-ended real estate investment companies (*società di investimento a capitale fisso immobiliari*, or "**Real Estate SICAFs**") which meet the requirements expressly provided by applicable law.

Undertakings for Collective Investment (Funds, SICAFs and SICAVs)

If an Italian resident Noteholder is an open-ended or a closed-ended collective investment fund ("**Fund**") other than a real estate investment fund, a closed-ended investment company (*società di investimento a capitale fisso*, or "**SICAF**") other than a Real Estate SICAF or an open-ended investment company (*società di investimento a capitale variabile*, or "**SICAV**") established in Italy and either (i) the Fund, the SICAF or the SICAV or (ii) their manager is subject to supervision by the competent regulatory authority and the Notes are deposited with an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*. Interest must, however, be included in the management results of the Fund, the SICAF or the SICAV accrued at the end of each tax period. The Fund, the SICAF or the SICAV will not be subject to *imposta sostitutiva*, but a withholding tax of 26 per cent. will be levied, in certain circumstances, on proceeds distributed in favour of unitholders or shareholders by the Fund, the SICAF or the SICAV.

Pension Funds

If an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the pension fund as calculated at the end of the tax period, which will be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017.

Application of Imposta Sostitutiva

Under Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* ("**SIM**"), fiduciary companies, *società di gestione del risparmio* ("**SGR**"), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each, an "**Intermediary**").

An Intermediary must (a) be resident in the Republic of Italy or be a permanent establishment in the Republic of Italy of a non-Italian resident financial intermediary or an organisation or a company not resident in the Republic of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economy and Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree 239, and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited. If the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary (or permanent establishment in Italy of a non-resident financial intermediary) paying Interest to a Noteholder or, absent that, by the Issuer.

Non-Italian Resident Noteholders

If the Noteholder is a non-Italian resident without a permanent establishment in the Republic of Italy to which the Notes are effectively connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

(a) resident, for tax purposes, in a country which is included in the list of countries and territories that allow an adequate exchange of information as contained (I) as at the date of this Offering Circular in the Decree of the Ministry of Economy and Finance of 4 September 1996, as subsequently amended and restated ("**White List**"), or (II) once effective in any other decree or regulation that may be issued in the future under the authority of Article 11(4)(c) of Decree 239 to provide the list of such countries and territories ("**New White List**"); or

(b) an international body or entity set up in accordance with international agreements which have entered into force in the Republic of Italy; or

(c) a central bank or an entity which manages, inter alia, official reserves of a foreign State (including sovereign wealth funds); or

(d) an "institutional investor", whether or not subject to tax, which is established in a country included in the White List (or in the New White List once this is effective), even if it does not possess the status of a taxpayer in its own country of establishment.

In order to ensure gross payment, non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected must be the beneficial owners of the payments of Interest and must timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with:

(a) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the "**First Level Bank**"), acting as intermediary in the deposit of the Notes held, directly or indirectly, by the Noteholder with a Second Level Bank (as defined below); or

(b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or brokerage company (SIM), acting as depositary or sub depositary of the Notes appointed to maintain direct relationships, via telematic link, with the Department of Revenue of the Ministry of Economy and Finance (the "**Second Level Bank**"). Organisations and companies that are not resident of Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Economy and Finance (which include Euroclear and Clearstream) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or permanent establishment in Italy of a non-resident bank or SIM, or a central depositary of financial instruments pursuant to Article 80 of Legislative Decree No. 58 of 24 February 1998) for the purposes of the application of Decree 239. In the event that a non-Italian resident Noteholder deposits the Notes directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for non-Italian resident Noteholders is conditional upon:

(a) the deposit of the Notes, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and

(b) the submission, at the time or before the deposit of the Notes, to the First Level Bank or the Second Level Bank (as the case may be) of an affidavit by the relevant Noteholder (*autocertificazione*), to be provided only once, in which it declares, inter alia, that it is the beneficial owner of any interest on the Notes and it is eligible to benefit from the exemption from the *imposta sostitutiva*.

This affidavit, which is required neither for international bodies or entities set up in accordance with international agreements that have entered into force in Italy nor for foreign central banks or entities which manage, inter alia, official reserves of a foreign State, must comply with the requirements set forth by the Italian Ministerial Decree of 12 December 2001 and is valid until withdrawn or revoked (unless some information provided therein has changed). The affidavit need not be submitted if a certificate, declaration or other similar document for the same or equivalent purposes was previously submitted to the same depository.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest paid to Noteholders who do not qualify for the exemption or do not timely and properly comply with set requirements.

Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for full or partial relief under an applicable tax treaty, provided that the relevant conditions are satisfied (including documentary fulfilments).

Tax Treatment of Capital Gains

Italian Resident (and Italian Permanent Establishment) Noteholders

Noteholders Not Engaged in an Entrepreneurial Activity

If an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-business partnership, (iii) a non-business private or public entity, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a capital gain tax ("**CGT**"), levied at the rate of 26 per cent. Noteholders may set off any losses against their capital gains subject to certain conditions.

In respect of the application of CGT, taxpayers may opt for any of the three regimes described below.

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, CGT on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual Noteholder holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given fiscal year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any fiscal year, net of any relevant incurred capital loss, in the annual tax return and pay CGT on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward and offset against capital gains realised in any of the four following fiscal years. Under Law Decree No. 66 of 24 April 2014 ("**Decree 66**"), capital losses may be carried

forward and offset against capital gains of the same nature realised as of 1 July 2014 for an overall amount of: (i) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014; and (ii) 100 per cent. of the capital losses realised from 1 July 2014.

(b) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay CGT separately on capital gains realised on each sale or redemption of the Notes (nondiscretionary investment portfolio regime, "*regime del risparmio amministrato*") (optional). Such separate taxation of capital gains is allowed subject to:

(a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of non-resident intermediaries); and

(b) an express election for the nondiscretionary investment portfolio regime being timely made in writing by the relevant Noteholder.

The depository must account for CGT in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay CGT to the Italian tax authorities on behalf of the Noteholder, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the nondiscretionary investment portfolio regime, any possible capital loss resulting from a sale or redemption of the Notes may be deducted from capital gains subsequently realised, within the same securities management, in the same fiscal year or in the following fiscal years up to the fourth. Under the nondiscretionary investment portfolio regime, the Noteholder is not required to declare the capital gains / losses in the annual tax return. Under Decree 66, capital losses may be carried forward and offset against capital gains of the same nature realised as of 1 July 2014 for an overall amount of: (i) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014; and (ii) 100 per cent. of the capital losses realised from 1 July 2014.

(c) Under the discretionary investment portfolio regime (*regime del risparmio gestito*) (optional), any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any decrease in value of the managed assets accrued at the year-end may be carried forward and offset against any increase in value of the managed assets accrued in any of the four following fiscal years. Under Decree 66, decreases in value of the managed assets may be carried forward and offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 76.92 per cent of the decreases in value occurred from 1 January 2012 to 30 June 2014; and (ii) 100 per cent. of the decreases in value occurred from 1 July 2014. The Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be exempt from any income taxation (including from the 26 per cent. CGT) if the Noteholders are Italian resident individuals not engaged in entrepreneurial activity or social

security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 and the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets all the requirements set forth in Article 1(100-114) of Finance Act 2017.

Noteholders Engaged in an Entrepreneurial Activity

Any gain realised upon the sale or the redemption of the Notes would be treated as part of the taxable business income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar business entity (including the Italian permanent establishment of non-resident entities to which the Notes are connected), a business partnership or an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected.

Italian Real Estate Alternative Investment Funds (Real Estate Investment Funds and Real Estate SICAFs)

Any capital gains realised by a Noteholder which is an Italian real estate investment fund or an Italian Real Estate SICAF to which the provisions of Decree 351 or Decree 44 apply will be subject neither to CGT nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF (see "*Tax Treatment of Interest*"). However a withholding tax or a substitute tax at the rate of 26 per cent. will generally apply to income realised by unitholders or shareholders in the event of distributions, redemption or sale of units / shares.

Undertakings for Collective Investment (Funds, SICAFs and SICAVs)

Any capital gains realised by a Noteholder which is a Fund, a SICAF (other than a Real Estate SICAF) or a SICAV will not be subject to CGT but will be included in the result of the relevant portfolio accrued at the end of the relevant fiscal year. Such result will not be taxed at the level of the Fund, the SICAF or the SICAV, but income realised by the unitholders or shareholders in case of distributions, redemption or sale of the units / shares may be subject to a withholding tax of 26 per cent. (see "*Tax Treatment of Interest*").

Pension Funds

Any capital gains realised by a Noteholder that is an Italian pension fund (subject to the regime provided for by Article 17 of Decree 252 of 5 December 2005) will be included in the result of the pension fund as calculated at the end of the fiscal year, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017.

Non-Italian Resident Noteholders

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected upon the sale or the redemption of Notes issued by an Italian resident issuer and traded on regulated markets are subject neither to CGT nor to any other Italian income tax. The exemption applies provided that the non-Italian resident Noteholders file in due course with the authorised financial intermediary an appropriate affidavit (*autocertificazione*) stating that the Noteholder is not resident in the Republic of Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected upon the sale or the redemption of Notes issued by an Italian resident issuer not traded on regulated markets are not subject to CGT, provided that the beneficial owner is:

(a) resident in a country included in the in White list (or in the New White List once effective);

(b) an international entity or body set up in accordance with international agreements which have entered into force in the Republic of Italy;

(c) a central Bank or an entity which manages, inter alia, the official reserves of a foreign State (including sovereign wealth funds); or

(d) an "institutional investor", whether or not subject to tax, which is established in a country included in the White List (or in the New White List once this is effective), even if it does not possess the status of a taxpayer in its own country of establishment.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected upon the sale or the redemption of Notes issued by an Italian resident issuer and not traded on regulated markets may be subject to CGT at the current rate of 26 per cent. However, Noteholders may benefit from an applicable tax treaty with the Republic of Italy providing that capital gains realised upon the sale or the redemption of the Notes may be taxed only in the country of residence of the transferor.

Italian Inheritance and Gift Tax

Subject to certain exceptions, Italian inheritance and gift tax is generally payable on transfers of assets and rights, including the Notes, (i) by reason of death or gift by Italian resident persons (or other transfers for no consideration and the creation of liens on such assets for a specific purpose, including the segregation of assets into a trust), even if the transferred assets are held outside Italy, and (ii) by reason of death or gift by non-Italian resident persons (or other transfers for no consideration and the creation of liens on such assets for a specific purpose, including the segregation of assets into a trust), but only if the transferred assets are held in Italy.

In such event, Italian inheritance and gift tax applies as follows:

(a) at a rate of 4 per cent. in case of transfers in favour of the spouse or relatives in direct line on the portion of the global net value of the transferred assets exceeding, for each beneficiary, €1,000,000;

(b) at a rate of 6 per cent. in case of transfers in favour of relatives up to the fourth degree or relatives in-law up to the third degree on the entire value of the transferred assets. Transfers in favour of brothers / sisters are subject to the 6 per cent. inheritance and gift tax on the value of the transferred assets exceeding, for each beneficiary, €100,000; and

(c) at a rate of 8 per cent. in any other case.

If the beneficiary of any such transfer is a disabled individual, whose handicap is recognised under Law No. 104 of 5 February 1992, the tax is applied only on the value of the assets (including the Notes)

received in excess of €1,500,000 at the rates illustrated above, depending on the type of relationship existing between the deceased or the donor and the beneficiary.

With respect to Notes listed on a regulated market, the value for inheritance and gift tax purposes is the average trading price of the last quarter preceding the date of the succession or of the gift (including any accrued interest).

Transfer Tax

Contracts relating to the transfer of securities are subject to a €200 registration tax as follows: (i) public deeds and private deeds with notarized signatures are subject to mandatory registration; and (ii) private deeds are subject to registration only in the case of voluntary registration or if the so-called "*caso d'uso*" occurs.

Stamp Duty

Under Article 13(2-*bis* - 2-*ter*) of Presidential Decree No. 642 of 26 October 1972, a 0.20 per cent. stamp duty generally applies on communications and reports that Italian financial intermediaries periodically send to their clients in relation to the financial products that are deposited with such intermediaries. The Notes are included in the definition of financial products for these purposes. Communications and reports are deemed to be sent at least once a year even if the Italian financial intermediary is under no obligation to either draft or send such communications and reports.

The stamp duty cannot exceed €14,000.00 for Noteholders other than individuals.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy and Finance on 24 May 2012, the 0.20 per cent. stamp duty does not apply to communications and reports that the Italian financial intermediaries send to investors who do not qualify as "clients" according to the regulations issued by the Bank of Italy. Communications and reports sent to this type of investors are subject to the ordinary €2.00 stamp duty for each copy.

The taxable base of the stamp duty is the market value or, in the lack thereof, the nominal value or the redemption amount of any financial product.

Wealth Tax on Financial Products Held Abroad

Under Article 19(18) of Law Decree No. 201 of 6 December 2011, Italian resident individuals holding financial products – including the Notes – outside the Republic of Italy are required to pay a wealth tax at the rate of 0.2 per cent. The tax is determined in proportion to the period of ownership. This tax is calculated on the market value at the end of the relevant year or, in the lack thereof, on the nominal value or redemption value, or in the case the face or redemption values cannot be determined, on the purchase price of any financial product (including the Notes) held abroad by Italian resident individuals. If the financial products are no longer held on December 31 of the relevant year, reference is made to the value in the period of ownership. A tax credit is generally granted for foreign wealth taxes levied abroad on such financial products. The tax credit cannot be greater than the amount of the Italian tax due. If there is a double tax treaty in force between Italy and the State where the financial products are held that also covers taxes on capital and the treaty provides that only the State of residence should levy taxes on capital on the financial products, no tax credit is granted. In these cases, the taxpayer should request the refund of the wealth taxes paid abroad to the foreign tax authorities.

Certain Reporting Obligations for Italian Resident Noteholders

Under Law Decree No. 167 of 28 June 1990, as subsequently amended and supplemented, individuals, non-business entities and non-business partnerships that are resident in Italy and, during the fiscal year, hold investments abroad or have financial assets abroad (including possibly the Notes) must, in certain circumstances, disclose these investments or financial assets to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding €15,000 threshold throughout the year, which per se do not require such disclosure). The requirement applies also where the persons above, being not the direct holder of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation.

No disclosure requirements exist for investments and financial assets (including the Notes) under management or administration entrusted to Italian resident intermediaries (Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Law Decree No. 167 of 28 June 1990) and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subjected to Italian withholding or substitute tax by the such intermediaries.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreement

The Undewriter has, pursuant to the Subscription Agreement dated on or about the Issue Date between the Issuer, the Arrangers, the Undewriter and the Representative of the Noteholders, agreed to subscribe and pay the Issuer for the Notes at their Issue Price of 100 per cent of their respective principal amounts upon issue.

The Junior Notes Conditions

Except for Junior Notes Conditions 3.1 (*Denomination*), 7 (*Interest and Additional Return*), and 8.13 (*Early redemption through the disposal of the Portfolio following full redemption of the Senior Notes*) the Junior Notes Conditions are the same, *mutatis mutandis*, as the Senior Notes Conditions.

Under the Senior Notes Conditions and the Junior Notes Conditions the obligations of the Issuer to make payment in respect of the Junior Notes are subordinated to the obligations of the Issuer to make payments in respect of the Senior Notes, the Other Issuer Creditors and the other creditors of the Issuer in accordance with the applicable Priority of Payments. Therefore, in case of losses by the Issuer, if the Issuer is not able to fulfil in full its obligations in respect of all its creditors, the Junior Noteholders will be the first creditors to bear any shortfall.

SELLING RESTRICTIONS

Each of the Issuer and the Underwriter has, pursuant to the Subscription Agreement, undertaken to the others that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or distribute this Prospectus or any related offering material, in all cases at its own expense.

Each of the Issuer and the Underwriter has, pursuant to the 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 Originators or the Notes, save as contained in this Prospectus or as approved for such purpose by the Issuer or the Underwriter or which is a matter of public knowledge.

General

Persons into whose hands this Prospectus comes are required by the Issuer and the Underwriter to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

EEA Standard Selling Restriction

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Underwriter represents, warrants and undertakes to the Issuer that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of the Senior Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the

competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(c) at any time in any other circumstances falling within article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "*Prospectus Directive*" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "*Amending Prospectus Directive*" means Directive 2010/73/EU.

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 in certain transactions exempt from the registration requirements of the Securities 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 United States Internal Revenue Code and regulations thereunder.

The Underwriter has agreed that it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the offering of the Notes, within the United States or to, or for the account or benefit of, any U.S. person, and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the such Notes within the United States or to, or for the account or benefit of, any U.S. person.

In addition, until 40 days after the commencement of the offering of the Notes, any 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.

United Kingdom

The Underwriter has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer and the other Underwriter that:

(a) *Financial promotion*: it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The Underwriter has, pursuant to the Subscription Agreement, represented, warranted and undertaken to the Issuer that it has not offered, sold or delivered, and will not offer, sell or deliver, and have not distributed and will not distribute and has not made and will not make available in the Republic of Italy copy of this Prospectus nor any other offering material relating to the Notes other than to "qualified investors" ("*investitori qualificati*") as referred to in article 100 of the Financial Laws Consolidation Act and article 34-*ter*, paragraph 1, letter (b) of the CONSOB regulation number 11971 of 14 May 1999 (as amended and integrated from time to time, "**CONSOB Regulation**") and in accordance with any applicable Italian laws and regulations.

Any offer of the Notes to qualified investors in the Republic of Italy shall be made only by banks, investment firms or financial intermediaries permitted to conduct such business in accordance with the Consolidated Banking Act, to the extent that they are duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Financial Laws Consolidation Act, Consob Regulation number 16190 of 29 October 2007, the Consolidated Banking Act and any other applicable laws and regulations.

General

The Underwriter has, pursuant to the Subscription Agreement acknowledged that:

(a) no action has or will be taken by it which would allow an offering (nor a "*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;

(b) the Notes may not be offered, sold or delivered by it and neither this Prospectus nor any other offering material relating to the Notes will be distributed or made available by it to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy will only be made by it in accordance with Italian securities, tax and other applicable laws and regulations; and

(c) no application has been made by neither of them to obtain an authorisation from CONSOB for the public offering of the Notes in the Republic of Italy.

Prohibition of Sales to EEA Retail Investors

The Underwriter 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:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) 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

(iii) not a qualified investor as defined in the Prospectus Directive;and

(b) 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

(1) The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 24 November 2017.

(2) Application has been made to list the Senior Notes on the official list of the Luxembourg Stock Exchange and to have the Senior Notes admitted to trading on the Regulated Market. In connection with the listing application, the constitutional documents of the Issuer will be deposited prior to listing with the Representative of the Noteholders, where such documents will be available for inspection and where copies thereof may be obtained upon request.

(3) The Issuer is not (and was not in the 12 months preceding the date of this Prospectus) involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, during such 12 months' period period, a significant effect on its financial position or profitability.

(4) There has been no material adverse change, or any development reasonably likely to involve an adverse change, in the condition (financial or otherwise), general affairs or prospects of the Issuer since 31 December 2016 (being the date of the most recent audited financial information of the Issuer) that is material in the context of the issue of the Notes.

(5) Save as disclosed in this Prospectus, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

(6) The Issuer will produce proper accounts (*ordinaria contabilità interna*) and audited financial statements in respect of each financial year and will not produce interim financial statements. Copies of these documents will be promptly deposited after their approval at the registered office of the Issuer and the Representative of the Noteholders, where such documents will be available for inspection and where copies of such documents may be obtained free of charge upon request during usual business hours.

(7) As of the Issue Date, the Notes will be held in dematerialised form on behalf of the ultimate owners by Monte Titoli S.p.A. (a *società per azioni* having its registered office at Piazza degli Affari 6, 20123 Milan, Italy) for the account of the relevant Monte Titoli Account Holders. Monte Titoli shall act as depository for Clearstream. The Senior Notes have been accepted for clearance through Monte Titoli and Clearstream as follows:

ISIN code

IT0005314569

(8) As long as the Senior Notes are listed on the official list of the Luxembourg Stock Exchange, copies of the following documents may be inspected and obtained free of charge during usual business hours at the registered office of the Issuer and the Representative of the Noteholders and at the Specified Office of the Paying Agent at any time after the date of this Prospectus:

(a) the *statuto* and *atto costitutivo* of the Issuer;

(b) the financial statements of the Issuer approved from time to time, including those incorporated by reference in this Prospectus;

(c) the following agreements:

Receivables Purchase Agreement;
Servicing Agreement;
Warranty and Indemnity Agreement;
Intercreditor Agreement;
Cash Allocation, Management and Payments Agreement;
Mandate Agreement;
Quotaholders' Agreement;
Corporate Services Agreement; and
Master Definitions Agreement.

(9) So long as any of the Senior Notes remains outstanding, copies of the Payments Reports and of the Investors Reports shall be made available for collection at the registered office of the Issuer and the Representative of the Noteholders, respectively, on each Calculation Date and on each date on which it is produced. The first Payments Report will be available at the registered office of the Issuer and the Representative of the Noteholders on or about the Calculation Date falling in April 2018. The Payments Reports will be produced quarterly and will contain details of amounts payable on the Payment Date to which it refers in accordance with the Priority of Payments, including the amount payable as principal and interest in respect of each Note.

(10) The Calculation Agent is authorised to make available each Investors Report to Noteholders on a quarterly basis via the Calculation Agent's internet website currently located at www.securitisation-services.com. It is not intended that Investors Report will be made available in any other format. The Calculation Agent's website does not form part of the information provided for the purposes of this Prospectus and disclaimers may be posted with respect to the information posted thereon.

(11) The estimated annual fees and expenses payable by the Issuer in connection with the Securitisation amount to approximately €150,000 (excluding fees due to the Servicers and any VAT, if applicable).

(12) The total expenses (including maintenance fees) payable in connection with the admission of the Senior Notes to trading on the Regulated Market amount to approximately €40,000 and will be borne by the Issuer.

(13) So far as the Issuer is aware there are no interests, including conflicting ones, of any natural or legal persons involved in the issue of the Senior Notes that are material to the issue of the Senior Notes.

GLOSSARY

These and other terms used in this Prospectus are subject to, and in some cases are summaries of, the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

"**Accounts**" means collectively the Collection Account, the Payment Account, the Cash Reserve Account, the Expenses Account and, upon opening thereof, the Securities Account, and "**Account**" means any of them.

"**Account Bank**" means ISP or any other person for the time being acting as Account Bank pursuant to the Cash Allocation, Management and Payments Agreement.

"**Additional Return**" means the amount of variable return payable on the Junior Notes on any Payment Date subject to the Junior Notes Conditions, determined in accordance with Junior Notes Condition 7 (*Additional Return*) by reference to the residual Issuer Available Funds, if any, after satisfaction of the items ranking in priority to the Additional Return pursuant to the applicable Priority of Payments on such Payment Date.

"**Adjustment**" means a Negative Adjustment or a Positive Adjustment, as the case may be.

"**Advances**" means the advances made by the Lessees at the time of the exercise of an Advanced Residual Value in relation to an Asset whose ownership is not transferred together with such Advanced Residual Value.

"**Advanced Residual Value**" means the exercise by a Lessee of the Residual Value prior to the original due date as specified in the relevant Lease Agreement, it being understood that, for the avoidance of doubts, the amount paid by the Lessee in order to exercise such Advanced Residual Value shall be considered as to include all the Instalments due and unpaid pursuant to the relevant Lease Agreement.

"**Advanced Residual Value Amount**" means, for any Lease Agreement that is subject to an Advanced Residual Value, the amount owed by Mediocredito to the Issuer, calculated in accordance with the commercial practice from time to time adopted by Mediocredito in respect of its customers, and in any case not lower than the sum of (a) all Principal Instalments not yet due or due but unpaid and (b) the principal component of the Residual Value, as resulting from the relevant Lease Agreement.

"**AIFMR**" means Regulation 231/2013/EU.

"**Arrangers**" ISP and BANCA IMI.

"**Asset**" means any Equipment, Motorvehicle or Real Estate Asset which is leased under any Lease Agreement.

"**Bankruptcy Law**" means Italian Royal Decree No. 267 of 16 March 1942, as the same may be amended, modified or supplemented from time to time.

"**Business Day**" means a day on which banks are generally open for business in Milan, and Luxembourg and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

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

"**Calculation Date**" means the 20th day of January, April, July and October of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Calculation Date shall fall in April 2018.

"**Cash Allocation, Management and Payments Agreement**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between the Issuer, the Account Bank, the Paying Agent, the Representative of the Noteholders, the Servicer, the Corporate Servicer, the Listing Agent and the Calculation Agent, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto, as from time to time modified.

"**Cash Reserve Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT97X0306909400100000012879), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Cash Reserve Required Amount**" means (i) with reference to the Issue Date, the Initial Cash Reserve Amount and (ii) with reference to each subsequent Payment Date, an amount equal to the higher of (i) 1.5% of the Principal Amount Outstanding of the Senior Notes on the Calculation Date immediately preceding such Payment Date; and (ii) 0.75% of the initial principal amount of the Senior Notes as at the Issue Date, provided that the Cash Reserve Required Amount will be equal to 0 (zero) on the Final Maturity Date and/or on the Payment Date on which the Senior Notes are expected to be redeemed in full.

"**Cash Trapping Trigger**" means the condition which occurs when the Cumulative Gross Default Ratio is equal to, or higher than 12%.

"**Class A Noteholders**" or "**Senior Noteholders**" means the persons who are, from time to time, the holders of the Class A Notes.

"**Class A Notes** or **Senior Notes**" means the €2,869,700,000 Class A Asset Backed Floating Rate Notes due January 2049.

"**Class B Noteholders** or **Junior Noteholders**" means the persons who are, from time to time, the holders of the Class B Notes.

"**Class B Notes**" or "**Junior Notes**" means the €1,350,500,000 Class B Asset Backed Floating Rate and Additional Return Notes due January 2049.

"**Clean Up Option Date**" means the Payment Date on which the Senior Notes are redeemed in full.

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

"**Collateral Portfolio**" means, at any given date, all Receivables purchased by the Issuer pursuant to the Receivables Purchase Agreement which are not Defaulted Receivables as at such date.

"**Collateral Portfolio Outstanding Amount**" means the Outstanding Principal of all Receivables contained in the Collateral Portfolio.

"**Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT23W0306909400100000012878), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Collection Period**" means each quarterly period commencing on a Reference Date (excluded), and ending on (and including) the next succeeding Reference Date, and in the case of the first Collection Period, commencing on (and including) the Valuation Date and ending on the Reference Date falling in March 2018.

"**Collections**" means all amounts received by the Servicer or any other person in respect of Instalments due under the assigned Receivables, and any other amount whatsoever received by the Servicer or by any other person in respect of the assigned Receivables including, but not limited to, the Advanced Residual Value Amounts, the Advances and the Recoveries.

"**Conditions**" means the terms and conditions at any time applicable to the Senior Notes or, as the case may be, the Junior Notes, and any reference to a numbered Condition is to the corresponding numbered provision thereof.

"**CONSOB**" means the Italian Stock Exchange Commission (*Commissione Nazionale per le Società e la Borsa*).

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

"**Corporate Servicer**" means Securitisation Services S.p.A. or any other person for the time being acting as pursuant to the Corporate Services Agreement and its permitted successors and assignees from time to time.

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

"**Credit, Collection and Recovery Policy**" means Mediocredito's credit, collection and recovery policy in relation to the Receivables and the Instalments and of any other amount due in respect of the Receivables and the Lease Agreements, attached as schedule 4 to the Servicing Agreement.

"**Criteria**" means the objective criteria on the basis of which the Receivables have been selected, as indicated in the Receivables Purchase Agreement.

"**CRR**" means the Regulation 575/2013/EU, as the same may be amended, modified or supplemented from time to time.

"**Cumulative Gross Default Ratio**" means, on each Calculation Date with respect to the immediately preceding Reference Date, the ratio obtained by dividing: (A) the aggregate of the Outstanding Principal of the Receivables which have become Defaulted Receivables during the period between the

Issue Date and such Reference Date, by (B) the Outstanding Principal of all the Receivables comprising the Portfolio as at the Valuation Date.

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

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

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

"**DBRS Minimum Rating**" means:

(i) if a Fitch long term public rating, a Moody's long term public rating and an S&P long term public rating (each, a "**Public Long Term Rating**") are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such Public Long Term Rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded); and

(ii) 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

(iii) 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 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.

"**Decree 239 Deduction**" means any withholding or deduction for or on account of ''*imposta sostitutiva*'' under Decree 239.

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

"**Defaulted Receivable**" means any Receivable arising from a Lease Agreement which has been (A) terminated upon default of the relevant Lessee in accordance with the Credit, Collection and Recovery Policy or (B) which has at least (i) in case of monthly amortisation plans, six Instalments due and unpaid, or (ii) in case of quarterly amortisation plan, at least three Instalments due and unpaid, in both cases for at least 31 days starting from the relevant Scheduled Instalment Date.

"**Delinquent Receivables**" means any Receivable arising from a Lease Agreement which is not a Defaulted Receivable and which has at least one Instalment due and unpaid by the relevant Lessee for an amount higher than 5% of the relevant Instalment and for not less than 31 days from the relevant Scheduled Instalment Date.

"**Effective Date**" means 1 November 2017.

"**Eligible Institution**" means (a) any depository institution organised under the laws of any state which is a member of the European Union or the United Kingdom or the United States or (b) any depository institution organized under the laws of any state which is a member of the European Union or the United Kingdom or of the United States whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first demand guarantee), in compliance with DBRS and Moody's criteria, by a depository institution organized under the laws of any state which is a member of the European Union or of the United States of America, having the following ratings (or such other rating being compliant with DBRS and Moody's published criteria applicable from time to time):

(a) with respect to DBRS:

(i) the greater of (a) the rating one notch below the institution's long-term critical obligations rating ("**COR**") and (b) at least "BBB (low)" in respect of the institution's long-term senior debt rating ; or

(ii) if a COR is not currently maintained for the institution, at least "BBB (low)" in respect of the long-term senior debt rating of the institution; or

(iii) if there is no such public rating, a private COR or long-term senior debt rating of the institution supplied by DBRS of at least "BBB (low)".

(b) with respect to Moody's:

(i) "Ba1" in respect of long term deposit rating; or

(ii) in the event of a depository institution which does not have a long term deposit rating by Moody's, "P-3" in respect of short term debt;

"**Eligible Investment Maturity Date**" means (i) with respect to Eligible Investments the interest and principal proceeds of which are known at time the investment was made, the date falling no later than two Business Days prior to each Payment Date; and (ii) with respect to Eligible Investments the interest and principal proceeds of which are not yet known at the time the investment was made, the date falling no later than one Business Day prior to each Calculation Date immediately preceding the Payment Date in respect of which such Eligible Investments were made.

"**Eligible Investments**" means:

(a) euro-denominated senior, unsubordinated debt securities, commercial papers, accounts, deposits (including, for the avoidance of doubt, time deposits) or other debt instruments provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date; and (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and

(b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided that the relevant investments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued or held by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings (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 Notes):

(i) "Baa3" by Moody's in respect of long-term debt, or, in the event of an investment which does not have a long-term rating by Moody's, such other lower rating compliant with the criteria established by Moody's from time to time; and

(ii) (i) (A) "R-2 (middle)" by DBRS in respect of short-term debt or "BBB (low)" by DBRS in respect of long-term debt, with regard to investments having a maturity of less than 30 days; or (B) such other rating as acceptable to DBRS from time to time; or (ii) (A) "R-1 (low)" by DBRS in respect of short-term debt or "A (low)" by DBRS in respect of long-term debt, with regard to

investments having a maturity exceeding 30 days but not exceeding 90 days; or (B) such other rating as acceptable to DBRS from time to time; provided that a rating by DBRS is (a) the public long term senior debt rating assigned by DBRS or, if there is no public DBRS rating, (b) the private long term senior debt rating assigned by DBRS. In the event of debt securities or other debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution which does not have a private rating nor a public rating from DBRS, then the minimum rating requirements of the relevant debt instrument for DBRS will be defined having reference to the DBRS Minimum Rating,

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) caps, 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) money market funds.

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

"**Equipment**" means each plant or machinery located in the Republic of Italy (with the exception of energy plants) not under construction which is leased under a Lease Agreement and comprising the Equipment Pool.

"**Equipment Pool**" means the aggregate of Receivables originating from Lease Agreements the underlying Assets of which are Equipment.

"**Euribor**" means the rate at which Euro inter-bank term deposits are offered by one prime bank to another prime bank within the EMU-Zone calculated at 11:00 a.m. (CET) for spot value (T+2), which appears on the display page designated Euribor 01 on Reuters (except in respect of the First Interest Period, where a linear interpolated interest rate based on interest rates for 3 and 6 month deposits in Euro which appears on the display page designated Euribor 01 on Reuters will be applied), *provided that*:

(i) Euribor shall be determined by reference to such other page as may replace the relevant Reuters page on that service for the purpose of displaying such information; or

(ii) Euribor shall be determined, if the Reuters service ceases to display such information, by reference to such page as displays such information on such other service as may be nominated information vendor for the purpose of displaying comparable rates and approved by the Representative of the Noteholders,

(the rate determined in accordance with paragraphs above being the "**Screen Rate**" or, in the case of the First Interest Period, the "**Additional Screen Rate**") at 11:00 a.m. (CET time) on the Interest Determination Date; and

if the Screen Rate (or, in the case of the First Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(1) the arithmetic mean (rounded, if necessary, to three decimal places with the mid-point rounded up) of the rates notified by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Banks to leading banks in the EMU-Zone interbank market at 11.00 a.m. (CET time) on the Interest Determination Date; or

(2) if only two of the Reference Banks provide such offered quotations, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or

(3) if only one or none of the Reference Banks provides the Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding Interest Period.

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

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

"**Excluded Amount**" means:

(a) the Residual Value or any penalties due by any Lessee in case it does not deliver (or delays the delivery of) the relevant Asset upon the Lessee's failure to exercise the Residual Value option;

(b) the VAT under the Instalments and other expense or amount due in relation to the Receivables and the amounts paid by the Lessees with regard to the premium payable in relation to the Insurance Policies covering the Assets and any other cost relating to the collection of the Receivables;

(c) the Initial Accrued Interest;

(d) any payments owed as adjustments in relation to the expenses paid in connection with the purchase of the Assets, if such adjustments become known after the Valuation Date; and

(e) any amount, other than those referred to in (a) to (d) of the definition of ''Receivables'' which the Lessee may be required to pay under the relevant Lease Agreement and the ancillary interest connected thereto, including default interests.

"**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 (IBAN: IT19R0306909400100000012881), or such substitute account as may be

opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

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

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

"**Final Maturity Date**" means the Payment Date falling in January 2049.

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

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Guarantors**" means any person, other than a Lessee, which has provided a guarantee or a security in favour of a Lessee in relation to the Receivables, and/or its successors and/or assignees.

"**Index Rate**" means, in respect to each Receivable bearing a floating interest rate, the index rate applicable pursuant to the provisions of the relevant Lease Agreement.

"**Individual Purchase Price**" means, in relation to each Receivable included in the Portfolio, the aggregate amount of all Principal Instalments scheduled to be paid after the Valuation Date.

"**Initial Accrued Interest**" means, as at the Valuation Date, the portion of the Interest Instalment accrued as at the Valuation Date but not yet due and payable at that date.

"**Initial Cash Reserve Amount**" means Euro 43,045,500.00.

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

(a) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition or reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*" and "*amministrazione straordinaria*", each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, including the seeking of liquidation, winding-up, reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or similar procedure having a similar effect (other than, in the case of the Issuer, any portfolio of assets purchased by the Issuer for the purposes of further securitisation transactions), unless, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(b) an application for the commencement of any of the proceedings under (a) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the Noteholders (who may in this respect rely on the advice of a lawyer selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(c) such company or corporation takes any action for a re-adjustment of or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in the case of the Issuer, the Other Issuer Creditors) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee, indemnity or assurance against loss given by it in respect of any indebtedness or applies for suspension of payments; or

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

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

"**Instalment**" means the amount from time to time payable by the Lessees under each Lease Agreement as consideration for the use of the relevant Asset.

"**Insurance Company**" means any insurance company with which an Insurance Policy has been entered into.

"**Insurance Policy**" means any agreement entered into with an Insurance Company and pursuant to which an Asset related to a Lease Agreement is insured (including but not limited to the policies covering the risks relating to the Assets in order to guarantee the reimbursement of any amount due thereunder).

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

"**Interest Determination Date**" means (a) with respect to the First Interest Period, the date falling two Target2 Days prior to the Issue Date; and (b) with respect to each subsequent Interest Period, the date falling two Target2 Days prior to the Payment Date at the beginning of such Interest Period.

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

"Interest Payment Amount" has the meaning ascribed to that term in Senior Notes Condition 7.6 (*Determination of Interest Rate and calculation of Interest Payment Amounts*).

"**Interest Period**" means each period commencing on (and including) a Payment Date and ending on (but excluding) the next succeeding Payment Date, provided that the "**First Interest Period**" shall commence on (and include) the Issue Date and end on (but excluded) the First Payment Date.

"**Interest Rate**" shall have the meaning ascribed to it in Senior Notes Condition 7.5 (*Interest Rate*).

"**Investors Report**" means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Investors Report Date by the Calculation Agent, pursuant to the Cash Allocation, Management and Payments Agreement.

"**Investors Report Date**" means the 2nd Business Day following each Payment Date, and if such day is not a Business Day, the immediately following Business Day.

"**ISP**" means Intesa Sanpaolo S.p.A., a bank incorporated under the laws of the Republic of Italy as *società per azioni*, having its registered office at Piazza San Carlo, 156 Turin, Italy and secondary seat at Via Monte di Pietà 8, 20121 Milan, Italy, share capital of euro 8,731,984,115.92 fully paid up, fiscal code and enrolment with the companies register of Turin number 00799960158, enrolled under number 5361 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, holding company of the Intesa Sanpaolo S.p.A. Banking Group, enrolled in the register of banking groups held by the Bank of Italy pursuant to article 64 of the Consolidated Banking Act.

"**ISPBL**" means Intesa Sanpaolo S.p.A. Bank Luxembourg S.A., a bank incorporated under the laws of the Grand Duchy of Luxembourg as a *société anonyme*, having its registered office at 19-21 Boulevard du Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 13859, or any other person for the time being acting as such pursuant to the Cash Allocation, Management and Payments Agreement.

"**Issue Date**" means 30 November 2017.

"**Issue Price**" means, in relation to the Senior Notes, 100% of the aggregate principal amount as at the Issue Date of such Senior Notes and, in relation to the Junior Notes, 100% of the aggregate principal amount as at the Issue Date of such Junior Notes.

"**Issuer**" means Adriano Lease Sec. S.r.l., a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy in accordance with article 3 of the Securitisation Law, quota capital of euro 10,000.00 fully paid up, having its registered office at Via Vittorio Alfieri 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso-Belluno number 04454640261, enrolled in the register of special purpose vehicles held by the Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017 and having as its sole corporate object the performance of securitisation transactions in accordance with the Securitisation Law.

"**Issuer Available Funds**" means, with reference to each Payment Date, the aggregate of:

(i) all Collections received or recovered by the Issuer through the Servicer in respect of the Receivables (but excluding Collections collected by the Servicer in respect of the Receivables in relation to which a limited recourse loan has been disbursed by the Originator in accordance with the provisions of clause 4 of the Warranty and Indemnity Agreement) and credited into the Collection Account during the immediately preceding Collection Period;

(ii) all amounts transferred on the Payments Account on the immediately preceding Payment Date as Advances in accordance with item *Sixth* of the Pre Trigger Notice Priority of Payments;

(iii) on the First Payment Date, the Initial Cash Reserve Amount, and on any Payment Date thereafter, all amounts transferred on the Cash Reserve Account on the immediately preceding Payment Date in accordance with item *Fifth* of the Pre Trigger Notice Priority of Payments;

(iv) all amounts in respect of interest and profit accrued or generated and paid on Eligible Investments (if any) up to the relevant applicable Eligible Investment Maturity Date;

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

(vi) all the proceeds deriving from the sale, if any, of the Portfolio or of individual Receivables in accordance with the provisions of the Transaction Documents;

(vii) all amounts received by the Issuer from the Originator pursuant to the Receivables Purchase Agreement, the Warranty and Indemnity Agreement or any other Transaction Document and credited to the relevant Accounts during the immediately preceding Collection Period;

(viii) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) (i) standing to the credit of the Payments Account (including, for the avoidance of doubts, amounts transferred from the Cash Reserve Account, and the Expenses Account upon their closing in accordance with the Cash Allocation, Management and Payments Agreement) as at the immediately preceding Calculation Date or (ii) (only with reference to the First Payment Date) paid on the Payments Account on the Issue Date as issue price of the Notes in excess of the Purchase Price;

(ix) any amounts (other than the amounts already allocated under other items of the Issuer Available Funds) received by the Issuer from any party to the Transaction Documents during the immediately preceding Collection Period (including any proceeds deriving from the enforcement of the Issuer's Rights).

For the avoidance of doubts, following the delivery of a Trigger Notice, the Issuer Available Funds in respect of any Payment Date shall also comprise any other amount standing to the credit of the Accounts as at the immediately preceding Calculation Date.

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

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

"**Junior Notes Conditions**" means the terms and conditions of the Junior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Junior Notes Condition shall be construed accordingly.

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

"**Lease Agreement**" means each agreement under which a Receivable arises from, entered into between Mediocredito and a Lessee in accordance with Mediocredito's standard form of lease agreements, pursuant to which Mediocredito leases an Asset to the relevant Lessee, and the latter agrees to pay the Instalments and the other sums specified therein.

"**Lessees**" means the lessees under the terms of the Lease Agreements entered into by Mediocredito in the ordinary course of its business.

"**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.

"**Listing Agent**" means Intesa Sanpaolo S.p.A. Bank Luxembourg S.A., or any other person for the time being acting as listing agent pursuant to Cash Allocation, Management and Payments Agreement.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders, whereby the Representative of the Noteholders shall, subject to a Trigger Notice having been served by the Representative of the Noteholders upon the Issuer or upon failure by the Issuer to exercise its rights under the Transaction Documents, be authorised to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of the Transaction Documents to which it is a party, as from time to time modified in accordance with the provisions therein contained, and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

"**Mediocredito**" means a bank incorporated under the laws of the Republic of Italy as a *società per azioni* subject to the activity of direction and coordination (*attività di direzione e coordinamento*) of its sole shareholder Intesa Sanpaolo S.p.A., having its registered office at Via Montebello 18, 20121 Milan, share capital of euro 992,043,495.00 fully paid up, fiscal code and enrolment with the companies register of Milan number 13300400150 and enrolled under number 5489 in the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

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

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

"**Moody's**" means (i) for the purpose of identifying the entity which has assigned the credit rating to the Rated Notes, Moody's Investors Service España S.A., and (ii) in any other case, any entity of Moody's Investors Service, in which is either registered or not under the CRA Regulation, as it appears from the last available list published by European Securities and Markets Authority (ESMA) on the ESMA website.

"**Most Senior Class of Notes**" means, at any Payment Date, the Senior Notes or the Junior Notes if the Senior Notes have been redeemed in full.

"**Motorvehicles**" means any scooters, motorbikes, cars or trailers and any other movable assets registered in Italy, with the exception of boats, ships or aircrafts, which are the subject of any Lease Agreement and included in the Motorvehicles Pool.

"**Motorvehicles Pool**" means the aggregate of Receivables originating from Lease Agreements the underlying Assets of which are Motorvehicles.

"**Negative Adjustments**" means, in respect of each floating rate Lease Agreement (*Contratto di Locazione a tasso variabile*), the amount (if any) which is due to be paid to the Lessee pursuant to the relevant Lease Agreement by reason of the decrease of the Index Rate applicable from time to time to the Instalments, as set out in such Lease Agreement.

"**New Lease Agreement**" means any lease agreement, entered into with a new lessee (i) that is not a company of the Intesa Sanpaolo S.p.A. Banking Group (*Gruppo Bancario Intesa Sanpaolo S.p.A.*), and (ii) meeting the Criteria number 9, 10 and 11 listed under the Receivables Purchase Agreement, having at its subject the leasing of an Asset already leased under a Lease Agreement which has been terminated.

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

"**Notes**" means, collectively, each of the Senior Notes and the Junior Notes.

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

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

"**Organisation of the Noteholders**" means the association of Noteholders organised on the basis of the Rules of the Organisation of the Noteholders for the purposes of coordinating the exercise of the Noteholders' rights and, more generally, any action for the protection of their rights.

"**Originator**" means Mediocredito.

"**Other Issuer Creditors**" means collectively the Originator, the Servicer, the Representative of the Noteholders, the Calculation Agent, the Corporate Servicer, the Paying Agent, the Account Bank, the Listing Agent, the Underwriter, and any party who at any time accedes to the Intercreditor Agreement.

"**Outstanding Principal**" means, on any given date and in relation to any Receivable, the aggregate amount of all Principal Instalments due on any following Scheduled Instalment Date and of any Principal Instalment due but unpaid.

"**Paying Agent**" means ISP or any other person for the time being acting as Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Payments Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank (IBAN: IT42Q0306909400100000012880), or such substitute account as may be opened in accordance with the Cash Allocation, Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Payment Date**" means the First Payment Date and, thereafter, the 27th day of January, April, July and October of each year or, if such day is not a Business Day, the immediately succeeding Business Day.

"**Payments Report**" means the report (substantially in the form attached to the Cash Allocation, Management and Payments Agreement) to be prepared and delivered on each Calculation Date by the Calculation Agent pursuant to the Cash Allocation, Management and Payments Agreement.

"**Pools**" means collectively the Equipment Pool, the Motorvehicles Pool and the Real Estate Pool and "**Pool**" means any of them.

"**Portfolio**" means the portfolio purchased by the Issuer from Mediocredito under the Receivables Purchase Agreement.

"**Positive Adjustment**" means, in respect of each floating rate Lease Agreement (*Contratto di Locazione a tasso variabile*), the amount (if any) which is due to be paid by the Lessee pursuant to the relevant Lease Agreement by reason of the increase of the Index Rate applicable from time to time to the Instalments, as set out in such Lease Agreement.

"**Post Trigger Notice Priority of Payment**" means the order of priority of payments applicable upon delivery of a Trigger Notice, as provided for by Senior Notes Condition 6.2 (*Post Trigger Notice Priority of Payments*).

"**Pre Trigger Notice Priority of Payment**" means the order of priority of payments applicable before delivery of a Trigger Notice, as provided for by Senior Notes Condition 6.1 (*Pre Trigger Notice Priority of Payments*).

"**Principal Amount Outstanding**" means, in relation to a certain date and to any Note, the nominal amount due for that Note as at the Issue Date, minus the amounts in respect of principal that have been paid in relation to such Note prior to such date.

"**Principal Deficiency Amount**" means, with reference to each Payment Date prior to the service of a Trigger Notice, the Principal Amount Outstanding of the Notes as at the Calculation Date immediately preceding such Payment Date **less** (i) the Cash Reserve Required Amount as at such Payment Date, and (ii) the Collateral Portfolio Outstanding Amount as at the Calculation Date immediately preceding such Payment Date.

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

"**Principal Payment Amount**" has the meaning ascribed to that term in Condition 8.6.2.

"**Priority of Payments**" means the Pre Trigger Notice Priority of Payments and/or the Post Trigger Notice Priority of Payments, as the case may be.

"**Prospectus**" means this prospectus.

"**Purchase Price**" means the amount of Euro 4,220,198,461.65 due by the Issuer to Mediocredito as consideration for the purchase of the Portfolio.

"**Quarterly Servicer Report**" means the quarterly report setting out certain information about the Receivables, which shall be prepared (substantially in the form attached to the Servicing Agreement) and delivered by the Servicer on each Quarterly Servicer Report Date pursuant to the Servicing Agreement.

"**Quarterly Servicer Report Date**" means the 15th day of January, April, July and October, of each year or, if such date is not a Business Day, the immediately following Business Day, provided that the first Quarterly Servicer Report Date shall fall in April 2018.

"**Quota Capital Account**" means the Euro denominated account established in the name of the Issuer with Banca Monte dei Paschi di Siena S.p.A., Conegliano branch (IBAN: IT 14 B 01030 61622 000061254930), or such substitute account as may be opened in accordance with the Cash Allocation,

Management and Payments Agreement and which will be operated in accordance with the Cash Allocation, Management and Payments Agreement.

"**Quotaholders**" means, together, ISP and SVM Securitisation Vehicles Management S.r.l., a company incorporated under the laws of the Republic of Italy as a *società a responsabilità limitata con socio unico*, quota capital of euro 30,000.00 fully paid up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in in the companies register of Treviso-Belluno number 03546650262

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into between the Quotaholders and the Issuer, as amended and/or supplemented from time to time.

"**Rating Agencies**" means DBRS and Moody's.

"**Real Estate Asset**" means any building or real property located in the Republic of Italy (with the exceptions of energy plants) not under construction or restoration, which is the subject of a Lease Agreement and comprising the Real Estate Pool.

"**Real Estate Pool**" means the aggregate of Receivables originating from Lease Agreements the underlying Assets of which are Real Estate Assets.

"**Receivables**" means:

(a) all amounts payable by the Lessees as Instalments under the Lease Agreements, such Instalments comprising Principal Instalments and Interest Instalments;

(b) default interest (where applicable) and/or interest due by the Lessees as a consequence of payment deferrals granted by Mediocredito, in each case, accrued or accruing on all Instalments and adjustments thereof due from the Lessees under the Lease Agreements;

(c) penalties, including the amounts due by the Lessees in relation to the early termination of or withdrawal from the relevant Lease Agreement; and

(d) any indemnity liquidated pursuant to any Insurance Policy relating to any leased Assets, or part of them, in favour of Mediocredito, and any amounts received by Mediocredito pursuant to any guarantee related to the Lease Agreements,

all the foregoing as adjusted by the Adjustments, and together with all the relevant security interests and guarantees, connected privileges and pre-emptive rights, and all other ancillary rights pertaining thereto, as well as all other rights, claims and actions (including any action for damages) and defences thereto inherent or otherwise ancillary to such rights, claims and actions and/or to the exercise thereof, in accordance with the provisions of the Lease Agreements and/or all other documents and agreements connected to them and/or pursuant to the applicable law.

"**Receivables Purchase Agreement**" means the receivables purchase agreement entered into between the Issuer and Mediocredito on 7 November 2017, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Recoveries**" means the proceeds arising from the Defaulted Receivables, including the proceeds deriving from Asset's sales and the Re-Leased Amounts.

"**Reference Banks**" means three primary banks in the EMU-Zone interbank market.

"**Reference Date**" means the last calendar day of March, June, September and December of each year, it being understood that the first Reference Date will fall in March 2018.

"**Regulated Market**" means the Regulated Market "*Bourse de Luxembourg*", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2004/39/EC.

"**Re-Leased Amounts**" means the amount of the principal instalments under any New Lease Agreement.

"**Representative of the Noteholders**" means Securitisation Services S.p.A. or such other person or persons acting from time to time as representative of the Noteholders in accordance the Subscription Agreement and the Rules of the Organisation of the Noteholders.

"**Residual Value**" means the payment due at the end of the contractual term under any Lease Agreement if the Lessee were to exercise its option to purchase the relevant Asset.

"**Retention Amount**" means an amount equal to Euro 40,000.00.

"**Rules of the Organisation of the Noteholders**" means the rules governing the Organisation of the Noteholders, attached to the Senior Notes Conditions.

"**Scheduled Instalment Date**" means the date on which the payment of an Instalment under the relevant Lease Agreement is contractually due.

"**Securities Account**" means the securities account which may be established in the name of the Issuer with the Account Bank in accordance with the Cash Allocation, Management and Payments Agreement.

"**Securitisation Law**" means the Italian law no. 130 dated 30 April 1999, as amended and/or supplement from time to time.

"**Securitisation**" means the securitisation transaction involving the Receivables carried out by the Issuer pursuant to the Securitisation Law.

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

"**Security Interest**" means:

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

(ii) 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

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

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

"**Senior Notes Conditions**" means the terms and conditions of the Senior Notes, as from time to time modified in accordance with the provisions thereof and any reference to a particular numbered Senior Notes Condition shall be construed accordingly.

"**Senior Notes Principal Payable Amount**" means, with reference to each Payment Date following the service of a Trigger Notice, the amount of principal payable on the Senior Notes on such Payment Date, and equal to the lower of (i) the Issuer Available Funds *less* the sum of the amounts due under the items immediately preceding in the Post Trigger Notice Priority of Payments on such Payment Date, and (ii) the Principal Amount Outstanding of the Senior Notes on such Payment Date.

"**Subscription Agreement**" means the agreement for the subscription of the Notes entered into on or about the Issue Date between the Issuer, the Arrangers, the Underwriter, the Originator and the Representative of the Noteholders, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

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

"**Servicing Agreement**" means the servicing agreement entered into on 7 November 2017 between the Servicer and the Issuer, as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time modified.

"**Solvency II Regulation**" means Regulation 35/2015/EU.

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

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

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

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

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

"**Transaction Documents**" means, collectively, the Receivables Purchase Agreement, the Warranty and Indemnity Agreement, the Servicing Agreement, the Corporate Services Agreement, the

Intercreditor Agreement, the Subscription Agreement, the Cash Allocation, Management and Payments Agreement, the Master Definitions Agreement, the Mandate Agreement, the Quotaholders' Agreement, the Conditions, this Prospectus and any other document which may be entered into in order to perfect the Securitisation.

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

"**Trigger Event**" means any of the events described in Senior Notes Condition 12.1 (*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 Senior Notes Condition 12.2 (*Delivery of a Trigger Notice*).

"**Underwriter**" means Mediocredito.

"**Usury Law**" means Law number 108 of 7 March 1996, as subsequently amended and supplemented, and Law number 24 of 28 February 2001, which converted into law the Law Decree number 394 of 29 December 2000.

"**Valuation Date**" means 31 October 2017.

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

"**Warranty and Indemnity Agreement**" means the agreement entered into on 7 November 2017 between the Issuer and the Originator, as from time to time modified in accordance with the provisions therein contained and including any agreement or other document expressed to be supplemental thereto.

Issuer

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Italy

Originator and Servicer

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Italy

Account Bank and Paying Agent

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10121 Turin
Italy

Calculation Agent, Representative of the Noteholders and Corporate Servicer

SECURITISATION SERVICES S.P.A.
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31015 Conegliano (TV)
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Listing Agent

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as to Italian law

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as to Italian taxation law

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