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PROSPECTUS

in accordance with article 2, paragraph 3, of Law 30 April 1999, No. 130

UBI SPV Group 2016 S.r.l.

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

Euro 2,085,600,000 Class A Asset Backed Floating Rate Notes due October 2070
Issue Price: 100%

Euro 113,800,000 Class B1 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

Euro 62,700,000 Class B2 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

Euro 133,900,000 Class B3 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

Euro 95,400,000 Class B4 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

Euro 244,400,000 Class B5 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

Euro 51,000,000 Class B6 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

Euro 59,100,000 Class B7 Asset Backed Additional Return Notes due October 2070
Issue Price: 100%

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".

*UBI SPV Group 2016 S.r.l., a limited liability company incorporated under the laws of the Republic of Italy (the "**Issuer**"), intends to issue on 11 August 2016 (the "**Issue Date**") Euro 2,085,600,000 Class A Asset Backed Floating Rate Notes due October 2070 (the "**Senior Notes**") and the Euro 113,800,000 Class B1 Asset Backed Additional Return Notes due October 2070 (the "**Class B1 Notes**"), the Euro 62,700,000 Class B2 Asset Backed Additional Return Notes due October 2070 (the "**Class B2 Notes**"), the Euro 133,900,000 Class B3 Asset Backed Additional Return Notes due October 2070 (the "**Class B3 Notes**"), the Euro 95,400,000 Class B4 Asset Backed Additional Return Notes due October 2070 (the "**Class B4 Notes**"), the Euro 244,400,000 Class B5 Asset Backed Additional Return Notes due October 2070 (the "**Class B5 Notes**"), the Euro 51,000,000 Class B6 Asset Additional Return Rate Notes due October 2070 (the "**Class B6 Notes**"), the Euro 59,100,000 Class B7 Asset Backed Additional Return Notes due October 2070 (the "**Class B7 Notes**" and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes and the Class B6 Notes, the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") in the context of a securitisation transaction (the "**Transaction**") pursuant to the Italian law No. 130 of 30 April 1999 (as amended from time to time, the "**Securitisation Law**").*

*This prospectus (the "**Prospectus**") constitutes a "Prospetto Informativo" for the purpose of article 2, paragraph 3, of the Securitisation Law and a "Prospectus" prepared in accordance with the*

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*Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU (the "**PD Amending Directive**")) (the "**Prospectus Directive**") in connection with the issuance of the Notes.*

*The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Senior Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Senior Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. No application has been made to list the Junior Notes on any stock exchange.*

*The Notes will be issued pursuant to the terms provided in terms and condition of the Notes (the "**Terms and Conditions**").*

The Senior Notes are expected, on the Issue Date, to be rated "A1(sf)" and "A(low) (sf)" by, respectively, Moody's Investors Service Limited and DBRS Ratings Limited. It is not expected that the Junior Notes will be assigned a credit rating.

*As of the date of this Prospectus, each of Moody's Investors Service Limited and DBRS Ratings Limited is established in the European Union and is registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council of 11 May 2011 (the "**CRA Regulation**") and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on 31 October 2011 on the website of the European Securities and Markets Authority currently located at the following website address http://www.esma.europa.eu/page/List-registered-and-certified-CRAs, (for the avoidance of doubt, such website does not constitute part of this Prospectus) (the "**ESMA Website**").*

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

*The principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be the collections received in respect of a pool of monetary claims and other connected rights arising out of residential mortgage loan agreements (the "**Loan Agreements**"). The first pool of claims and connected rights, arising from an initial portfolio (the "**Initial Portfolio**"), has been transferred from, respectively, Unione di Banche Italiane S.p.A. ("**UBI**"), Banco di Brescia S.p.A. ("**BdB**"), Banca Regionale Europea S.p.A. ("**BRE**"), Banca Popolare di Ancona S.p.A. ("**BPA**"), Banca Popolare di Bergamo S.p.A. ("**BPB**"), Banca Popolare Commercio e Industria S.p.A. ("**BPCI**"), Banca Carime S.p.A. ("**Carime**" and together with UBI, BdB, BRE, BPA, BPB and BPCI, the "**Originators**" and each, the "**Originator**") to the Issuer pursuant to the terms of the master transfer agreements entered into on 30 June 2016 (each, the "**Master Transfer Agreement**" and jointly the "**Master Transfer Agreements**"). Subject to the terms of the relevant Master Transfer Agreement, each Originator is allowed to sell to the Issuer which, upon occurrence of the conditions set forth in the relevant Master Transfer Agreement, shall purchase from the relevant Originator during the Revolving Period, additional portfolios of Receivables (the "**Subsequent Portfolios**" and each of the Initial Portfolio, and any Subsequent*

*Portfolio assigned by an Originator, the "**Portfolio**"), pursuant to transfer agreements to be entered into from time to time between the Issuer and the relevant Originator in accordance with the terms of the relevant Master Transfer Agreement).*

There is no certainty that the Notes will receive their full principal outstanding and all the interest accrued thereon and ultimately the obligations of the Issuer to pay principal and interest on the Notes could be reduced as a result of losses incurred in respect of the Aggregate Portfolio. If the Notes cannot be redeemed in full on the Cancellation Date, as a result of the Issuer having insufficient funds available to it in accordance with the Terms and Conditions for application in or towards such redemption, the Issuer will have no other funds available to it to be paid to the Noteholders, because the Issuer has no assets other than those described in this Prospectus. If any amounts remain outstanding in respect of the Notes upon expiry of the Cancellation Date, such amounts (and the obligations to make payments in their respect) will be deemed to be released by the Noteholders and the Notes will be cancelled. The amount and timing of repayment of principal under the Receivables will affect also the yield to maturity of the Notes, which cannot be predicted depending, inter alia, on the level of prepayments which will occur under the Aggregate Portfolio.

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

*The Notes bear interest on their Principal Amount Outstanding from (and including) the Issue Date, payable in Euro on 7 October 2016 (the "**First Payment Date**") and thereafter quarterly in arrears on the the 7th day of January, April, July and October in each year (or, if such day is not a Business Day, the immediately succeeding Business Day). The Notes will bear interest from (and including) a Payment Date to (but excluding) the next following Payment Date (each an "**Interest Period**") provided that the first Interest Period (the "**Initial Interest Period**") shall begin on (and include) the Issue Date and end on (but exclude) the First Payment Date. The rate of interest applicable to the Notes for each Interest Period shall be the sum of the EURIBOR (as defined below) and a margin of 0.75% per annum for the Senior Notes. In the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.*

As at the date hereof, all payments of principal and interest on the Notes will be made free and clear of any withholding or deduction for Italian withholding taxes, subject to the requirements of Legislative Decree No. 239 of 1 April 1996 as amended by Italian Law No. 409 of 23 November 2001 and as subsequently amended and supplemented, unless the Issuer is required by any applicable law to make such a withholding or deduction. If any withholding tax is applicable to the Notes, payments of interest on, and principal of the Notes will be made subject to such withholding tax, without the Issuer or any other person being obliged to pay any additional amounts to any holder of Notes of any Class as a consequence. For further details, see the section entitled "Taxation".

Before the Final Maturity Date, the Notes will be subject to redemption in whole or in part in certain circumstances as set out in Condition 8.2 (Redemption, Purchase and Cancellation – Mandatory Redemption). Before the Final Maturity Date, the Notes will be subject to optional redemption (in whole but not in part or, with the prior consent of the Junior Noteholders, in whole (with regards to the Senior Notes) and in whole or in part (as regards the Junior Notes)) in certain circumstances as set out in Condition 8.3 (Redemption, Purchase and Cancellation – Optional Redemption) or Condition 8.4 (Redemption, Purchase and Cancellation – Redemption for Taxation). Unless previously redeemed in full or cancelled in accordance with the Terms and Conditions, the Notes are due to be repaid on the Final Maturity Date. The Notes, to the extent not redeemed in full by the Cancellation Date, shall be cancelled on such date.

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by the Originators, the Master Servicer, the Sub-Servicers, the Back-Up Servicer Facilitator, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Account Bank, the Paying Agent, the Corporate Servicer, the Arranger, the Initial Senior Notes Subscribers or the Initial Junior Notes Subscribers. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holder. The Notes will at all times be in book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of (i) article 83-bis of the Financial Laws Consolidation Act; and (ii) the Joint Regulation. No physical document of title will be issued in respect of the Notes.

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

Arranger

Société Générale Corporate & Investment Banking

Dated 11 August 2016

Responsibility Statements

None of the Issuer, the Representative of the Noteholders, the Arranger or any other party to any of the Transaction Documents (as defined below), other than each Originator, has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables sold by the relevant Originator to the Issuer, nor have the Issuer, the Representative of the Noteholders, the Arranger, or any other party to any of the Transaction Documents, other than the Originators, undertaken, nor will they undertake, any investigations, searches or other actions to establish the existence of any of the monetary claims in the Aggregate Portfolio or the creditworthiness of any debtor in respect of the Receivables.

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

*The Originators have provided the information under the sections headed "**The Originators**" and "**The Aggregate Portfolios and the Collection Policies**", and any other information contained in this Prospectus relating to itself and the Aggregate Portfolio and, together with the Issuer, accepts responsibility for the information contained in those sections. The Originators have also provided the historical data for the information contained in the section headed "**Weighted Average Life of the Senior Notes**", on the basis of which the information contained in the same section have been extrapolated and, together with the Issuer, accepts responsibility for such historical data. To the best of the knowledge of the Originators (which have taken all reasonable care to ensure that such is the case), the information and data in relation to which the relevant Originator is responsible as described above are in accordance with the facts and does not omit anything likely to affect the import of such information and data.*

*Unione di Banche Italiane S.p.A. has provided the information included in this Prospectus in the relevant parts of the section headed "**The Originator, the Master Servicer, the Account Bank, Quotaholder, the Cash Manager and the Calculation Agent**" and accepts responsibility for the information contained in that section. To the best of the knowledge of Unione di Banche Italiane S.p.A. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Unione di Banche Italiane S.p.A. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*Banco di Brescia S.p.A., Banca Regionale Europea S.p.A., Banca Popolare di Ancona S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Carime S.p.A. have provided the information included in this Prospectus in the relevant parts of the section headed "**The Originators and Sub-Servicers**" and accepts responsibility for the information contained in that section. To the best of the knowledge of Banco di Brescia S.p.A., Banca Regionale Europea S.p.A., Banca Popolare di Ancona S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare*

Commercio e Industria S.p.A., Banca Carime S.p.A. (which have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Banco di Brescia S.p.A., Banca Regionale Europea S.p.A., Banca Popolare di Ancona S.p.A., Banca Popolare di Bergamo S.p.A., Banca Popolare Commercio e Industria S.p.A., Banca Carime S.p.A. have not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.

*The Bank of New York Mellon (Luxembourg) S.A., Italian Branch has provided the information included in this Prospectus in the relevant parts of the section headed "**The Paying Agent**" and accepts responsibility for the information contained in that section. To the best of the knowledge of The Bank of New York Mellon (Luxembourg) S.A., Italian Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, The Bank of New York Mellon (Luxembourg) S.A., Italian Branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*The Bank of New York Mellon S.A./N.V., Dublin Branch has provided the information included in this Prospectus in the relevant parts of the section headed "**The Listing Agent**" and accepts responsibility for the information contained in that section. To the best of the knowledge of The Bank of New York Mellon S.A./N.V., Dublin Branch. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, The Bank of New York Mellon S.A./N.V., Dublin Branch has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*Zenith Service S.p.A has provided the information included in this Prospectus in the relevant parts of the section headed "**The Representative of the Noteholders and the Back-Up Servicer Facilitator**" and accepts responsibility for the information contained in that section. To the best of the knowledge of Zenith Service S.p.A (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, Zenith Service S.p.A has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

*TMF Management Italy S.r.l. has provided the information included in this Prospectus in the relevant parts of the section headed "**The Corporate Servicer**" and accepts responsibility for the information contained in that section. To the best of the knowledge of TMF Management Italy S.r.l. (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Save as for aforesaid, TMF Management Italy S.r.l. has not, however, been involved in the preparation of, and does not accept responsibility for, this Prospectus or any part hereof.*

No Person has been authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Originators (in any capacity), the Arranger or any other party to the Transaction Documents. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change, or any event reasonably likely to involve any change, in the condition (financial or otherwise) of the Issuer or the Originators

or the information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

The Arranger does not accept any responsibility for the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes.

The Notes will be direct, secured, limited recourse obligations solely of the Issuer. By operation of Italian law, the Issuer's rights, title and interest in and to the Aggregate Portfolio and to all amounts deriving therefrom will be segregated from and all other assets of the Issuer.

The Notes will not be obligations or responsibilities of, or guaranteed by the Arranger, the Originators, the quotaholders of the Issuer or any Other Issuer Creditor (as defined below). Furthermore, no Person and none of such parties (other than the Issuer) accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

*Both before and after a winding-up of the Issuer, the Issuer's rights, title and interest in and to the Aggregate Portfolio and to all amounts deriving therefrom will be available exclusively for the purposes of satisfying the Issuer's obligations to the Noteholders, the Other Issuer Creditors and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Aggregate Portfolio (the "**Transaction**") and to the corporate existence and good standing of the Issuer. The "**Other Issuer Creditors**" are the the Representative of the Noteholder, the Account Bank, the Paying Agent, the Originators, the Calculation Agent, the Corporate Servicer, the Master Servicer, the Sub-Servicers, the Back-Up Servicer Facilitator, the Cash Manager, the Quotaholders and any other of the Issuer's creditors under the Transaction Documents other than the Noteholders. The Noteholders will agree that the Issuer Available Funds (as defined in the Conditions) will be applied by the Issuer in accordance with the order of priority of application of the Issuer Available Funds set forth in the Intercreditor Agreement (the "**Orders of Priority**").*

The Issuer's rights, title and interest in and to the Aggregate Portfolio and to all amounts deriving therefrom may not be seized or attached in any form by the creditors of the Issuer other than the Noteholders, the Other Issuer Creditors in accordance with the Transaction Documents and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the Transaction and to the corporate existence and good standing of the Issuer, until full redemption or cancellation of the Notes and full discharge by the Issuer of its obligations vis-à-vis the Noteholders, the Other Issuer Creditors and any such third party.

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

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other prospectus or any offering circular, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction (including the Republic of Italy, the United Kingdom and the United States), except under circumstances that will result in compliance with all applicable laws, orders,

*rules and regulations. No action has or will be taken which would allow an offering (nor an "*offerta al pubblico di prodotti finanziari*") of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered, and neither this Prospectus nor any other offering material relating to the Notes may be distributed, or made available, to the public in the Republic of Italy. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus see the section headed "**Subscription and Sale**".*

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

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See the section headed "**Subscription and Sale**".*

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

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

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

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

In this Prospectus references to "Euro", "EUR", "€" and "cents" are to the single currency introduced in the member states of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as amended by, inter alia, the Single European Act 1986 and the Treaty of European Union of 7 February 1992 establishing the

European Union and the European Council of Madrid of 16 December 1995.

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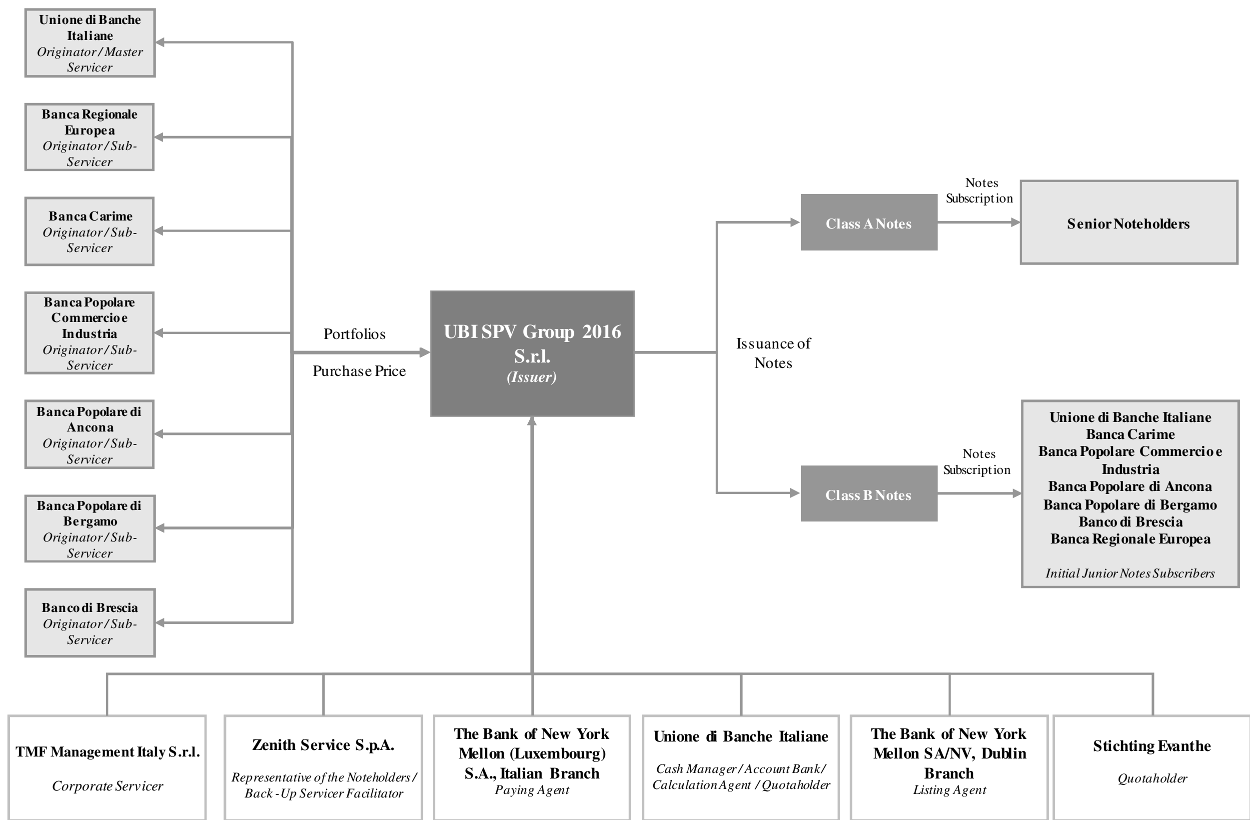
TRANSACTION DIAGRAM



OVERVIEW OF THE TRANSACTION

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

1. PRINCIPAL PARTIES

Issuer	**UBI SPV Group 2016 S.r.l.**, a special purpose vehicle with limited liability incorporated in accordance with Italian Law 30 April 1999, No. 130, as subsequently amended (hereinafter, the "**Securitisation Law**"), having the sole purpose of implementing one or more securitisation transactions pursuant to Article 3 of the Securitisation Law, whose registered office is at Foro Buonaparte, 70, 20121 Milan, Italy, registered with the Register of Companies of Milan and Tax Code No. 09508210961, and registered with the general list of special purpose vehicle under No. 35277.3 held by the Bank of Italy pursuant to Decision of 1 October 2014. For further details, see the section entitled "*The Issuer*".
Originators	**Unione di Banche Italiane S.p.A.** ("**UBI**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Piazza Vittorio Veneto, 8, 24122 Bergamo, fiscal code and enrolment with the companies register of Bergamo number 03053920165, enrolled under number 5678 with the registers of banks and number 3111.2 with the registers of banking groups held by the Bank of Italy in accordance with, respectively, articles 13 and 64 of the Consolidated Banking Act, **Banca Regionale Europea S.p.A.** ("**BRE**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Roma, 13, 12100 Cuneo, fiscal code and enrolment with the companies register of Cuneo number 01127760047, enrolled under number 5240.70 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group; **Banco di Brescia S.p.A.** ("**BdB**") a *società per azioni* with sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Corso Martiri della Libertà, 13, 25122 Brescia, fiscal code and enrolment with the companies register of Brescia number 03480180177, enrolled

under number 5393 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group;

Banca Popolare di Bergamo S.p.A. ("**BPB**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Piazza Vittorio Veneto, 8, 24122, Bergamo, Italy, fiscal code and enrolment with the companies register of Bergamo, number 03034840169, enrolled under number 5561 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group;

Banca Popolare Commercio e Industria S.p.A. ("**BPCI**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Monte di Pietà, 7, 20121 Milano, Italy, fiscal code and enrolment with the companies register of Milan number 03910420961, enrolled under number 5560 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group;

Banca Carime S.p.A. ("**CARIME**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Crati, 87100 Cosenza, Italy, fiscal code and enrolment with the companies register of Cosenza number 13336590156, enrolled under number 5562, with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group;

Banca Popolare di Ancona S.p.A. ("**BPA**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Don A. Battistoni, 4 – 60035 Jesi (AN), Italy, fiscal code and enrolment with the companies register of Ancona number 00078240421, enrolled under number 301 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

For a more detailed description of the Originators, see "*The Originator, the Master Servicer, the Account Bank, the Quotaholder, the Cash Manager and the Calculation Agent*" and "*The Originators and the Sub-Servicers*".

Master Servicer

Unione di Banche Italiane S.p.A. or any other person from time to time acting as Master Servicer. The Master Servicer will act as such pursuant to the Master Servicing Agreement.

Back-Up Servicer Facilitator

Zenith Service S.p.A., a joint stock company (*società per*

azioni) incorporated under the laws of the Republic of Italy, with registered office at Via Guidubaldo del Monte 61, 00197, Rome, Italy and administrative offices at Via Alessandro Pestalozza 12/14, 20131 Milan, Italy, fiscal code and enrolment with the companies register of Rome number 02200990980, enrolled under number 32819 with the register of financial intermediaries held by Bank of Italy pursuant to article 106 of the Consolidated Banking Act.The Back-Up Servicer Facilitator will act as such pursuant to the Master Servicing Agreement and the Intercreditor Agreement.

Calculation Agent	**Unione di Banche Italiane S.p.A.** or any other person from time to time acting as Calculation Agent. The Calculation Agent will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Account Bank	**Unione di Banche Italiane S.p.A.** or any other person from time to time acting as Account Bank. The Account Bank will act as such pursuant to the Cash Allocation, Management and Payment Agreement.
Paying Agent	**The Bank of New York Mellon (Luxembourg) S.A., Italian Branch** a bank incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at Vertigo-Polaris, 2-4 rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg, acting through its Italian branch at Via Carducci, 31, 20123 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 05694250969, enrolled as a "*filiale di banca estera*" under number 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act, or any other person from time to time acting as Paying Agent.
Listing Agent	**The Bank of New York Mellon S.A./N.V., Dublin Branch** a banking corporation organised pursuant to the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin Branch (registered in Ireland with branch number 907126) and having its registered branch office at Hanover Building, Windmill Lane, Dublin 2, Ireland, or any other person from time to time acting as listing agent.

Corporate Servicer	**TMF Management Italy S.r.l.**, a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy, having its registered office at Foro Buonaparte, 70, 20121 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 03296470960, or any other person from time to time acting as Corporate Servicer. The Corporate Servicer will act as such pursuant to the Corporate Services Agreement.
Representative of the Noteholders	**Zenith Service S.p.A.** or any other person from time to time acting as Representative of the Noteholders. The Representative of the Noteholders will act as such pursuant to the Subscription Agreements, the Intercreditor Agreement, the Terms and Conditions and the Rules of the Organisation of the Noteholders.
Quotaholders	**Stichting Evanthe** a foundation (*stichting*) organised under the laws of The Netherlands, having its registered office at Luna ArenA, Herikerbergweg 238, Amsterdam, enrolled with the companies register of Amsterdam under No. 65856198 or any successor or assignee, acting in its capacity as quotaholder of the Issuer; and **Unione di Banche Italiane S.p.A.** acting in its capacity as quotaholder of the Issuer.
Initial Senior Notes Subscribers and **Initial Junior Notes Subscribers**	Unione di Banche Italiane S.p.A. Banca Regionale Europea S.p.A. Banco di Brescia S.p.A. Banca Popolare di Bergamo S.p.A. Banca Popolare Commercio e Industria S.p.A. Banca Carime S.p.A. Banca Popolare di Ancona S.p.A.
Cash Manager	**Unione di Banche Italiane S.p.A.** acting in its capacity as Cash Manager.
Arranger	**Société Générale**, a bank organised as a public limited company (*société anonyme*) incorporated under the laws of the Republic of France with registered number 552120222 RCS Paris, having its registered office at 29, Boulevard Haussmann, 75009 Paris, France, acting through its Milan branch, located at via Olona 2, 20123 Milan, Italy.

2. PRINCIPAL FEATURES OF THE NOTES

The Notes

The Notes will be issued by the Issuer on the Issue Date in the following classes:

(i) Euro 2,085,600,000 Class A Asset Backed Floating Rate Notes due October 2070 (the "**Class A Notes**" or the "**Senior Notes**");

(ii) Euro 113,800,000 Class B1 Asset Backed Additional Return Notes due October 2070 (the "**Class B1 Notes**");

(iii) Euro 62,700,000 Class B2 Asset Backed Additional Return Notes due October 2070 (the "**Class B2 Notes**");

(iv) Euro 133,900,000 Class B3 Asset Backed Additional Return Notes due October 2070 (the "**Class B3 Notes**");

(v) Euro 95,400,000 Class B4 Asset Backed Additional Return Notes due October 2070 (the "**Class B4 Notes**");

(vi) Euro 244,400,000 Class B5 Asset Backed Additional Return Notes due October 2070 (the "**Class B5 Notes**");

(vii) Euro 51,000,000 Class B6 Asset Backed Additional Return Notes due October 2070 (the "**Class B6 Notes**");

(viii) Euro 59,100,000 Class B7 Asset Backed Additional Return Notes due October 2070 (the "**Class B7 Notes**" and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the "**Class B Notes**" or the "**Junior Notes**").

Issue Price

The Notes will be issued at, with reference to the Senior Notes, 100% of the Senior Notes Nominal Amount and with reference to each Relevant Class of Junior Notes, 100% of the relevant Junior Notes Nominal Amount.

Interest on the Notes

The rate of interest payable from time to time in respect of the Senior Notes (each, a "**Rate of Interest**") will be determined by the Paying Agent on the Interest Determination Date in respect of the Interest Period commencing immediately after such Interest Determination Date. In case of the Initial Interest Period, the Rate of Interest will be determined by the Paying Agent two Business Days prior to the Issue Date.

The Rate of Interest applicable to the Senior Notes for each Interest Period shall be the sum of the applicable Relevant Margin (as defined below) and the EURIBOR as of the relevant Interest Determination Date.

The "**Relevant Margin**" shall be equal to 0.75 % per annum. In the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

Subject to the provisions of the Conditions, on each Payment Date, the Junior Noteholders are entitled to receive in accordance with the applicable Priority of Payments the Additional Return.

Accrual of interest

The Notes bear interest on their Principal Amount Outstanding from (and including) the Issue Date, payable in Euro quarterly in arrears on each Payment Date. The first Payment Date will be 7 October 2016 (the "**First Payment Date**").

Form and denomination of the Notes

The Notes will be issued in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. on behalf of the Noteholders for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of (i) Article 83-*bis* and following of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time, and (ii) the regulation issued by the Bank of Italy and CONSOB on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Senior Notes. However, the Notes may be deemed for certain regulatory and fiscal purposes to constitute "bearer" (*al portatore*) and not "registered" (*nominativi*) securities.

Status and subordination

The Senior Notes are issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 thereof.

The Junior Notes are issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 thereof.

In respect of the obligation of the Issuer to pay interest on the Senior Notes before the delivery of an Enforcement Notice, the Senior Notes will rank pari passu without preference or priority amongst themselves and in priority to the Junior Notes.

In respect of the obligation of the Issuer to repay principal on the Notes prior to the delivery of an Enforcement Notice,

- the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest and principal on the Junior Notes;

and

- the Junior Notes will rank *pari passu* without preference or priority amongst themselves and subordinated to the payment of interest and principal on the Senior Notes.

After the delivery of an Enforcement Notice, in respect of the obligation of the Issuer to pay interest and repay principal on the Notes,

- the Senior Notes will rank pari passu without preference or priority amongst themselves and in priority to the Issuer's obligation to pay interest and repay principal on the Junior Notes; and
- the Junior Notes will rank pari passu without preference or priority amongst themselves and subordinated to the Issuer's obligation to pay interest and repay principal on the Senior Notes.

Withholding on the Notes

As at the date of this Prospectus, payment of interest and other proceeds under the Notes may be subject to a Decree 239 Deduction. Upon the occurrence of any withholding or deduction for or on account of tax from any payment 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.

Mandatory Redemption

The Notes will be subject to mandatory redemption, in accordance with the applicable Priority of Payments, on each Payment Date in accordance with Condition 8.2 (*Mandatory Redemption*), in each case if and to the extent that on such dates there are sufficient Issuer Available Funds (including, for the avoidance of doubt, proceeds deriving from any sale of the Portfolios) which may be applied towards redemption of the Notes, in accordance with the applicable Priority of Payments set out in Condition 6 (*Priority of Payments*).

Mandatory redemption following the delivery of an Enforcement Notice

Upon the service of an Enforcement Notice, the Notes shall become immediately due and repayable, in accordance with the Post-Enforcement Priority of Payments, at their Principal Amount Outstanding, together with accrued interest, without any further action or formality and, on each Payment Date, the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments.

Optional Redemption

Provided that no Enforcement Notice has been served on the Issuer, the Issuer may on any Payment Date on which the Senior Notes can be repaid in full at their Principal Amount

Outstanding being sufficient Issuer Available Funds for such purpose (therefore, without the Issuer being required to sell the Aggregate Portfolio and using the proceeds deriving therefrom for such purpose), redeem the Notes (or the Senior Notes and none or some only of the Junior Notes, if the Junior Noteholders consent) at their Principal Amount Outstanding, together with interest accrued thereon up to the Payment Date fixed for redemption, in accordance with the Post-Enforcement Priority of Payments under Condition 6.3 subject to the Issuer:

(i) giving no more than 60 days' and no less than 30 days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 16 (*Notices*) of its intention to redeem the Notes provided that no Enforcement Notice has been delivered; and

(ii) delivering to the Representative of the Noteholders, prior to the delivery of the above notice and not less than two Business Day before the Payment Date fixed for the redemption, a letter duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest, lien, privilege, burden, encumbrance or other right of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Notes (or the Senior Notes and none or some only of the Junior Notes, if the Junior Noteholders consent) and any other payment required to be paid under the Post-Enforcement Priority of Payments under Condition 6.3 in priority to or pari passu with the Notes.

Redemption for Taxation

If, at any time, the Issuer confirms to the Representative of the Noteholders that, on the next Payment Date:

(i) the Issuer would be required to deduct or withhold (other than in respect of a Decree 239 Deduction (as defined below) any amount from any payment of principal or interest on the Notes of any Class for or on account of any present or future taxes, duties, assessments or governmental charges by the Republic of Italy or any political sub-division thereof or any authority thereof or therein, or

(i) taxes, duties, assessments or governmental charges by the Republic of Italy or any political sub-division thereof or any authority thereof or therein would be imposed on the Aggregate Portfolio (including on amounts payable to

the Issuer in respect of the Receivables) and the Issuer certifies to the Representative of the Noteholders (by way of a certificate signed by the chairman of the board or the sole director of the Issuer) and produces evidence acceptable to the Representative of the Noteholders that the Issuer will have the necessary funds, free of any interest of any other person, to discharge all its outstanding liabilities in respect of the relevant Class of Notes and any amounts required under the relevant Conditions to be paid in priority to or *pari passu* with such Notes, in accordance with the Post-Enforcement Priority of Payments under Condition 6.3,

then following receipt of a written notice from the Representative of the Noteholders authorising the redemption, the Issuer may, at its option, redeem on the next succeeding Payment Date the Notes (in whole but not in part, or in the case of the Junior Notes, such Notes in whole or in part with the Junior Noteholders' consent) at their Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Payment Date, having given not more than 60 days' and not less than 30 days' notice in writing to the Representative of the Noteholders and to the holders of such Notes, in accordance with Condition 8.4 *(Redemption, Purchase and Cancellation - Redemption for Taxation).*

Final Maturity Date

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

Cancellation Date

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

(a) the date on which the Notes have been redeemed in full;

(b) the Final Maturity Date;

(c) the later of the date on which (i) the Representative of the Noteholders, upon notice from the Master Servicer, has certified to the Issuer that all the Collections due in respect of all the Receivables comprised in the Aggregate Portfolio have been received or recovered and that all judicial enforcement procedures in respect of the Aggregate Portfolio have been exhausted; and (ii) the last of those Collections are applied in accordance with the applicable Priority of Payments; and

(d) the date on which all the Receivables comprised in the

Aggregate Portfolio have been sold and the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments.

On the Cancellation Date any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled. Upon cancellation, the Notes may not be resold or re-issued.

Source of Payment of the Notes

The principal source of payment of interest and of repayment of principal on the Notes will be the Collections and Recoveries made in respect of the Receivables arising out of Loan Agreements, purchased and to be purchased by the Issuer from the Originators pursuant to the Master Transfer Agreements.

Segregation of Issuer's Rights

The Notes have the benefit of the provisions of article 3 of the Securitisation Law, pursuant to which the Aggregate Portfolio is segregated by operation of law from the Issuer's other assets, as well as the amounts arising under the Securitisation and standing to the credit of the account opened with the Account Bank. Both before and after a winding up of the Issuer, amounts deriving from the Aggregate Portfolio will be exclusively available for the purpose of satisfying the obligations of the Issuer to the Noteholders and to the Other Issuer Creditors or to any other creditors of the Issuer in respect of any costs, fees and expenses in relation to the Securitisation.

The Aggregate Portfolio may not be seized or attached in any form by creditors of the Issuer (including for avoidance of doubts, noteholders and the Issuer's other creditors in respect of any other securitisation transactions carried out by the Issuer) other than the Noteholders, until full discharge by the Issuer of its payment obligations under the Notes or cancellation 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 Enforcement Notice or upon failure by the Issuer to exercise its rights under the Transaction Documents, to exercise all the Issuer's Rights, powers and discretion under the Transaction Documents taking such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Creditors in respect of the Portfolio and the Issuer's Rights. Italian law governs the delegation of such power.

Security of the Notes

In addition, security will be created over certain monetary and

other rights of the Issuer arising out of (i) certain Transaction Documents and (ii) over the amounts standing to the credit of the Pledged Accounts. The Security will be granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors pursuant to the Deed of Pledge, pursuant to which the Issuer will grant in favour of the Representative of the Noteholders for itself and on behalf of the Noteholders and the Other Issuer Creditors, concurrently with the issue of the Notes, an Italian law pledge over : (i) all monetary claims and rights and all the amounts (including but not limited to indemnities, damages, penalties, sanctions, credits, security interests and guarantees) to which the Issuer is entitled pursuant to the certain Transaction Documents; (ii) any existing or future pecuniary claim and any right and any sum credited from time to time to the Operation Accounts, the Collection Accounts, the Investment Account, the Cash Reserve Account and the Expenses Account, and (iii) the Eligible Investments deposited, from time to time, with the Account Bank in accordance with the CAMPA.

Limited Recourse

Notwithstanding any other provision of the Transaction Documents and without prejudice to Condition 17 (*Limited Recouse and Non Petition*) all obligations of the Issuer to the Noteholders and Other Issuer Creditors are limited recourse as set out below:

(i) all obligations of the Issuer to each Noteholder including, without limitation, the obligations under any Transaction Document to which such Noteholder is a party (including any obligation for the payment of damages or penalties);

(ii) each Noteholder and Other Issuer Creditor acknowledges and agrees that it 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;

(iii) each Noteholder and Other Issuer Creditor acknowledges and agrees that all payments to be made by the Issuer to such Noteholder and Other Issuer Creditor on each Payment Date, whether under any Transaction Document to which such Noteholder is a party or otherwise (including any obligations for the payment of damages or penalties) shall be made by the Issuer solely from the Issuer Available Funds under the Transaction Documents;

(iv) if the Master 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 Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay unpaid amounts outstanding under the Transaction Documents 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 Aggregate Portfolio or the Security (whether arising from judicial enforcement proceedings, enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents, the Noteholders and the Other Issuer Creditors shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be cancelled and deemed to be discharged in full.

Non Petition

Only the Representative of the Noteholders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the obligations of the Issuer deriving from any of the Transaction Documents or enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain payment of such obligations or to enforce the Security pursuant to the Condition 17 (*Limited Recourse and Non Petition*) and the Transaction Documents.

The Organisation of the Noteholders and the Representative of the Noteholders

The Organisation of the Noteholders shall be established upon 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 Terms and Conditions as an exhibit), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the Organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders appointed at the time of issue of the Notes, who is appointed by the subscribers of the Notes in the Subscription Agreements. Each Noteholder by holding, at any time, any of

the Notes is deemed to accept such appointment.

Listing

Application has been made to list and admit to trading the Senior Notes on the Irish Stock Exchange. No application has been made to list the Junior Notes on the Irish Stock Exchange or on any other stock exchange.

Rating

The Senior Notes are expected to be assigned on the Issue Date a rating equal to "A1(sf)" by Moody's Investors Service Limited and a rating equal to "A(low) (sf)" by DBRS Ratings Limited.

The Junior Notes will not be assigned any credit rating.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. As of the date of this Prospectus, each of Moody's Investors Service Limited and DBRS Ratings Limited is established in the European Union and was registered on 31 October 2011 in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No. 513/2011 of the CRA Regulation and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the ESMA Website (for the avoidance of doubt, such website does not constitute part of this Prospectus).

Governing Law

The Notes will be governed by Italian law.

Purchase of the Notes

The Issuer may not purchase any Notes at any time.

Regulatory Disclosure

Capital Requirements Regulation

In accordance with Regulation (EU) 575/2013 (the "**CRR**"), Circular no. 285/2013 ("*Disposizioni di Vigilanza per le Banche*") issued by the Bank of Italy (the "**Bank of Italy Instructions**"), Commission Delegated Regulation (EU) No 231/2013 (the "**AIFMR**") and the Commission Delegated Regulation (EU) No. 35/2015 (the "**Solvency II Regulation**"), each Originator has undertaken in favour of the Issuer, the Arranger, the Initial Senior Notes Subscribers other than the relevant Originator itself and the Representative of the Noteholders pursuant to the Senior Note Subscription Agreement 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 article 405 ("**Article 405**") of the CRR, the Bank of Italy Instructions,article 51 of the AIFMR ("**Article 51**") and article 254 ("**Article 254**") of the Solvency II Regulation, and such interest will comprise, in accordance with option (1)(d) of Article 405, option (1)(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 for which it is the relevant Originator;

(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 405-409 (inclusive) of the CRR, chapter 3, section 5 of the AIFMR and Article 254(3) of the Solvency II Regulation;

(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 (whether directly or indirectly) 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, article 256 of the Solvency II Regulation and chapter 3, section 5 of the AIFMR; 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, article 256 of the Solvency II Regulation and/or chapter 3, section 5 of the AIFMR. 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 Originators acting reasonably that the additional information required by it is necessary to comply with paragraph 2 of article 406 of the CRR, article 256 of the Solvency II Regulation and/or chapter

3, section 5 of the AIFMR and the domestic implementing regulations to which such Noteholder is subject.

In addition to the above, each Originator has undertaken to the Arranger and the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) that:

(i) on the Issue Date, any of the information to be provided pursuant to articles 405 and 409 of the CRR, the Bank of Italy Instructions and chapter 3, section 5 of the AIFMR, will be included in the following sections of the Prospectus "Overview of the Transaction", "Risk Factors", "The Aggregate Portfolio and the Collection Policies", "Description of the Main Transaction Documents", "Subscription and Sale", and

(ii) following the Issue Date (a) the Master Servicer will include in the Quarterly Servicer Report, the information required by article 409 of the CRR, the Bank of Italy Instructions, article 256 of the Solvency II Regulation and chapter 3, section 5 of the AIFMR necessary to prospective investors for the purposes above (including, in particular, the information regarding the net economic interest from time to time held by each Originator in the Securitisation); and (b) the Calculation Agent will include in the Investors Report such information contained in the Quarterly Servicer 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 Master Servicer in the Quarterly Servicer Report. It is understood that the Investors Report shall be deemed to have been produced on behalf of each Originator, under the Originator's full responsibility, with reference to the information that the relevant Originator has the obligation to make available (or cause to make available, if the case) to investors under article 409 of the CRR, the Bank of Italy Instructions, article 256 of the Solvency II Regulation and chapter 3, section 5 of the AIFMR.

Each Originator has further undertaken that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge, within the limits of articles 405 to 409 of the CRR, Article 254 (3) of the Solvency II Regulation and chapter 3, section 5 of the AIFMR (which, in each case, does not take into account any corresponding national measures).

3. THE TRANSACTION

Phases of the Transaction

The Transaction consists of the following two phases:

(a) a first phase, being the Revolving Period;

(b) a second phase, being the Amortisation Period.

Transfer of the Initial Portfolio

On the Transfer Date and pursuant to the terms of the relevant Master Transfer Agreement, each Originator has transferred without recourse (*pro soluto*) to the Issuer an initial portfolio (the "**Initial Portfolio**") consisting of Initial Receivables selected in accordance with the Common Criteria (as defined below) and the Specific Criteria set out in Annex A to the relevant Master Transfer Agreement (together, the "**Criteria**") and described under paragraphs "Common Criteria" and "Specific Criteria of the Initial Portfolios", in order to satisfy the provisions set forth under Articles 1 and 4 of the Securitisation Law and under Article 58 of the Consolidated Banking Act.

The Initial Portfolio comprises Initial Receivables originated by the Originators.

Each Originator has transferred to the Issuer all the other rights, warrants, indemnities and any other title related to the Initial Receivables.

Transfer of Subsequent Portfolios

Subject to the terms of the relevant Master Transfer Agreement, each Originator is allowed to sell to the Issuer which shall purchase during the Revolving Period, Subsequent Portfolios. For this purpose, the relevant Originator will send to the Issuer a Transfer Offer in accordance with the provisions of the relevant Master Transfer Agreement to which a list of the Criteria applicable to the relevant Subsequent Portfolio and the list of the Receivables will be enclosed.

The Issuer will send to the relevant Originator the acceptance of the Transfer Offert, subject to the conditions precedent set out under the relevant Master Transfer Agreement, including, *inter alia*, no breach of the Transfer Limits as a consequence of the purchase of the Subsequent Portfolio.

Common Criteria

The Receivables have been selected and will be selected in accordance with the certain objective common criteria and represent a plurality of monetary claims identifiable as a pool ("*blocco*") pursuant to Articles 1 and 4 of the Securitisation Law (the "**Common Criteria**"). See "*The Aggregate Portfolio and the Collection Policies*".

All the Receivables will comply with the Common Criteria.

4. ACCOUNTS

Operation Accounts

The Issuer has established with the Account Bank the UBI Operation Account, BRE Operation Account, BdB Operation Account, BPA Operation Account, BPB Operation Account, BPCI Operation Account and Carime Operation Account (the "**Operation Accounts**"), as separate Euro-denominated account in the name of the Issuer and in the interest of the Noteholders:

to each Operation Account designated by reference to the relevant Originator's name

(i) all Collections and Recoveries in respect of the Receivables transferred to the Issuer by each Originator and collected by the Master Servicer and the Sub-Servicers in the period between the Cut-Off Date (included) and 1 Business Day (included) prior to the Issue Date will be transferred within the Issue Date (included);

(ii) all Collections and Recoveries in respect of the Receivables transferred to the Issuer by each Originator and collected by the Master Servicer and the Sub-Servicers in the period starting from the Issue Date (included) shall be transferred by the Master Servicer directly or through the Sub-Servicers within the 1st Business Day after receipt by the Master Servicer directly or through the Sub-Servicers in accordance with the Master Servicing Agreement;

(iii) any interest accrued on each Operation Account during the preceding Collection Period shall be credited;

out of each Operation Account designated by reference to the relevant Originator's name

(i) all amounts deriving from the Collections and Recoveries in respect of interest under the Receivables transferred to the Issuer by each Originator, and standing to the credit of the relevant Operation Account, will be transferred to

the Interest Collection Account designated by reference to the relevant Originator's name, without any further instruction of the Issuer, on the Business Day immediately following the day on which such amounts have been so credited;

(ii) all amounts deriving from the Collections and Recoveries in respect of principal under the Receivables transferred to the Issuer by each Originator, and standing to the credit of the relevant Operation Account, will be transferred to the Principal Collection Account designated by reference to the relevant Originator's name, without any further instruction of the Issuer, on the Business Day immediately following the day on which such amounts have been so credited;

(iii) all amounts – other than the Collections and Recoveries – standing to the credit of the relevant Operation Account will be transferred to the Interest Collection Account designated by reference to the relevant Originator's name, without any further instruction of the Issuer, on the Business Day immediately following the day on which such amounts have been so credited.

Collection Accounts

The Issuer has established with the Account Bank the UBI Interest Collection Account, BRE Interest Collection Account, BPA Interest Collection Account, BdB Interest Collection Account, BPB Interest Collection Account, BPCI Interest Collection Account and Carime Interest Collection Account (the "**Interest Collection Accounts**"), as separate Euro-denominated account in the name of the Issuer and in the interest of the Noteholders:

to each Interest Collection Account designated by reference to the relevant Originator's name

(a) any amount standing to the credit of each relevant Operation Account – other than amounts deriving from the Collections and Recoveries in respect of principal under the Receivables – will be transferred to the Interest Collection Account designated by reference to the relevant Originator's name, without any further instruction of the Issuer, on the Business Day immediately following the day on which such amounts have been so credited;

(b) any interest accrued on each Interest Collection Account

during the preceding Collection Period shall be credited;

(c) any amounts in respect of interests standing to the credit of the Payment Account, other than the Purchase Price of the Subsequent Portfolios not yet paid, on the Business Day immediately following each Payment Date will be credited on such Business Day in accordance with the instructions given by the Calculation Agent;

(d) the proceeds, in respect of interests (if applicable) arising from the disposal of the Receivables included in the Portfolio assigned by the relevant Originator will be transferred from the Payment Account to the relevant Interest Collection Account in accordance with the instructions given by the Calculation Agent, one Business Day following the date on which such amounts are credited on the Payment Account.

out of each Interest Collection Account designated by reference to the relevant Originator's name

(i) upon the receipt of Investment Account Instructions, all amounts standing to the credit of the Interest Collection Accounts will be transferred to the Investment Account by the Account Bank, in accordance to the CAMPA;

(ii) if no Investment Account Instructions are given to the Account Bank, 1 (one) Business Day prior to each Payment Date, any amount so identified in the Payments Report to be necessary in order to make payment in accordance with the applicable Priority of Payment will be transferred to the Payment Account.

The Issuer has established with the Account Bank the UBI Principal Collection Account, BRE Principal Collection Account, BPA Principal Collection Account, BdB Principal Collection Account, BPB Principal Collection Account, BPCI Principal Collection Account and Carime Principal Collection Account (the "**Principal Collection Accounts**"), as separate Euro-denominated account in the name of the Issuer and in the interest of the Noteholders:

to each Principal Collection Account designated by reference to the relevant Originator's name

(i) any amount standing to the credit of each relevant Operation Account and deriving from the Collections and Recoveries in respect of principal under the Receivables, will be transferred to the Principal Collection Account designated by reference to the relevant Originator's

name, without any further instruction of the Issuer, on the Business Day immediately following the day on which such amounts have been so credited;

(ii) any interest accrued on each Principal Collection Account during the preceding Collection Period shall be credited;

(iii) the proceeds in respect of principal arising from the disposal of the Receivables included in the Portfolio assigned by any Originator will be transferred from the Payment Account to the relevant Principal Collection Account in accordance with the instructions given by the Calculation Agent, one Business Day following the date on which such amounts are credited on the Payment Account;

(iv) any Relevant Collateral Integration Amount pursuant to item (iv) of the Pre-Enforcement Principal Priority of Payment during the Revolving Period shall be credited on the relevant Principal Collection Account;

(v) any amounts in respect of principal standing to the credit of the Payment Account, other than the Purchase Price of the Subsequent Portfolios not yet paid, on the Business Day immediately following each Payment Date will be credited on such Business Day in accordance with the instructions given by the Calculation Agent;

out of which

(i) upon the receipt of Investment Account Instructions, all amounts standing to the credit of the Principal Collection Accounts will be transferred to the Investment Account by the Account Bank, in accordance to the CAMPA;

(ii) if no Investment Account Instructions are given by the Cash Manager to the Account Bank, 1 (one) Business Day prior to each Payment Date, any amount so identified in the Payments Report to be necessary in order to make payment in accordance with the applicable Priority of Payment will be transferred to the Payment Account.

Payment Account

The Issuer has established with the Paying Agent the payment account (the "**Payment Account**"), as separate Euro-denominated account in the name of the Issuer and in the interest of the Noteholders:

to which

(i) 1 (one) Business Day prior to each Payment Date, any

amount so identified in the Payments Report to be necessary in order to make payment in accordance with the applicable Priority of Payment will be credited from the Investment Account and/or the Collection Accounts and/or the Cash Reserve Account;

(ii) any interest accrued on the Payment Account during the preceding Collection Period shall be credited;

(iii) on the Issue Date the Issue Price of the Notes (net of any set off in accordance with the Subscription Agreements) shall be paid;

(iv) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account will be credited;

(v) the proceeds arising from the disposal of the Receivables will be credited;

(vi) any amount pursuant to item (ii) point (ii) and item (vi) of the Pre-Enforcement Principal Priority of Payment during the Revolving Period shall be allocated;

(vii) any residual amount pursuant to item (v) of the Pre-Enforcement Principal Priority of Payment during the Amortisation Period shall be allocated;

(viii) any other amounts received by the Issuer under the Transaction Documents shall be credited;

out of which

(i) on the Issue Date the Purchase Price of the Initial Portfolio in accordance with the Master Transfer Agreements (and net of any set off in accordance with the Subscription Agreements) shall be paid to the Originators;

(ii) (a) on the Issue Date, an amount equal to the Initial Cash Reserve Amount and (b) on any Payment Date the amount necessary to fund the Cash Reserve up to the Required Cash Reserve Amount, will be transferred to the Cash Reserve Account;

(iii) the Purchase Price of any Subsequent Portfolio shall be paid in accordance with the Master Transfer Agreements and upon finalization of the transfer formalities provided under the Master Transfer Agreements;

(iv) on the Issue Date the Retention Amount shall be

transferred to the Expenses Account;

(v) one Business Day after each Payment Date, any amount standing to the credit thereof, other than the Purchase Price of the Subsequent Portfolios not yet paid, will be transferred to the Principal Collection Accounts and Interest Collection Accounts in accordance with the instructions given by the Calculation Agent;

(vi) on each Payment Date, all payments due to be made by the Issuer in accordance with the Payments Report will be made out of the Issuer Available Funds under the applicable Priority of Payments;

(vii) 1 (one) Business Day following the date on which the proceeds arising from the disposal of the Receivables included in the Portfolio assigned by any Originator are credited on the Payment Account, in accordance with the instructions given by the Calculation Agent: (a) the proceeds in respect of interest (if applicable) arising from the disposal of the Receivables will be transferred to the relevant Interest Collection Account and (b) the proceeds in respect of principal arising from the disposal of the Receivables will be transferred to the relevant Principal Collection Account.

Expenses Account

The Issuer has established with the Account Bank the Expenses Account (the "**Expenses Account**") as euro denominated separate account in the name of the Issuer and in the interest of the Noteholders:

to which

(a) on the Issue Date the Retention Amount shall be credited from the Payment Account, and

(b) on any Payment Date out of the Issuer Available Funds and in accordance with the applicable Priority of Payment, the amount necessary to bring the balance of the Expenses Account up to the Retention Amount will be credited; and

(c) any interest accrued on the Expenses Account during the preceding Collection Period shall be credited;

out of which

(a) on any Business Day the Expenses shall be paid when due; and

(b) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account will be credited on the Payment Account.

Investment and Securities Account

The Issuer has established with the Account Bank the following Euro-denominated investment account (the "**Investment Account**") as separate account in the name of the Issuer and in the interest of the Noteholders:

to which

(i) upon the receipt of Investment Account Instruction, any amount standing to the credit of the Collection Accounts will be transferred ;

(ii) any proceeds upon maturity or any sums deriving from the disposal of the Eligible Investments and any profit generated thereby or interest accrued thereon will be credited;

(iii) all Eligible Investments purchased by the Account Bank upon written instruction of the Cash Manager, pursuant to this Agreement different from Eligible Investments to be deposited into the Securities Account, shall be deposited;

(iv) any interest accrued on the Investment Account during the preceding Collection Period shall be credited;

(v) upon the receipt of Investment Account Instructions, all amounts standing to the credit of the Cash Reserve Account will be transferred by the Account Bank, without any further instruction of the Issuer, to the Investment Account on the Issue Date and on each Payment Date falling thereafter (after payments made on the relevant Payment Date in accordance with the applicable Priority of Payments);

out of which

(i) any amount so identified in the Payments Report to be necessary in order to make payment in accordance with the applicable Priority of Payment will be transferred to the Payment Account 1 (one) Business Day before such Payment Date;

(ii) in accordance with the provisions set forth in this Agreement, in accordance with the instructions set out in the Investment Letter, all amounts standing to the credit

thereof may be applied on any Business Day by the Account Bank for the purchase of Eligible Investments.

The Issuer has established with the Account Bank the securities account (the "**Securities Account**") for the deposit of such Eligible Investments in form of debt securities or other financial instruments deriving from funds standing to the balance of the Investment Account in accordance with the instructions set out in the Investment Letter, to the extent such Eligible Investments are capable of being deposited into such an account.

Quota Capital Account

The Issuer has directed UBI to establish and maintain a quota capital account (the "**Quota Capital Account**") as euro denominated separate account in the name of the Issuer to which the quota capital of the Issuer is deposited.

Cash Reserve Account

The Issuer has established a cash reserve account with the Account Bank (the "**Cash Reserve Account**") as euro denominated separate account in the name of the Issuer:

to which

(i) (a) on the Issue Date, an amount equal to the Initial Cash Reserve Amount and (b) on any Payment Date the amount necessary to fund the Cash Reserve up to the Required Cash Reserve Amount, will be credited from the Payment Account; and

(ii) any interest accrued on the Cash Reserve Account during the preceding Collection Period shall be credited;

out of which

(a) upon the receipt of the Investment Account Instructions, on the Issue Date and on each Payment Date falling thereafter (after payments made on the relevant Payment Date in accordance with the applicable Priority of Payments), all amounts standing to the credit of the Cash Reserve Account will be transferred by the Account Bank, without any further instruction of the Issuer, to the Investment Account;

(b) if no Investment Account Instructions are given by the Cash Manager to the Account Bank, 1 (one) Business Day prior to each Payment Date, any amount so identified in the Payments Report to be necessary in order to make payment in accordance with the applicable Priority of Payment will be transferred to the Payment

Account.

Segregation of the Accounts

In the context of the Securitisation, (i) the Accounts (other than the Quota Capital Account) have been opened and are and will be treated and maintained in accordance with the provisions set forth under Article 3, paragraph 2-bis the Securitisation Law; (ii) each of the Account Bank and the Paying Agent, with reference to the Accounts opened respectively with each of them has represented that any sum standing to the credit of the Accounts (other than the Quota Capital Account) is segregated from the other accounts of the Account Bank and the other depositors held by the Account Bank or the Paying Agent, as the case may be, so that such sums cannot be attached only by the Noteholders and (iii) each of the Account Bank and the Paying Agent, with reference to the Accounts opened respectively with each of them has undertaken to keep any such amount segregated from any other amount of the Issuer standing to the credit of any other account held by the Account Bank or the Paying Agent, as the case may be, and to keep appropriate and separate evidence in its accounting books and electronic system. In addition to the above, each of the Master Servicer and the Sub-Servicers has undertaken to keep any sum standing to the credit of the account held by the Master Servicer or the relevant Sub-Servicer, as the case may be (the "**Services Accounts**") and representing a Collection segregated from any other amount of the Master Servicer or any Sub-Servicer before its transfer to the Operation Accounts and to keep appropriate and separate evidence in its accounting books and electronic system.

5. CREDIT STRUCTURE

Issuer Available Funds

"**Issuer Available Funds**" means the aggregate of the Issuer Interest Available Funds and the Issuer Principal Available Funds.

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

(i) all Interest Collections paid into the Interest Collection Accounts in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) up to the Final Release Date (excluded), the amount of the Cash Reserve as at the immediately preceding Payment

Date (after payments made in accordance with the applicable Priority of Payments);

(iii) all amounts of interest accrued and available on each of the Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments in respect of the preceding Collection Period;

(iv) any Recoveries collected in respect of the immediately preceding Collection Period;

(v) any other amount received under the Transaction Documents, except for amounts which relate to principal, in respect of the preceding Collection Period;

(vi) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account;

(vii) the interest proceeds arising from the disposal of the Receivables in respect of the immediately preceding Collection Period;

(viii) without double counting, the amount to be allocated on the relevant Payment Date in accordance with item *Sixth* of the Principal Priority of Payments set out in Condition 6.2(B).

"**Issuer Principal Available Funds**" means in respect of any Payment Date the aggregate amount of:

(i) all Principal Collections (excluding any Recoveries) paid into the Principal Collection Accounts in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) any Principal Allocation Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments;

(iii) any Principal Deficiency Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments;

(iv) on the Final Release Date, the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments);

(v) any Relevant Collateral Integration Amount allocated into the Principal Collection Accounts on the immediately

preceding Payment Date;

(vi) the principal proceeds arising from the disposal of the Receivables in respect of the immediately preceding Collection Period;

(vii) any amount credited (and not used) in the Payment Account on the previous Payment Date under the Pre-Enforcement Principal Priority of Payments during the Revolving Period and the Pre-Enforcement Principal Priority of Payments during the Amortisation Period, to the extent not allocated to the Issuer Interest Available Funds.

Enforcement Events

The Terms and Conditions provide the following Enforcement Events:

(a) *Non-payment of interest and principal*

On any Payment Date (i) Interest accrued on the Senior Notes in relation to the Interest Period ending on such Payment Date or (ii) principal due and payable on the Senior Notes, is not paid on the due date and such default is not remedied within a period of 3 (three) Business Days following the due date thereof, it being understood that the provision set forth under point (ii) above does not apply in the event that the failure to pay principal on the Senior Notes is due to the fact that the Quarterly Servicer Report is not being provided as and when due in accordance with the terms of the Master Servicing Agreement and the Calculation Agent has applied the amounts standing to the credit of the Accounts, other than Expenses Account and the Quota Capital Account, in order to make the payments under the Pre-Enforcement Interest Priority of Payments under items (i) to (iv) in accordance with the terms of the CAMPA; or

(b) *Breach of 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 specified in (a) above) which is, in the Representative of the Noteholders' reasonable opinion, materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the breach to be remedied (except where, in the reasonable opinion of

the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

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

Any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party, is, when made or deemed to be made, incorrect or erroneous in any material respect and such misrepresentation remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the breach to be remedied (except where, in the reasonable opinion of the Representative of the Noteholders, such misrepresentation is not capable of remedy in which case no 30 days' notice will be required); or

(d) *Insolvency of the Issuer:*

An Insolvency Event occurs in respect of the Issuer.

(e) *Unlawfulness*

It is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or any Transaction Document to which it is a party.

Purchase Termination Events

The occurrence of each and any of the following events on any date will constitute a purchase termination event (a "**Purchase Termination Event**") in accordance with the Master Transfer Agreements:

(a) an Aggregate Portfolio Breach of Ratio has occurred;

(b) a Relevant Event of the Originator has occurred;

(c) the amount of the Cash Reserve on any Payment Date (after payments made in accordance with the applicable Priority of Payments) is lower than the relevant Required Cash Reserve Amount;

(d) a representation or warranty given by one or more Originators in the relevant Warranty and Indemnity Agreement has been breached and not been remedied within 10 (ten) Business Days in accordance with the terms of the relevant Warranty and Indemnity Agreement;

(e) an undertaking assumed by one or more Originators under the Transaction Documents has been breached and

not been remedied within 10 (ten) Business Days;

(f) the revocation of the appointment of the Master Servicer pursuant to the Master Servicing Agreement;

(g) the long-term, unsecured and unsubordinated debt obligations of UBI became lower than "B2" by Moody's or "B" by DBRS.

Pre-Enforcement Priorities of Payments

The Issuer Available Funds in respect of each Payment Date, shall be applied in accordance with the orders of priority set out below.

Pre-Enforcement Interest Priority of Payments during the Revolving Period

On each Payment Date, during the Revolving Period, prior to the service of an Enforcement Notice, the Issuer Interest Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Interest Priority of Payments during the Revolving Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First*, (A) to pay, pari passu and pro rata according to the respective amounts thereof, any Expenses not already paid out of the Expenses Account (to the extent that amounts standing to the credit of the Expense Account are insufficient to pay such costs), and (B) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity amounts, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, pari passu and pro rata according to the respective amounts thereof any amounts (including any indemnity amounts) due and payable on such Payment Date to the Account Bank, the Back-Up Servicer Facilitator, the Calculation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer and the Master Servicer, the Sub-Servicers and to any other party who has become a party to the Intercreditor Agreement;

(iv) *Fourth*, to pay, pari passu and pro rata according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Senior Notes on such

Payment Date;

(v) *Fifth*, up to the Final Release Date (excluded), to credit to the Cash Reserve such an amount to bring the amount of such Cash Reserve up to (but not in excess of) the Required Cash Reserve Amount;

(vi) *Sixth*, to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds;

(vii) *Seventh*, to allocate any Principal Allocation Amount to the Issuer Principal Available Funds, to the extent that the Cash Trapping Condition is met;

(viii) *Eighth*, to pay to the Originators, pari passu and pro rata according to the respective amounts thereof, any other amounts due and payable as indemnity under the Transaction Documents;

(ix) *Ninth,* to pay, pari passu and pro rata according to the respective amounts thereof, all amounts as Pre-Enforcement Junior Notes Additional Return then due and payable on each Relevant Class of Junior Notes on such Payment Date.

Pre-Enforcement Principal Priority of Payments during the Revolving Period

On each Payment Date, during the Revolving Period, prior to the service of an Enforcement Notice, the Issuer Principal Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Principal Priority of Payments during the Revolving Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* to pay any amount payable under items *First* to *Fourth* (inclusive) under Condition 6.1 (A) to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

(ii) *Second*, (i) if the Transfer Payment Condition Precedents are met on such Payment Date, to pay to the relevant Originator any amount due as Purchase Price of any Subsequent Portfolio transferred by the relevant Originator and purchased by the Issuer pursuant to the relevant Master Transfer Agreement to the extent not already paid on the previous Payment Dates provided that such amount shal not exceed the Relevant Maximum Purchase Price Amount with respect to each Originator; or (ii) otherwise, to allocate such relevant amount into the Payment Account;

(iii) *Third,* to repay, *pari passu* and *pro rata* according to the

respective amounts thereof, any principal due in respect of the Senior Notes up to the Pre-Amortisation Reimbursement Amount;

(iv) *Fourth,* to allocate into each Principal Collection Account any applicable Relevant Collateral Integration Amount;

(v) *Fifth*, to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any price adjustment in respect of the relevant Purchase Price of the Portfolio, if any, and any other amount due to the relevant Originator under the Transaction Documents other than the amounts to be paid under item *Eighth* of Condition 6.1 (A);

(vi) *Sixth,* to allocate the residual amount to the Payment Account.

Pre-Enforcement Interest Priority of Payments during the Amortisation Period

On each Payment Date, during the Amortisation Period, prior to the service of an Enforcement Notice, the Issuer Interest Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Interest Priority of Payments during the Amortisation Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* (A) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses not already paid out of the Expenses Account (to the extent that amounts standing to the credit of the Expense Account are insufficient to pay such costs); and (B) to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity amounts, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amounts (including any indemnity amounts) due and payable on such Payment Date to the Account Bank, the Calculation Agent, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Corporate Servicer and the Master

Servicer, the Sub-Servicers and to any other person who has become a party to the Intercreditor Agreement;

(iv) *Fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Senior Notes on such Payment Date;

(v) *Fifth*, up to the Final Release Date (excluded), to credit to the Cash Reserve such an amount as will bring the amount of such Cash Reserve up to (but not in excess of) the Required Cash Reserve Amount;

(vi) *Sixth,* to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds;

(vii) *Seventh*, to allocate any Principal Allocation Amount to the Issuer Principal Available Funds, to the extent that the Cash Trapping Condition is met;

(viii) *Eighth,* to pay to the Originators, *pari passu* and *pro rata* according to the respective amounts thereof, any other amounts due and payable as indemnity under the Transaction Documents;

(ix) *Ninth,* to pay, pari passu and pro rata according to the respective amounts thereof, all amounts as Pre-Enforcement Junior Notes Additional Return then due and payable on each Relevant Class of Junior Notes on such Payment Date;

(x) *Tenth*, to pay any residual amounts to the Originators, *pari passu* among them and *pro rata* in accordance to the Relevant Proportion.

Pre-Enforcement Principal Priority of Payments during the Amortisation Period

On each Payment Date, during the Amortisation Period, prior to the service of an Enforcement Notice, the Issuer Principal Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Principal Priority of Payments during the Amortisation Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* to pay any amount payable under items *First* to *Fourth* (inclusive) under Condition 6.2(A), to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

(ii) *Second,* to pay, *pari passu* and *pro-rata* according to the respective amounts thereof, any Principal Amount

Outstanding in respect of the Senior Notes due on such Payment Date;

(iii) *Third,* to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any price adjustment in respect of the relevant Purchase Price, if any and any other amount due to each Originator under the Transaction Documents other than the amounts to be paid under item *Eighth* of Condition 6.2(A) and the amounts due under any other items below;

(iv) *Fourth,* to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any Purchase Price (if any) due but not already paid on the preceding Payment Dates;

(v) *Fifth*, upon full reimbursement of the Senior Notes, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) the Junior Notes Principal Amount due and payable on each Relevant Class of Junior Notes on such Payment Date, in any case up to an amount that makes the Principal Amount Outstanding of each Junior Note not lower than 1% of the Principal Amount Outstanding of such Junior Note upon issue, provided that any amount which is not applied to repayment of principal in respect of the Junior Notes as a consequence of the limitation set forth under this paragraph (a) will be allocated to the Payment Account and will form part of the Issuer Principal Available Funds on the next succeeding Payment Dates and (b) on the Final Maturity Date, all amounts of Junior Notes Principal Amount due and payable, if any, on each Relevant Class of Junior Notes; and

(vi) S*ixth,* to pay the residual amount to the Issuer Interest Available Funds, except for the residual amounts due to the rounding of the principal payments on the Notes which will be allocated to the Issuer Interest Available Funds on the Payment Date on which the Notes will be redeemed in full or otherwise cancelled.

Failure to deliver the Quarterly Servicer Report

Pursuant to the provisions of the CAMPA, in the event that the Quarterly Servicer Report is not being provided as and when due in accordance with the terms of the Master Servicing Agreement, the Calculation Agent shall be entitled to consider all funds standing to the credit of the Accounts, other than Expenses Account and the Quota Capital Account, as Issuer Available Funds relating to the immediately preceding

Collection Period and shall prepare the Payments Report. For this purpose all such amounts will be considered up to the amount necessary to make payment under the Pre-Enforcement Interest Priority of Payments under items (i) to (iv), based on the assumption that the amount to be paid to the Master Servicer under item (iii) of the Pre-Enforcement Interest Priority of Payments shall be equal to the amount specified in the last available Payment Report. No payments will be made on any item of the Pre-Enforcement Interest Priority of Payments different from the interests on the Senior Notes and any other amount ranking in priority thereto (and, therefore, for the avoidance of doubt, no principal will be due and payable on the Senior Notes on such Payment Date), being understood that any other funds shall remain deposited into the Accounts (other than the Quota Capital Account) and will form part of the Issuer Available Funds on the following Payment Date and provided that failure to pay principal on the Senior Notes in such circumstance shall not constitute an Enforcement Event under Condition 12.1(a)(ii).

Post Enforcement Priority of Payments

Following the delivery of an Enforcement Notice or under Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Redemption for Taxation*), the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following priority of payments (the "**Post-Enforcement Priority of Payments**", and jointly with the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Priorities of Payments**" and each a "**Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First, pari passu* and *pro rata* according to the respective amounts thereof, (A) to pay any Expenses (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs) and (B) to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity amounts, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the

respective amounts thereof any amounts (including any indemnity amounts) due and payable on such Payment Date to the Account Bank, the Calculation Agent, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Corporate Servicer and the Master Servicer, the Sub-Servicers, and to any other person who has become a party to the Intercreditor Agreement;

(iv) *Fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof all amounts of interest then due and payable in respect of the Senior Notes on such Payment Date;

(v) *Fifth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of principal then due and payable in respect of the Senior Notes on such date;

(vi) *Sixth,* to pay to the Originators, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable as indemnity under the Transaction Documents;

(vii) *Seventh,* to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any price adjustment in respect of the relevant Purchase Price, if any and any other amounts due to each Originator under the Transaction Documents other than the amounts due under any other items below;

(viii) *Eighth,* to pay, to each Originator *pari passu* and *pro rata* according to the respective amounts thereof, any Purchase Price (if any) due but not already paid on the preceding Payment Dates;

(ix) *Ninth,* upon full reimbursement of the Senior Notes, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) the Junior Notes Principal Amount due and payable on each Relevant Class of Junior Notes on such Payment Date, in any case up to an amount that makes the Principal Amount Outstanding of each Junior Note not lower than 1% of the Principal Amount Outstanding of such Junior Note upon issue, provided that any amount which is not applied to repayment of principal in respect of the Junior Notes as a consequence of the limitation set forth under this paragraph (a) will be allocated to the Payment Account and will form part of the Issuer Available Funds on the next succeeding Payment Dates and (b) on the Final

Maturity Date, all amounts of Junior Notes Principal Amount due and payable, if any, on each Relevant Class of Junior Notes;

(x) *Tenth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts then due and payable as Post Enforcement Junior Notes Additional Return on each Relevant Class of Junior Notes on such Payment Date;

(xi) *Eleventh*, to pay any residual amounts to the Originators, *pari passu* among them and *pro rata* in accordance to the Relevant Proportion.

Cash Reserve

The Issuer has established a reserve fund into the Cash Reserve Account. (See paragraph "Cash Reserve Account" under section "The Accounts" above). The amount standing to the credit of the Cash Reserve Account will be available (i) on each Payment Date up to (and excluding) the Final Release Date as Issuer Interest Available Funds and (ii) on the Final Release Date as Issuer Principal Available Funds.

Back-Up Servicer and Back-Up Servicer Facilitator

If the long-term unsecured, unsubordinated debt obligations of the Master Servicer ceases to be rated at least the following minimum ratings (as set out in the Master Servicing Agreement): Ba3 by Moody's and BB(low) by DBRS, the Back-Up Servicer Facilitator will use its best efforts to select either a bank or a financial institution having the requirements set out in the Master Servicing Agreement and willing to assume the duties of "Back-Up Servicer" in accordance with the Master Servicing Agreement and to cooperate with the Master Servicer and the Issuer, as the case may be, for the appointment of such Back-Up Servicer.

6. REPORTS

Quarterly Servicer Report

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

Account Bank Report

Under the Cash Allocation, Management Payment and Agency Agreement, the Account Bank has undertaken to prepare, on the third Business Day following the end of each month, the

Account Bank Report which shall include, *inter alia*, detailed information related to (i) the balances of the Operation Accounts, the Collection Accounts, the Expenses Account, the Cash Reserve Account and the Investment Account held with the Account Bank, (ii) interest accrued thereon and (iii) details of the amounts transferred into and from such Accounts.

Paying Agent Report

Under the Cash Allocation, Management Payment and Agency Agreement, the Paying Agent has undertaken to prepare on the third Business Day following the end of each month, the Paying Agent Report which shall contain details of (i) the balance of the Payment Account held with the Paying Agent; (ii) and interest accrued thereon and (iii) details of the amounts transferred into and from such Account.

Payments Report

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

Investor Report

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

Cash Manager Report

Under the Cash Allocation, Management Payment and Agency Agreement, on or prior to each Cash Manager Report Date, the Cash Manager shall deliver to the Issuer, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Master Servicer, the Corporate Servicer, the Rating Agencies and the Calculation Agent a copy of its report (the "**Cash Manager Report**"), which shall include details of all Eligible Investments made during the quarter immediately preceding such Cash Manager Report Date, including at least the following information: (a) date of investment; (b) identification of the Eligible Investment; (c) maturity/redemption date; (d) rating of the Eligible Investment (e) yield, (f) purchase price, (g) redemption price, (h) interest accrued and/or profit generated and (i) any additional information as the Calculation Agent may require to perform its obligations under the CAMPA.

7. TRANSFER AND ADMINISTRATION OF THE PORTFOLIOS

Master Transfer Agreement

Pursuant to the Master Transfer Agreements, the Issuer has purchased from each Originator the Initial Portfolio funding such purchase out of the proceeds deriving from the Notes. Subject to the terms of the relevant Master Transfer Agreement, each Originator is allowed to sell to the Issuer which, upon occurrence of the conditions set forth in the relevant Master Transfer Agreement, shall purchase from the relevant Originator during the Revolving Period, Subsequent Portfolios, pursuant to the relevant Master Transfer Agreement.

The Purchase Price of any Subsequent Portfolios will be paid by the Issuer out of the Issuer Available Funds available to such purpose in accordance with the applicable Priority of Payments.

Key features of the sales of Portfolios

Each Initial Portfolio has been transferred, and each Subsequent Portfolio will be transferred, without recourse (*pro soluto*), in accordance with the Securitisation Law and subject to the satisfaction of certain conditions set forth in the Master Transfer Agreements.

For further details, see the section entitled "*The Portfolios*" and "*Description of the main Transaction Documents - Master Transfer Agreements*".

Warranty and Indemnity Agreement

Pursuant to the Warranty and Indemnity Agreements, each Originator has given certain representations and warranties to the Issuer in relation to, *inter alia,* itself and the Receivables comprised in each relevant Portfolio and have agreed to indemnify the Issuer in respect of certain liabilities incurred by the Issuer as a result of the purchase and ownership of such Receivables.

For further details, see the paragraph entitled "*The Warranty and Indemnity Agreements"* under the section entitled "*Description of the main Transaction Documents*".

Master Servicing Agreement

Pursuant to the Master Servicing Agreement the Master Servicer will act as 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 the receipt of the Collections acting as agent (*mandatario con obbligo di rendiconto*) of the Issuer. In such capacity, the Master Servicer shall also be responsible for ensuring that such operations comply with the provisions of articles 2.3, letter (c), and 2.6 bis

of the Securitisation Law.

Under the terms of the Master Servicing Agreement, the Master Servicer has delegated each Originator (other than UBI), in its capacity as Sub-Servicer, to carry out on behalf of the Issuer and in accordance with the Master Servicing Agreement and the Collection Policy the management, administration, collection, recovery, monitoring and reporting activities with respect to the Receivables transferred by the relevant Originator to the Issuer, except from the Receivables arising from UBI Portfolio and with the exception of the activities aimed at recovering any Defaulted Receivables, provided that in any case the activity of assignment of Defaulted Receivables to third parties cannot be delegated to the Sub-Servicers in accordance with the Master Servicing Agreement.

Pursuant to the Master Servicing Agreement, the Back-Up Servicer Facilitator has been appointed by the Issuer and it has agreed, *inter alia*, to cooperate with the Issuer in order to select a substitute Master Servicer subject to the appointment of UBI as Master Servicer being terminated, in accordance with the terms of the Master Servicing Agreement.

For further details, see the paragraph entitled "*The Master Servicing Agreement*" under the section entitled "*Description of the main Transaction Documents*".

8. OTHER TRANSACTION DOCUMENTS

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the Issuer, the Representative of the Noteholders (on its own behalf and as agent of the Noteholders) and the Other Issuer Creditors have agreed to, *inter alia,* (i) the application of the Issuer Available Funds and the Issuer Available Funds, in accordance with the applicable Priority of Payments; (ii) the limited recourse nature of the obligations of the Issuer; and (iii) the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolios.

For further details, see the section entitled "*Description of the main Transaction Documents*".

Cash Allocation Management Payment and Agency Agreement

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

notification and reporting services together with account handling services in relation to monies and securities from time to time standing to the credit of the Accounts.

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

For further details, see the section entitled "*Description of the main Transaction Documents*".

Mandate Agreement

Pursuant to the Mandate Agreement, the Representative of the Noteholders will be authorised, subject the delivery of an Enforcement Notice, to exercise, in the name and on behalf of the Issuer, all the Issuer's non-monetary rights arising out of certain Transaction Documents to which the Issuer is a party.

For further details, see the section entitled "*Description of the main Transaction Documents*".

Deed of Pledge

Pursuant to the Deed of Pledge, as security for the Secured Obligations the Issuer has pledged in favour of the Noteholders and the Other Issuer Creditors (i) all existing and future monetary claims and rights deriving from certain Transaction Documents (ii) the amount standing to the credit of the Operation Accounts, the Collection Accounts, the Investment Account, the Cash Reserve Account and the Expenses Account and (iii) the Eligible Investments deposited, from time to time, with the Account Bank in accordance with the CAMPA.

Corporate Services Agreement

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

For further details, see the section entitled "*Description of the main Transaction Documents*".

Quotaholders' Agreement

Pursuant to the Quotaholders' Agreement, the Quotaholders have given certain undertakings in relation to the management of the Issuer and the exercise of its rights as Quotaholders of the Issuer.

For further details, see the section entitled "*The Issuer*", sub-paragraph "*Quotaholders' Agreement*" .

Subscription Agreements

Pursuant to the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreements each of the Initial Senior

Notes Subscribers and the Initial Junior Notes Subscribers have agreed to subscribe respectively the Senior Notes and the Junior Notes.

For further details, see the sections entitled "*Description of the main Transaction Documents*" and "*Subscription and Sale*".

RISK FACTORS

The following is a summary of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. However, it is not intended to be exhaustive and prospective Noteholders should make their own independent valuation of all of the risk factors and should also read the detailed information set forth elsewhere in this Prospectus and in the Transaction Documents. The Issuer believes that the risks described below are the principal risks inherent in the transaction for holders of the Notes but the inability of the Issuer to pay interest or repay principal on the Notes may occur for other reasons and the Issuer does not represent that the above statements of the risks of holding the Notes are exhaustive. While the various structural elements described in this Prospectus are intended to lessen some of these risks for holders of the Notes, there can be no assurance that these measures will be sufficient or effective to ensure payment to the Noteholders of interest or principal on such 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.

1. SECURITISATION LAW

As of the date of this Prospectus, only limited interpretation of the application of the Law 130 has been issued by Italian governmental or regulatory authorities; therefore it is possible that further regulations, relating to the Law 130 or the interpretation thereof, are issued in the future, the impact of which cannot be predicted by the Issuer or any other party to the Transaction Documents, as of the date of this Prospectus. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**"), and Italian Law Decree no. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014 ("**Law 116/2014**"), introduce certain amendments to the Law 130 by granting additional legal benefits to the entities involved in the securitisation transactions in Italy and better clarifying certain provisions of the Law 130. For further details with respect to such new legislation, please see the section headed "Selected aspects of Italian Law – The Securitisation Law".

2. LIQUIDITY AND CREDIT RISK

The Issuer is subject to the risk of delay arising between the scheduled payment dates and the date of receipt of payments due from the Borrowers. The Issuer is also subject to the risk of, among other things, default in payments by the Borrowers and the failure of the Master Servicer to collect and recover sufficient funds in respect of the Aggregate Portfolio in order to enable the Issuer to discharge all amounts payable under the Notes. In respect of the Senior Notes, these risks are mitigated by the liquidity and credit support provided by the

Cash Reserve and by the subordination of the Junior Notes (see for further details the section headed “Subordination” below).

However in each case, there can be no assurance that the levels of credit support and the liquidity support provided by the Cash Reserve and the subordination of the Junior Notes will be adequate to ensure punctual and full receipt of amounts due under the Senior Notes.

In each case the performance by the Issuer of its obligations thereunder is dependent on the solvency of the Master Servicer (or any permitted delegates, successors or assignees appointed under the Master Servicing Agreement) and the other parties to the Transaction Documents as well as the timely receipt of any amount required to be paid to the Issuer by the various agents and counterparts of the Issuer pursuant to the terms of the Transaction Documents.

In addition, the Issuer's ability to make payments in respect of the Notes may depend on any Originator's performance of its obligations under the relevant Warranty and Indemnity Agreement. In particular, in the event that any Originator becomes subject to insolvency or similar proceedings, it would no longer be in a position to meet its indemnification obligations to the Issuer under the relevant Warranty and Indemnity Agreement. In addition, in such case, any payments made by any Originator as indemnity under the relevant Warranty and Indemnity Agreement, or as indemnity under the Master Servicing Agreement or as repurchase price of the Receivables under the relevant Master Transfer Agreement, may be subject to ordinary claw back regime under Italian Law (other than the shorter claw back period that applies to the transfer of the Receivables to the Issuer – please see the section headed “Selected Aspects of Italian Law”).

In some circumstances (including after service of an Enforcement Notice), the Issuer could attempt to sell the Aggregate Portfolio, but there is no assurance that the amount received on such a sale would be sufficient to repay in full all amounts due to the Noteholders.

Recent events in the securitisation markets, as well as the debt markets generally, have caused significant dislocations, illiquidity and volatility in the market for asset-backed securities, as well as in the wider global financial markets. As at the date of this Prospectus, the secondary market for asset-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities.

This has had a materially adverse impact on the market value of asset-backed securities and resulted in the secondary market for asset-backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities have been experiencing funding difficulties and have been forced to sell asset-backed securities into the secondary market. The price of credit protection on asset-backed securities through credit derivatives has risen materially. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, whilst these market conditions continue to persist, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate.

Any of these fluctuations may be significant and could result in significant losses to Noteholders.

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

3. SUITABILITY

Structured securities, such as the Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in the Notes should ensure that they understand the nature of the 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 Notes and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition.

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

No communication (written or oral) received from the Issuer or the Originators or from any other person shall be deemed to be an assurance or guarantee as to the expected results of an investment in the Notes.

4. SOURCE OF PAYMENTS TO THE NOTEHOLDERS

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Originators, the Representative of the Noteholders, the Account Bank, the Cash Manager, the Paying Agent, the Calculation Agent, the Master Servicer, the Sub-Servicers, the Back-Up Servicer Facilitator, the Corporate Servicer, the Arranger, the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due under the Notes.

The Issuer will not have any significant assets as at the Issue Date other than the Initial Portfolio, the Collections derived therefrom and its rights under the Transaction Documents to which it is a party. Consequently, 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 an Enforcement 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.

5. ISSUER'S ABILITY TO MEET ITS OBLIGATIONS UNDER THE NOTES

The ability of the Issuer to meet its payment obligations in respect of the Notes will be dependent on the receipt by the Issuer of: (i) the Collections and the Recoveries in respect of the Aggregate Portfolio made on its behalf by the Master Servicer and/or the Sub-Servicers;

and (ii) any other amounts received by the Issuer pursuant to the provisions of the other Transaction Documents to which it is a party.

The Issuer is subject to the risk of delay arising between the receipt of payments due from the Debtors under the Receivables comprised in the Portfolios at the scheduled payment dates, which may result in the Issuer being unable to discharge all amounts payable under the Notes as they fall due.

The Issuer is subject to the further risk of failure by the Master Servicer and/or the Sub-Servicers to collect or recover sufficient funds in respect of the Aggregate Portfolio in order to discharge all amounts payable under the Notes when they fall due, as well as the risk of default in payment by the Debtors.

However, in each case, there can be no assurance that the levels of Collections and Recoveries received from the Aggregate Portfolio will be adequate to ensure timely and full receipt of amounts due under the Notes.

After the Notes have become due and payable following the service of an Enforcement Notice, the only remedy available to the Noteholders and the Other Issuer Creditors is the exercise by the Representative of the Noteholders of the Issuer's Rights, in accordance with the terms and conditions of the Transaction Documents.

6. LIMITED RECOURSE NATURE OF THE NOTES

The Notes will be limited recourse obligations of the Issuer. The Noteholders will receive payment in respect of principal and interest on the Notes only if, and to the extent that, the Issuer has sufficient funds to make such payment. If there are not sufficient funds available to the Issuer to pay in full all principal and interest 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 an Enforcement 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.

7. SUBORDINATION OF THE NOTES

Either prior to or after the service of an Enforcement Notice, in respect of the obligations of the Issuer to pay interest and repay principal on the Notes, the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Junior Notes; the Junior Notes will rank *pari passu* without preference or priority amongst themselves but subordinated to the Senior Notes.

The Noteholders should have particular regard to the factors identified in the sections headed "**Credit Structure**" and "**Priority of Payments**" above in determining the likelihood or extent of any shortfall of funds available to the Issuer to meet payments of interest and repayment of principal due under the Notes.

8. RATINGS ASSIGNED TO THE SENIOR NOTES

The rating assigned by the Moody's Investors Service Limited and DBRS Ratings Limited to the Senior Notes address the likelihood of full and timely payment to Noteholders of all payments of interest on each Payment Date under the Senior Notes in accordance with the

terms of the Transaction Documents and the Conditions. The rating also addresses the likelihood of "ultimate" payment of principal by the Final Maturity Date of the Senior Notes. The expected ratings of each class of Notes on the Issue Date are set out in Section "*Overview of the Transaction – The Principal Features of the Notes*".

The above rating agencies may lower their ratings or withdraw their ratings if, in their sole judgment, 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 Moody's Investors Service Limited and DBRS Ratings Limited. However, credit rating agencies other than Moody's Investors Service Limited and DBRS Ratings Limited could seek to rate the Senior Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Senior Notes by Moody's Investors Service Limited and DBRS Ratings Limited, those shadow ratings could have an adverse effect on the value of the Senior Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified rating agencies only.

In addition, EU regulated investors (such as investment firms, insurance and reinsurance undertakings, UCITS funds and certain hedge fund managers) are restricted from using a rating issued by a credit rating agency established in the European Union for regulatory purposes unless such credit rating agency is registered, or endorsed by a rating agency, under the CRA Regulation. As of the date of this Prospectus, both Moody's Investors Service Limited and DBRS Ratings Limitedare 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 3**") which entered into force on 20 June 2013. CRA3 requires, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other and, of the two credit rating agencies to be appointed, to consider appointing at least one credit rating agency with no more than 10 per cent. of the total market share in the European Union and which could be evaluated by the Issuer or a related third party as capable of rating the relevant issuance.

Additionally, CRA3 requires certain additional disclosure to be made in respect of structured finance transactions. The CRA3 tasked ESMA with developing regulatory technical standards to specify further details of this disclosure obligation. As a result, Regulation (EU) No 2015/3 was published in the Official Journal on 6 January 2015.

Although the disclosure obligations do not start until 1 January 2017, once they begin, they will apply to structured finance instruments issued after the date on which the delegated regulation came into force, being 26 January 2015. The disclosure obligations only apply to the extent that:

(a) the underlying assets are residential mortgages, commercial mortgages, SME loans, auto loans, consumer loans, credit card receivables or leases; and

(b) the structured finance instruments in question are not issued on a private or bilateral nature.

The changes summarised above 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.

9. ELIGIBILITY OF SENIOR NOTES FOR EUROSYSTEM MONETARY POLICY

The Senior Notes are intended to be held in a manner which will allow Eurosystem eligibility. This only means that the Senior Notes were upon issue deposited with the Monte Titoli system as a securities settlement system that fulfils the standards established by the European Central Bank and does not necessarily mean that the Senior Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. If the Senior Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that the Senior Notes will not be Eurosystem Eligible Collateral. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Senior Notes that the Senior Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in the Senior Notes should make their own conclusions and seek their own advice with respect to whether or not the Senior Notes constitute Eurosystem Eligible Collateral.

10. LIMITED DESCRIPTION OF THE AGGREGATE PORTFOLIO

It is expected that the Aggregate Portfolio's composition will change due to, for instance:

(i) the Originators selling Subsequent Portfolios to the Issuer; and

(ii) the Originators repurchasing certain Receivables in accordance with the relevant Master Transfer Agreement.

However, each Receivables will be required to meet the Criteria and to conform with the representations and warranties set out in the Warranty and Indemnity Agreements see "*Description of the main Transaction Documents — Warranty and Indemnity Agreements*".

In particular, certain changes in the Aggregate Portfolio's composition, although satisfying the Transfer Limits and any other condition as set out in the Master Transfer Agreements, might result in an increase in the credit risk of the Aggregate Portfolio backing the Notes.

11. CLAIMS OF UNSECURED CREDITORS OF THE ISSUER

Under article 3 of Law 130, the assets relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the Issuer which performs the securitisation (including any other assets purchased by such company pursuant to the Securitisation Law). Both before and after a winding-up of the Issuer such receivables will only be available to the Noteholders and any other third party creditors in respect of any taxes, costs, fees or expenses incurred by the Issuer in relation to the securitisation of the Portfolios and to the corporate existence and good standing of the Issuer. In addition, the

receivables relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer.

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

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

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

Prospective Noteholders should be aware that, as at the date of this Prospectus, these provisions of the Securitisation Law (as introduced by Law 9/2014 and Law 116/2014) have not been tested in any case law nor specified in any further regulation and could be in

conflict with the provision relating to the bail-in and the other resolution tools recently implemented in Italy.

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

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

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

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

12. ARTICLE 120-TER OF THE CONSOLIDATED BANKING ACT

Article 120-ter of the Consolidated Banking Act provides that any provisions imposing a prepayments penalty in case of early redemption of mortgage loans is null and void with respect to loan agreements entered into, with an individual as borrower for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional or business activities. For a description of the main terms of the article 120-ter of the Consolidated Banking Act, see the section headed "Selected aspects of Italian law –Article 120-ter of the Consolidated Banking Act".

The Italian banking association ("**ABI**") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the amount outstanding of the loans (the "**Substitutive Prepayment Penalty**") containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1

January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

Prospective Noteholders' attention is drawn to the fact that, as a result of the entry into force of the Prepayment Penalty Agreement, the rate of prepayment in respect of the Loan Agreements can be higher than the one traditionally experienced by the Originators for mortgage loans and that the Issuer may not be able to recover the prepayment fees in the amount originally agreed with the Borrowers.

13. MUTUI FONDIARI

The Receivables include, inter alia, mortgage loans qualifying as "*mutui fondiari*". In addition to the general legislation commonly applicable to mortgage lending, "*mutui fondiari*" are regulated by specific legislation ("*credito fondiario*"), which grants certain rights to the borrower and the mortgage lender which are not provided for by the general legislation. For further details see the section headed "Selected aspects of Italian law - Mutui fondiari".

14. PROJECTIONS, FORECASTS AND ESTIMATES

Estimates of the expected average lives of the Notes included herein, together with any other projections, forecasts and estimates in this Prospectus, are forward-looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly

from actual results. Accordingly, actual results may vary from the projections, and the variations may be material.

15. NO INDEPENDENT INVESTIGATION IN RELATION TO THE PORTFOLIOS

None of the Issuer, the Arranger nor any other party to the Transaction Documents (other than the Originators) has undertaken or will undertake any investigation, searches or other actions to verify the details of the Portfolios sold by the Originators to the Issuer, nor has any such party undertaken, nor will any of them undertake, any investigations, searches or other actions to establish the creditworthiness of any Debtor.

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

The Issuer will rely instead on the representations and warranties given by the Originators in the Warranty and Indemnity Agreements and in the Master Transfer Agreements. 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 relevant Originator indemnifies the Issuer for the damage deriving therefrom or repurchase the relevant Receivables. See the paragraph entitled "*The Warranty and Indemnity Agreements*" under the section headed "*Description of the main Transaction Documents*", below. There can be no assurance that the relevant Originator will have the financial resources to honour such obligations.

16. CLAW-BACK OF THE SALES OF THE RECEIVABLES

Assignments executed under the Securitisation Law may be clawed back by a receiver of the Originator under article 67, paragraphs 1(4) and 2 of the Italian Royal Decree No. 267 of 16 March 1942 (the "**Bankruptcy Law**"), but only in the event that the relevant Originator was insolvent when the relevant assignment was entered into and was executed within three months of the adjudication of bankruptcy of the Originator or, in cases where paragraph 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law applies, within six months of the adjudication of bankruptcy of the Originator. Under the relevant Master Transfer Agreement, each Originator has represented and warranted that it was solvent as of the date of the signing of the relevant Master Transfer Agreement, and, upon purchase of any Subsequent Portfolio, each Originator shall deliver, in accordance with the relevant Master Transfer Agreement (i) a certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) and (ii) a solvency certificate signed by a representative duly authorized by the relevant Originator.

17. CLAW-BACK ACTION AGAINST THE PAYMENTS MADE TO COMPANIES INCORPORATED UNDER THE SECURITISATION LAW

According to article 4 of the Securitisation Law, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspected period prior to the date on which such party has been declared

bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 of the Bankruptcy Law.

18. POTENTIAL CONFLICTS OF INTEREST

The Arranger and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Originators and their respective affiliates in the ordinary course of business. Other parties to the transaction may also perform multiple roles, including UBI which, in addition to being the Originator, is also Master Servicer, Account Bank, Cash Manager, Calculation Agent, Initial Senior Notes Subscriber and Initial Junior Notes Subscriber. The Originators other than UBI are acting also as Sub-Servicers, Initial Senior Notes Subscribers and Initial Junior Notes Subscribers. Zenith Service S.p.A. is acting as the Representative of the Noteholders and Back-Up Servicer Facilitator.

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

19. RISK OF LOSSES ASSOCIATED WITH THE BORROWERS

General economic conditions and other factors have an impact on the ability of Borrowers to repay the Receivables. Loss of earnings, illness, divorce, decrease in turnover, increase in operating or in financial costs and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers, which may lead to a reduction in Receivables payments by such Borrowers and could reduce the Issuer's ability to service payments on the Notes.

The Loan Agreements have been entered into, *inter alia*, with Borrowers which are individuals. In any case, some of the Borrowers may fall within the scope of application of the Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented (the "**Bankruptcy Law**") and as such may be subject to insolvency proceedings (*procedure concorsuali*) under the Bankruptcy Law.

The Securitisation Law, as amended by Law 9/2014, provides that (i) the claw-back provisions set forth in article 67 of the Bankruptcy Law do not apply to payments made by the Borrowers to the Issuer in respect of the securitised Receivables and (ii) the payments made by the Borrower under securitised Receivables are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law. For further details with respect to the Law 9/2014, please see the section headed "*Selected aspects of Italian Law – The Securitisation Law*".

With respect to the insolvency proceedings, due to the complexity of these procedures, the time involved and the possibility for challenges and appeals by the debtor and the other parties involved, there can be no assurance that any such insolvency proceeding would result in the payment in full of amounts outstanding under the Loan Agreements or that such proceedings would be concluded before the stated maturity of the Notes. For further details see section headed "*Selected Aspects of Italian Law*".

20. YIELD AND PAYMENT CONSIDERATIONS

The yield to maturity of the Notes will depend on, *inter alia*, the amount and timing of repayment of principal (including prepayments) on the Receivables and on the actual date of exercise (if any) by the Issuer of its option to early redeem the Notes pursuant to Condition 8.3 (*Redemption, Purchase and Cancellation - Optional Redemption*). Moreover, the repayment profile of the Senior Notes may be affected by, *inter alia* the exercise of any Repurchase Options by the Originators and the use of the proceeds arising from the disposal of the Receivables to redeem the Senior Notes.

Such yield may be adversely affected by higher or lower rates of prepayment, delinquency and default on the Receivables. The respective rates of prepayment, delinquency and default on the Receivables cannot be predicted and are influenced by a wide variety of economic, social and other factors.

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

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

Italian Law number 244 of 24 December 2007 (the "**2008 Budget Law**"), as amended by Law number 92 of 28 June 2012, provided for the right of borrowers, under mortgage loans related to the purchase of the primary residence ("*prima casa*") and unable to pay the relevant instalments, to request the suspension of payments of instalments due under the relevant mortgage loans on a maximum of two occasions and for a maximum aggregate period of 18 months. The 2008 Budget Law also provided for the establishment of a fund (so

called "*Fondo di solidarietà*", the "**Fund**") created for the purpose of bearing certain costs deriving from the suspension of payments. The Fund has been refinanced by the Law Decree number 201 of 6 December 2011 (as converted into law by Law number 214 of 22 December 2011). On 21 June 2010 the Ministry of Economy and Finance enacted the relevant implementing regulations (*Decreto Ministeriale* No. 132/2010), as amended by Ministerial Decree number 37 of 22 February 2013, providing for the possibility, for the borrowers of mortgage loans granted for the purchase of real estate property to be used as the borrower's main residence (*abitazione principale*), having a taxable income not higher than €30,000 per year and with an amount of the relevant mortgage loan not in excess of €250,000, to request the suspension of the relevant mortgage loan upon the occurrence of one of the following events: (i) termination of their employment contract; and (ii) death or cases of supervened non self-sufficiency. In any case, the Fund operates within the limits of its budget.

Although the potential effects of the above described suspension and renegotiation schemes have been taken into account by the Issuer in the context of the Securitisation, the impact thereof on the cashflows deriving from the Portfolio and, as a consequence, on the amortisation of the Notes, may not be predicted as at the date of this Prospectus.

21. LIMITED ENFORCEMENT 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 to the extent provided by the Transaction Documents. The Terms and Conditions and the Rules of the Organisation of the Noteholders limit the ability of individual Noteholders to bring individual actions against the Issuer in certain circumstances.

22. RIGHTS OF SET-OFF OF THE BORROWERS

Under general principles of Italian law, the Borrowers would be entitled to exercise rights of set-off in respect of amounts due in respect to the Receivables against any amounts payable by the relevant Originator to the relevant assigned Borrower. The transfer 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 transfer becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of transfer in the Official Gazette and (ii) the date of its registration in the competent Companies' Register. Consequently, after (i) publication in the Official Gazette of the notice of transfer of the Portfolios to the Issuer pursuant to the relevant Master Transfer Agreement and (ii) registration of the assignment in the register of companies where the Issuer is enrolled (and provided that the relevant Borrower has not accepted the assignment of its debt with an express qualification to maintain a right to set-off, as indicated in certain law cases by the Italian Supreme Court (Corte di Cassazione) (i.e. judgement 5 March 1980, No. 1484 and 16 January 1979, No. 310)), the Borrowers shall not be entitled to exercise any set-off right against their claims against the relevant Originator which arises after the date of such publication and registration.

In addition, the Italian consumer legislation set forth in the Consolidated Banking Act (i) provides for a more borrower friendly set-off ruling and (ii) attributes to the borrower the

right to terminate the loan and receive back any amount paid to the lender (and to any assignee) in case of breach by the supplier of the goods purchased by the borrower out of the loan. In any case, according to one of the Common Criteria, the transfer of the Receivables does not include the receivables subject to Italian consumer legislation relating to "credito al consumo" and each Originator has represented under the relevant Warranty and Indemnity Agreement there are no Receivables which may be classified as "*credito al consumo*" subject to the Italian consumer legislation. In any case the Securitisation Law expressly provides that assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned receivables and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law (data certa) on which the relevant purchase price has been paid. For further details with respect to the Law 9/2014 and Law 116/2014, please see the section headed "Selected aspects of Italian Law – The Securitisation Law".

Prospective noteholders should be aware that under the terms of the relevant Warranty and Indemnity Agreement, each Originator has undertaken to indemnify the Issuer against any right of set-off which the Borrowers may exercise against the Issuer with respect to the Receivables after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio and the registration of the notice of the assignment with the Register of Enterprises. Notices of the assignment of the Initial Portfolios pursuant to the Master Transfer Agreement were published in the Official Gazette No. 82, Part II, of 12 July 2016 and registered with the competent Register of Enterprises of the Issuer.

In any case, there can be no assurance that the relevant Originator will have the financial resources to meet its obligations to indemnify the Issuer in the event that any such reduction arises.

23. HISTORICAL INFORMATION

The historical financial and other information set forth in the sections headed "*The Originator, the Master Servicer, the Account Bank, the Quotaholder, the Cash Manager and the Calculation Agent", "The Originators and the Sub-Servicers*" and "*The Aggregate Portfolio and the Collection Policies*" represents the historical experience of the Originators. There can be no assurance that the Originators' future experience and performance as Master Servicer and/or Sub-Servicers of the Aggregate Portfolio will remain constant.

24. ITALIAN USURY LAW

Italian Law number 108 of 7 March 1996, as amended by law decree number 70 of 13 May 2011 (the "**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the "**Usury Rates**") set every three months on the basis of a Decree issued by the Italian Treasury. In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates. In certain judgements issued during

2000, the Italian Supreme Court (*Corte di Cassazione*) ruled that the Usury Law applied both to loans advanced prior to and after the entry into force of the Usury Law.

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

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

Prospective Noteholders should note that under the terms of the Warranty and Indemnity Agreement, the Originator has represented and warranted to the Issuer, *inter alia,* that the terms and conditions of each Loan Agreements comply with all applicable laws and regulations from time to time into force, including usury provisions.

25. COMPOUNDING OF INTEREST *(ANATOCISMO)*

Pursuant to article 1283 of the Italian Civil Code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months or from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest

on a quarterly basis on the grounds that such practice could be characterised as a customary practice. However, a number of recent judgements from Italian courts (including judgements from the Italian Supreme Court (*Corte di Cassazione*) have held that such practices may not be defined as customary practices. Consequently if Debtors were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Loans may be prejudiced.

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

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

Under the terms of the Warranty and Indemnity Agreements, each Originator has undertaken to indemnify the Issuer in respect of any losses, costs and expenses that may be incurred by the Issuer in connection with any challenge in respect of the Receivables. See paragraph "*The Warranty and Indemnity Agreements*" under the section headed "*Description of the main Transaction Documents*".

26. BANK RECOVERY AND RESOLUTION DIRECTIVE

On 15 May 2014, the Council of the European Union approved the Directive 2014/59/EC establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No. 1093/2010 and (EU) No. 648/2012, of the European Parliament and of the Council (the "**BRRD**"). On 12 June 2014 the BRRD was published in the Official Journal of the European Union and on 2 July 2014 it entered into force.

The aim of the BRRD is to lay down rules and procedures relating to the recovery and resolution of banks and investment firms by providing supervisory national authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The BRRD applies, inter alia, to (i) credit institutions, (ii) investments firms, and (iii) financial institutions that are established in the European Union when the financial institution is a subsidiary of a credit institution or investment firm and is covered by the supervision of the parent undertaking on a consolidated basis.

A resolution authority will only be permitted to use resolution powers and tools in relation to an institution if all the conditions set out in Article 32 of the BRRD for resolution are satisfied. Such resolution powers and tools may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest.

The main resolution tools referred to in the BRRD are (a) the sale of business tool, (b) the bridge institution tool, (c) the asset separation tool and (d) the bail-in tool, which can be applied individually or in any combination by the relevant resolution authority.

Member States were required to adopt and publish by 31 December 2014 the laws, regulations and administrative provisions necessary to comply with the BRRD, with the exception of the bail-in power which shall be applied from 1 January 2016 at the latest.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees: (a) Legislative Decree No. 180/2015 which implements the BRRD in Italy, and (b) Legislative Decree No. 181/2015 which amends the Consolidated Banking Act and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. Such Legislative Decrees were published on the Official Gazette on 16 November 2015 and entered into force on the same date, save for: (i) the bail-in tool, which applies from 1 January 2016; and (ii) the "depositor preference" to deposits other than those protected by the deposit guarantee scheme and those of individuals and small and medium enterprises, which will apply from 1 January 2019.

27. REGULATORY INITIATIVES MAY RESULT IN INCREASED REGULATORY CAPITAL REQUIREMENTS AND/OR DECREASED LIQUIDITY IN RESPECT OF THE NOTES

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

Prospective investors should be aware that certain EU regulations provide for certain retention and due diligence requirements which shall be applied, or are expected to be applied in the future, with respect to regulated investors (including, *inter alia*, authorised

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

(a) *The CRR*

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

The main role of CRD IV is to implement in the EU the key Basel III reforms agreed in December 2010. These include, *inter alios*, amendments to the definition of capital and counterparty credit risk and the introduction of a leverage ratio and liquidity requirements. In particular, in the context of this new European regulatory capital framework, the provisions of Article 122-*bis* of Directive 2006/48/EC, as amended by Directive 2009/111/EC have been re-casted by the new provisions of Articles 404 to 409 of CRR (which includes, *inter alios*, the extension of the applications of the requirements also to regulated investment firms). In addition, the current guidelines on the abovementioned Article 122-*bis* will be replaced by new and potentially different regulatory technical standards in relation to which, the European Banking Authority published on 17 December 2013 the final draft regulatory technical standards ("**RTS**") on securitisation retention rules and related requirements, as well as the final draft implementing technical standards ("**ITS**") on the convergence of supervisory practices related to the implementation of additional risk weights in the case of non-compliance with the retention rules consultation paper. These RTS and ITS have been developed respectively in accordance with

Article 410(2) and 410(3) of the CRR. In this respect, it has to be noted that: (i) with respect to RTS, on 13 March 2014, it has been published, in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 625/2014 (which has entered into force the twentieth day following the date of such publication) supplementing the CRR by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk; and (ii) with respect to ITS, on 5 June 2014, it has been published in the Official Journal of the European Union, the Commission Delegated Regulation (EU) No. 602/2014 (which has entered into force the twentieth day following the date of such publication), laying down implementing technical standards for facilitating the convergence of supervisory practices with regard to the implementation of additional risk weights according to the CRR. No assurance can be provided that any changes made or that will be made in connection with CRD IV and/or CRR (including through the corresponding regulatory technical standards) will not affect the requirements applying to relevant investors.

In particular, in Europe, investors should be aware that the Capital Requirements Regulation restricts an institution (credit institution, investment firm or other financial institution) from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR ("**Article 405**"). In addition, Article 406 of the CRR requires an EU regulated credit institution, before becoming exposed to the risks of a securitisation, and as appropriate thereafter, to be able to demonstrate to the competent authorities, for each securitisation transaction, that it has a comprehensive and thorough understanding of the key terms and risks of the transaction and it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis.

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

(b) *The AIFM*

On 22 July 2013, Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers ("**AIFM**") became effective. Article 17 of AIFM required the EU Commission to adopt level 2 measures similar to those set out in CRR, permitting EU managers of alternative investment funds ("**AIFMs**") to invest in a securitisation transaction on behalf of the alternative investment funds ("**AIFs**") they manage only if the originator, sponsor or original lender has explicitly disclosed that it will retain

on an ongoing basis, a material net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures and also to undertake certain due diligence requirements. Commission Delegated Regulation (EU) no. 231/2013 (the "**AIFM Regulation**") included those level 2 measures. Although certain requirements in the AIFM Regulation are similar to those which apply under the CRR, they are not identical. In particular, the AIFM Regulation requires AIFMs to ensure that the sponsor or originator of a securitisation transaction meets certain underwriting and originating criteria in granting credit, and imposes more extensive due diligence requirements on AIFMs investing in securitisations than the ones are imposed on prospective investors under the CRR. Furthermore, AIFMs who discover after the assumption of a securitisation exposure that the retained interest does not meet the requirements, or subsequently falls below 5 (five) per cent of the economic risk, are required to take such corrective action as is in the best interests of investors. It is unclear how this last requirement is expected to be addressed by AIFMs should those circumstances arise. The requirements of the AIFM Regulation apply to new securitisations issued on or after 1 January 2011.

Legislative Decree no. 44 of 4 March 2014 implementing AIFM has been published in the Official Gazette of the Republic of Italy on 25 March 2014.

Two further regulations implementing the AIFM in Italy have been published on 19 January 2015: (i) a first regulation issued by the Bank of Italy ("*Regolamento sulla gestione collettiva del risparmio*") and (ii) a second regulation issued by the Bank of Italy in conjunction with CONSOB amending the existing legislation with regard to investment intermediaries ("*Regolamento congiunto in materia di organizzazione e procedure degli intermediari del 29 ottobre 2007*") and as amended from time to time. Both the regulations entered into force on 3 April 2015.

(c) <u>*The Solvency II Directive*</u>

Directive 2009/138/EU (the "**Solvency II Directive**") requires the adoption by the European Commission of implementing measures laying down the requirements that complement the high level principles set out in the Solvency II Directive. On 10 October 2014, the European Commission adopted a Delegated Act (the "**Solvency II Regulation**") which lays down, among others, (i) 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); and (ii) under Article 256, the qualitative requirements that must be met by insurance or reinsurance companies that invest in such securities (including, inter alios, the requirement that insurance and reinsurance companies shall conduct adequate due diligence prior to make the investment, which shall include an assessment of the commitment of the originator, sponsor or original lender to maintain a material net economic interest securitisation of no less than 5 (five) per cent) on an ongoing basis).

The terms of the implementing measures which will be adopted by the European Commission are not yet finalised, but it is expected such measures will require

insurance and reinsurance companies to carry out due diligence prior to investing in asset backed securities and that failure to comply with the requirements set out in the implementing measures will result in a penal capital charge to the insurance or reinsurance company.

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

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

With respect to the commitment of the Originators to retain a material net economic interest in the securitisation in accordance with option (1)(d) of Article 405 of the CRR and option (1)(d) of Article 51 of the AIFM Regulation and option 2(d) of Article 254 of the Solvency II Regulation and with respect to the information made available to the Noteholders and prospective investors in accordance with Article 405 and following of the CRR, please refer to the section headed "Compliance with articles 404 to 409 of the CRR and with article 51 of the AIFMR".

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

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

(d) *Risk Weighted Assets*

On 18 December 2012, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued a consultation putting forward proposed changes to the rules on Risk Weighted Assets ("**RWA**") for securitisations which, if adopted, would significantly increase capital requirements for securitisations. A counter proposal by the industry has been suggested with the so-called "arbitrage-free approach" ("**AFA**") and its simplified counterpart, the "Standardised AFA" and intended to generate neutral capital charges more in line with the on-balance sheet regulatory capital treatment that would otherwise have applied to the exposures had they not been securitised. In December 2013, the Basel Committee issued a second consultative document on revisions to the securitisation framework, including draft standards text. The major changes in the second consultative document in relation to the first consultative document include (i) changes to the hierarchy of approaches and (ii) changes to calibration and other clarifications (including the proposal of the Basel Committee to set a 15 per cent. risk-weight floor for all approaches, instead of the 20 per cent. floor originally proposed). Comments on the consultative document and the proposed standards text were due on 21 March 2014. Following review of the comments, the Basel Committee published the final standards on 11 December 2014 including the risk-weight floor set at 15 per cent with a view to implementation as of January 2018.

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 by the CRD IV Package in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

28. LIQUIDITY COVERAGE RATIO AND HIGH QUALITY LIQUID ASSETS

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

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

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

Noteholders and potential investors shall be aware that it is expected that the Securitisation does not comply with the specific requirements set out under the Delegated Act and,

accordingly, the Notes might not be eligible as level 2B assets for credit institutions' liquidity buffers.

In general, 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 in their particular circumstances and in light of, inter alia, this specific matter, based upon their own judgment and upon advice from such own advisers as they may deem necessary and/or by seeking guidance from their relevant national regulator.

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

29. MACRO-RISKS IN THE EUROPEAN UNION

The Issuer is affected by disruptions and volatility in the global financial markets. During the period between 2011 and 2012, the debt crisis in the Euro-zone intensified and three countries (Greece, Ireland and Portugal) requested the financial aid of the European Union and the International Monetary Fund.

More recently, in 2013, aid was also requested by Cyprus. Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding.

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

Moreover, on 23 June 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union. There are a number of uncertainties in connection with the future of the UK’s relationship with the European Union. The negotiation of the UK’s exit terms is likely to take a number of years. Until the terms and timing of the UK’s exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK’s departure from the European Union and/or any related matters may have on the business of the Issuer or one or more of the other parties to the Transaction Documents. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

30. CREDIT RISK OF UBI AND OTHER PARTIES

The ability of the Issuer to make payments in respect of the Notes will depend to a significant extent upon the due performance by UBI and the other parties to the Transaction Documents of their various obligations under the Transaction Documents to which they are a party. In particular, the timely payment of amounts due on the Notes will depend on the ability of the Master Servicer and the Sub-Servicers to service and collect the Receivables

pursuant to the Master Servicing Agreement and on the ability of each Originator to comply with its indemnification obligations under the relevant Master Transfer Agreement and the relevant Warranty and Indemnity Agreement.

In particular, the Issuer is subject to the risk of the failure by UBI, in its capacity as Master Servicer, and the Sub-Servicers to collect sufficient funds in respect of the Receivables in order to enable the Issuer to discharge all amounts payable under the Notes when due. In any case, there can be no assurance that the Master Servicer or the Sub-Servicers will duly perform at all times its obligations under the Master Servicing Agreement and that the levels of Collections and Recoveries will be adequate to ensure timely and full receipt of all the amounts due under the Notes.

It is not certain that a suitable alternative servicer could be found to service the Aggregate Portfolio in the event that (i) UBI becomes insolvent or its appointment as Master Servicer under the Master Servicing Agreement is otherwise terminated and (ii) the Back-Up Servicer, selected by the Issuer with the cooperation of the Back-Up Servicer Facilitator fails or is unable for any reasons to replace UBI as Master Servicer, in accordance with the Master Servicing Agreement (for further details, see the paragraph "*The Master Servicing Agreement*" under the section entitled "*Description of the main Transaction Documents*"). If such an alternative servicer were to be found, it is not certain whether it would agree to service the Portfolios on the same terms and conditions of the Master Servicing Agreement.

Prospective Noteholders should further note that, following termination of the appointment of the Master Servicer in accordance with the terms of the Master Servicing Agreement, the Issuer (or the Back-Up Servicer or Back-Up Servicer Facilitator on behalf of the Issuer) will have to issue new payment instructions to the Borrowers to pay directy the Issuer. There is no assurance that the money collected by the insolvent Master Servicer prior to the new payment instructions becoming effective will be recovered by or promptly made available to the Issuer.

31. POLITICAL AND ECONOMIC DEVELOPMENTS IN THE REPUBLIC OF ITALY AND IN THE EUROPEAN UNION

The performance of the Italian economy has a significant impact on the Originators as their activity is principally concentrated in the Republic of Italy. A severe or extended downturn in the Republic of Italy's economy would adversely affect the results of operations of the Originators and the financial condition of both the Debtors and any Originator which could in turn affect the ability of the latter to perform its obligations under the Transaction Documents to which it is a party.

32. LAW NO. 3 OF 27 JANUARY 2012

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

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

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

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

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

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

The Restructuring Agreement ceases to be effective if the relevant debtor does not pay the obligations set out therein within 90 (ninety) days from the established deadlines, or if they attempt to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

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

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

Should any Borrower enter into a proceeding set out by Law 3/2012, the Issuer could be subject to the risk of having the payments due by the relevant Borrower suspended for up to one year (in case of the entering into of Restructuring Agreement) or part of its debts released.

However, given the novelty of this new legislation, the impact thereof on the cashflows deriving from the Portfolios and, as a consequence, on the amortisation of the Notes may not be predicted as at the date of this Prospectus.

33. INTEREST RATE RISK

The Receivables have or may have interest payments calculated on a fixed rate basis or a floating rate basis (which may be different from the EURIBOR applicable under the Senior Notes, and may have different fixing mechanism), whilst the Senior Notes will bear interest at a rate based on the EURIBOR determined on each Interest Determination Date, subject to and in accordance with the Terms and Conditions. In addition, the composition of the Portfolio by interest rate type might change as result of, *inter alia*, (i) the assignment of Subsequent Portfolios to the Issuer, (ii) the exercise of the renegotiations by the Master Servicer or the Sub-Servicers pursuant to the Master Servicing Agreement, and (iii) the exercise by any Borrower of its faculty, provided for under the relevant Loan Agreement, to change the interest rate type of the Loan. As a result, there could be a rate mismatch between interest accruing on the Senior Notes and on the Portfolio. As a result of such mismatch, an increase in the level of the EURIBOR could adversely impact the ability of the Issuer to make payments on the Senior Notes.

34. FURTHER SECURITISATIONS

The Issuer will not have as at the Issue Date any significant assets other than the Initial Portfolio, the Collections derived therefrom and the Issuer's Rights.

The Issuer may carry out Further Securitisations in addition to the Transaction provided that the conditions set out in Condition 5.10 *(Covenants - Further Securitisations*) are fully satisfied.

Under the terms of article 3 of the Securitisation Law, the assets relating to each securitisation transaction will be, by operation of law and of the Transaction Documents, segregated for all purposes from all other assets of the company that purchases the receivables. On a winding up of such a company, such assets will only be available to the 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 assets. In addition, the assets relating to a particular transaction will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the issuer company.

35. LIMITED NATURE OF CREDIT RATINGS SHOULD A RATING BE ASSIGNED TO THE SENIOR NOTES

Each credit rating eventually assigned to the Senior Notes reflects the rating agencies' assessment only in relation to likelihood of timely payment of interest and the ultimate repayment of principal on or before the Final Maturity Date, not that such payments will be paid when expected or scheduled. These ratings will be based, among other things, on the

rating agencies' determination of the value of the Portfolios, the reliability of the payments on the Portfolios and the availability of credit enhancement.

The ratings will not address, among others, the following:

- the possibility of the imposition of Italian or European withholding tax; or
- 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 Noteholder.

A rating is not a recommendation to purchase, hold or sell the Senior Notes.

Once assigned, the rating agencies may lower their ratings or withdraw their rating if, in the sole judgment of the rating agencies, 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.

36. THE REPRESENTATIVE OF THE NOTEHOLDERS AND CONFLICTS OF INTERESTS BETWEEN HOLDERS OF DIFFERENT CLASS OF NOTES AND THE OTHER ISSUER CREDITORS

The Terms and Conditions, the Rules of the Organisation of the Noteholders and the Intercreditor Agreement contain provisions regarding the fact that the Representative of the Noteholders shall have regard to the interests of the Noteholders as regards the exercise and performance of all powers, authorities, duties and discretions of the Representative of the Noteholders and in case of conflict between the interest of the Noteholders and of the Other Issuer Creditors, the interest of the Noteholders shall prevail. If, notwithstanding the foregoing, in the sole opinion of the Representative of the Noteholders, there is or may be a conflict between the interests of the Senior Noteholders and the interests of the Junior Noteholders, the Representative of the Noteholders shall have regard only to the interests of the Senior Noteholders and, if the Senior Notes have been redeemed in full, the interests of the Junior Noteholders. In addition to the above, if in the sole opinion of the Representative of the Noteholders, there is or may be a conflict between the interests of the different Other Issuer Creditors, the interest of the Other Issuer Creditors ranking in priority shall prevail.

37. TAX TREATMENT OF THE ISSUER

Tax treatment of the Issuer

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree No. 917 of 22 December 1986. Pursuant to the regulations issued by the Bank of Italy on 21 January 2014 (*Istruzioni per la redazione dei bilanci e dei rendiconti degli Intermediari finanziari ex art. 107 del TUB, degli Istituti di pagamento, degli IMEL, delle SGR e delle SIM*) that fully replaced the regulations issued on 14 February 2006 (*Istruzioni per la Redazione dei Bilanci degli Intermediari Finanziari Iscritti nell'"Elenco Speciale", degli Imel, delle SGR e delle SIM*), the assets, liabilities, costs and revenues of the Issuer in relation to the securitisation of the Portfolios will be treated as off-balance sheet assets, liabilities, costs and revenues, to be reported in the notes to the financial statements. Based on the general rules applicable to the calculation of the net taxable income of a company, such taxable income should be calculated on the basis of accounting, i.e. on-balance sheet, earnings, subject to such adjustments as are specifically provided for by applicable income

tax rules and regulations. On this basis, no taxable income should accrue to the Issuer in the context of the transfer to the Issuer of the Portfolios. This opinion has been expressed by scholars and tax specialists and has been confirmed by the tax authority (Circular No. 8/E issued by the Italian tax authority (*Agenzia delle Entrate*) on 6 February 2003) on the grounds that the net proceeds generated by the securitised assets may not be considered as legally available to an issuer insofar as any and all amounts deriving from the underlying assets are specifically destined to satisfy the obligations of such issuer to the noteholders, the originator and any other creditors of the issuer in respect of the securitisation of the underlying assets in compliance with applicable laws.

It is, however, possible that the Ministry of 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.

Consideration paid by the Issuer for the services concerning the transferred receivables and rendered to it: (i) as credit collection and payment services (including any strictly related activities), will be subject to VAT although exempt (0% rate) pursuant to Article 10, Paragraph 1, No. 1, of Presidential Decree 633/1972; (ii) as debt collection activity (*attività di recupero crediti*), will be subject to a 22 per cent VAT rate.

Should the Italian tax authorities argue – on the basis of, *inter alia*, the incidental sentence contained in the context of the Resolution of the Italian Revenue Agency (Agenzia delle Entrate) No. 130/E of 6 June 2007 – that the complex of management and collection activities concerning the transferred receivables constitutes a debt collection activity (*attività di recupero crediti*), not falling within the scope of the VAT exemption generally provided for by Article 10, Paragraph 1, No. 1, of Presidential Decree 633/1972, all the servicing fees will be subject to VAT at the ordinary rate. In this case, the economic burden of the VAT will be borne by the Issuer.

Pursuant to Legislative Decree No. 141/2010 which modified Article 3, paragraph 3, of Securitisation Law, the Issuer is not any longer required to be registered as financial intermediary under Article 106 of the Consolidated Banking Act while it is enrolled in the register for securitisation vehicles held by the Bank of Italy pursuant to the Bank of Italy's regulation dated 1 October 2014. The Italian tax authority (Agenzia delle Entrate) has not changed its tax guidelines and the Issuer has been advised that the current tax regime has not been modified by the new regulations of Bank of Italy.

38. REGISTRATION TAX ON TRANSFER OF RECEIVABLES

A transfer of receivables falls within the scope of VAT in the event and to the extent that (i) it has a “financial purpose” pursuant to Article 3, paragraph 2, item 3) of Presidential Decree of 26 October 1972, No. 633 and (ii) it is effected for consideration pursuant to Article 3, paragraph 1 of the above mentioned Presidential Decree. Should the Italian tax authorities argue that the transfer of receivables does not fall within the scope of VAT, a 0.5% registration tax (pursuant to the provisions of Article 6 of Tariff – Part I attached to Presidential Decree of 26 April 1986, No. 131 and Article 49 of the above mentioned Presidential Decree) would be payable on the nominal value of the transferred receivables in

case of registration of the transfer agreement or mention in a document executed by the same parties and subject to registration pursuant to *enunciazione* principle provided for by Article 22 of the same Presidential Decree.

39. EU SAVINGS TAX DIRECTIVE

On 3 June 2003, the Council of the European Union adopted the EU Directive No. 2003/48/EC regarding the taxation of savings income (the "**European Savings Directive**"). According to the European Savings Directive, each member State of the European Union (a "**Member State**") is required to provide to the Tax Authorities of other States of the European Union details of the interest payments by a person within its jurisdiction to individuals resident in that other State. However, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. In any case, the transitional period is to terminate at the end of the first full tax year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for an individual resident or certain limited types of entity established in one of those territories.

However, on 10 November 2015, the Council of the European Union approved the Council Directive 2015/2060/EU (published in the Official Journal of the EU on 18 November 2015) which has repealed the EU Savings Directive with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States. The repeal of the Savings Directive is needed in order to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive No. 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive No. 2014/107/EU) and to save costs both for tax authorities and economic operators.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

40. U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT WITHHOLDING

Pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), the Issuer and other non-U.S. financial institutions through which payments on the Notes are made, may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 1 January 2019 in respect of (i) any Notes issued or materially modified on or after the date that is six months after the date on which the final regulations applicable to

"foreign passthru payments" are filed in the Federal Register and (ii) any Notes that are treated as equity for U.S. federal tax purposes, whenever issued.

Under existing guidance, this withholding tax may be triggered on payments on the Notes if (i) the Issuer is a foreign financial institution ("FFI") (as defined in FATCA, including any accompanying U.S. regulations or guidance) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("IRS") to provide certain information on its account holders (making the Issuer a "Participating FFI"), (ii) the Issuer is required to withhold on "foreign passthru payments", and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding.

In order to improve international tax compliance and to implement FATCA, Italy entered into an intergovernmental agreement with the United States on 10 January 2014, ratified by way of Law No. 95 on 18 June 2015, published in the Official Gazette – general series No. 155, on 7 July 2015. The Issuer is now required to report certain information in relation to its U.S. account holders to the Italian Tax Authorities in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Italian law. However, it is not yet certain how the United States and Italy will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA (including, without limitation, the intergovernmental agreement entered into by and between Italy and the United States, ratified by way of Law No. 95 on 18 June 2015, any regulations or agreements thereunder or official interpretations thereof), none of the Issuer, any paying agent or any other person would be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected.

Each Noteholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how FATCA might affect each holder in its particular circumstance.

41. VOLCKER RULE

The Issuer will be relying on an exclusion or exemption under the Investment Company Act contained in Section 3(c)(5) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Issuer. The Issuer is being structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provisions together with such implementing regulations, the "**Volcker Rule**"). The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 21 July 2012, and final regulations implementing the Volcker Rule were adopted on 10 December 2013 and became

effective on 1 April 2014. Conformance with the Volcker Rule and its implementing regulations is required by 21 July 2015 (subject to the possibility of up to two one-year extensions). In the interim, banking entities must make good-faith efforts to conform their activities and investments to the Volcker Rule. Under the Volcker Rule, unless otherwise jointly determined by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

42. ABSENCE OF SECONDARY MARKET

There is not at present an active and liquid secondary market for the Senior Notes. The Senior Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Although the application has been made to the Irish Stock Exchange for the Senior Notes to be admitted to the official listing and trading on its regulated market, there can be no assurance that a secondary market for the Senior Notes will develop, or, if a secondary market does develop in respect of any of the Senior Notes, that it will provide the holders of such Senior Notes with the liquidity of investments or that it will continue until the final redemption or cancellation of such Senior Notes. Consequently, any purchaser of Senior Notes must be prepared to hold such Senior Notes until the final redemption or cancellation.

In addition, illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

Prospective Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes.

Moreover, the current liquidity crisis has stalled the primary market for a number of financial products, including instruments similar to the Notes. While it is possible that the current liquidity crisis may soon alleviate for certain sectors of the global credit markets, there can be no assurance that the market for securities similar to the Notes will recover at the same time or to the same degree as such other recovering global credit market sectors. In particular, the secondary market for asset-backed securities is continuing to experience disruptions resulting from, among other factors, reduced investor demand for such securities. This has had a materially adverse impact on the market value of the asset-backed securities and resulted in the secondary market for asset-backed securities experiencing very limited liquidity. Structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities have been experiencing funding difficulties and have

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

The Junior Notes will, upon issue, be subscribed for by the Originators. Under the Intercreditor Agreement and the Senior Notes Subscription Agreement each Originator undertakes that it will retain at origination and maintain on an ongoing basis a material net economic interest of at least 5% in the Transaction in accordance with article 405 of the CRR, the Bank of Italy Instructions, article 51 of the AIFMR and article 254 of the Solvency II Regulation, and such interest will comprise, in accordance with option (1) (d) of Article 405, option (1) (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 for which it is the relevant Originator.

There exists significant additional risks for the Issuer and investors as a result of the current crisis. These risks include, among others, (i) the likelihood that the Issuer will find it harder to dispose of the Receivables in accordance with the Transaction Documents, (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will have deteriorated from their effective purchase price and (iii) the increased illiquidity and price volatility of the Notes as there is not at present an active and liquid secondary market for asset-backed securities. These additional risks may affect the returns on the Notes to investors.

43. PRIORITY OF PAYMENTS

The validity of contractual priority of payments such as those contemplated in this transaction has been challenged recently in the English and U.S. courts. The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities breach the “anti-deprivation” principle under English and U.S insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency. It was argued that where a secured creditor subordinates itself to bondholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in Perpetual Trustee Co Ltd v BNY Mellon Corporate Trustee Services Ltd (2009 EWCA Civ 1160) (the “**Perpetual Case**”) dismissed this argument and upheld the validity of similar priority of payments, stating that the anti-deprivation principle was not breached by such provisions. However, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York has, in the case of Lehman Brothers Special Financing Inc. V BNY Mellon Corporate Trustee Services Limited Case No. 09-01242 (Bankr. S.D.N.Y.)(JMP) (the “Lehman Brothers Case”) granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that such provisions do infringe the anti-deprivation principle in a U.S. insolvency. Judge Peck

acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". The implications of this conflicting judgment are not yet known and the insolvent party in the Perpetual Case has been granted leave to appeal the decision to the Supreme Court, whilst BNY Mellon Corporate Trustee Services Limited has filed its motion for leave to appeal the Lehman Brothers Case decision with the U.S. Bankruptcy Court. The question of the validity of the payment priorities will therefore be considered again and, given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies.

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

44. STATUTE OF LIMITATIONS

Certain rights of the Issuer under the Transaction Documents may become barred under statutes of limitation by operation of law. In particular, there is a possibility that the one year statute of limitation period set out in article 1495 of the Italian civil code could be held to apply to some or all of the representations and warranties given by the Originators in the Warranty and Indemnity Agreements, on the ground that such provisions may not be derogated from by the parties to a sale contract (*contratto di compravendita*) (such as the Master Transfer Agreements).

However, the parties to the Warranty and Indemnity Agreements have acknowledged and agreed that the representations and warranties given by the Originators thereunder were given as a separate and independent guarantee (which is in addition to those provided for by law) and, accordingly, the provision of article 1495 et seq. of the Italian civil code is not applicable in respect thereto.

45. CHANGE OF LAW

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

THE AGGREGATE PORTFOLIO AND THE COLLECTION POLICIES

THE AGGREGATE PORTFOLIO

The Initial Portfolios of Receivables described in this section has been selected in accordance with the Common Criteria and the Specific Criteria set out in Annex A to the Master Transfer Agreements and described under paragraphs "Common Criteria" and "Specific Criteria of the Initial Portfolios" below.

All the Receivables included in the Subsequent Portfolios will comply with the Common Criteria described below under paragraph "Common Criteria" and the additional Specific Criteria of the Subsequent Portfolios indicated by each Originator in the relevant Transfer Offer. Furthermore, it is a condition to the purchase of the Subsequent Receivables that no Transfer Limits will be breached as a consequence of its purchase.

The Initial Portfolios consist of Receivables deriving from payments due under Loan Agreements.

As at the Cut-Off Date (excluded), the aggregate outstanding principal amount of the Receivables of the Initial Portfolios (net of the Receivables repurchased before the Issue Date) was equal to the amounts indicated as follows:

UBI Initial Portfolio: Euro 411,191,447.79;

BRE Initial Portfolio: Euro 213,895,990.70;

BPA Initial Portfolio; Euro 226,136,303.55;

BdB Initial Portfolio; Euro 344,951,382.82;

BPB Initial Portfolio: Euro 883,735,710.71;

BPCI Initial Portfolio: Euro 483,942,364.43;

Carime Initial Portfolio: Euro 183,985,261.82.

General Description of the Initial Portfolios

The following tables describe the characteristics of the Initial Portfolios compiled from information provided by each Originator in connection with the purchase of the Receivables by the Issuer on 30 June 2016. The information in the following tables reflects the position (i) as at the Cut-Off Date (excluded), for the Outstanding Principal and (ii) as at the Selection Date, for the other items, unless otherwise specified. The characteristics of each Initial Portfolio as at the Issue Date may vary from those set out in the tables as a result, *inter alia*, of repayment of Loans prior to the Issue Date (in relation to the real estate asset backing the Receivables, there has been no revaluation of such properties for the purpose of the issue of the Notes and the valuations quoted are the valuations resulting from the last survey (*ultima valorizzazione*) available as at the Selection Date).

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

Initial Portfolios Summary

Outstanding Principal	2,747,838,461.82
Original Balance	3,433,655,854.25
Average Outstanding Principal	121,601.91
Maximum Outstanding Principal	3,011,085.94
Average Original Balance	151,951.85
Maximum Original Balance	4,873,099.63
Number of Loans	22,597
Number of Debtors	22,140
Weighted Average Seasoning (years)[1]	6.03
Weighted Average Residual Term (years)[2]	21.51
Weighted Average Original Loan-to-Value[3]	86.51%
Weighted Average Current Loan-to-Value[4]	89.45%
Weighted Average margin (current floating rate Loans)	1.74%
Weighted Average coupon rate (current fixed rate Loans)	3.33%
Debtors Geographical distribution (North / Centre / South) (%)	73 / 12.60 / 14.40
Debtor concentration (top 1/10/50 Debtors[5]) (%)	0.11 / 0.66 / 1.84

[1] Number of years from the origination date to the Cut-Off Date (excluded) of each Loan, weighted by the Outstanding Principal of the relevant Loan

[2] Number of years from the Cut-Off Date (included) to the last instalment due date of each Loan, weighted by the Outstanding Principal of the relevant Loan

[3] Ratio between the Original Balance and the value of the Real Estate Asset for each Loan, weighted by the Outstanding Principal of the relevant Loan

[4] Ratio between the Outstanding Principal as at the Selection Date and the value of the Real Estate Asset for each Loan, weighted by the Outstanding Principal of the relevant Loan as at the Cut-Off Date

[5] Largest Debtors by Outstanding Principal

Breakdown of the Initial Portfolios by Originator

Originator	N° Loan	N° Loans %	Outstanding Principal	Outstanding Principal %	Original Balance	Original Balance %
BANCA CARIME	1,892	8.37%	183,985,261.82	6.70%	235,179,396.05	6.85%
BANCA POPOLARE COMMERCIO E INDUSTRIA	3,730	16.51%	483,942,364.43	17.61%	591,309,560.24	17.22%
BANCA POPOLARE DI ANCONA	1,839	8.14%	226,136,303.55	8.23%	287,836,910.21	8.38%
BANCA POPOLARE DI BERGAMO	7,358	32.56%	883,735,710.71	32.16%	1,146,868,813.95	33.40%
BANCA REGIONALE EUROPEA	1,787	7.91%	213,895,990.70	7.78%	269,375,122.64	7.85%
BANCO DI BRESCIA	2,969	13.14%	344,951,382.82	12.55%	419,030,126.92	12.20%
UBI BANCA	3,022	13.37%	411,191,447.79	14.96%	484,055,924.24	14.10%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Outstanding Principal

Outstanding Principal	N° Loan	N° Loans %	Outstanding Principal	Outstanding Principal %	Original Balance	Original Balance %
0-50,000	1,840	8.14%	63,848,628.74	2.32%	138,990,171.10	4.05%
50,000-100,000	6,894	30.51%	547,623,375.65	19.93%	721,284,092.67	21.01%
100,000-150,000	8,731	38.64%	1,072,883,995.43	39.04%	1,286,250,819.83	37.46%
150,000-200,000	3,268	14.46%	548,269,992.97	19.95%	647,787,276.28	18.87%
200,000-250,000	1,040	4.60%	221,046,205.39	8.04%	267,282,381.29	7.78%
250,000-300,000	395	1.75%	105,369,867.22	3.83%	126,260,799.15	3.68%
300,000-350,000	185	0.82%	56,819,086.42	2.07%	73,058,686.73	2.13%
350,000-500,000	151	0.67%	59,584,568.32	2.17%	76,914,157.82	2.24%
500,000-750,000	63	0.28%	38,289,250.85	1.39%	51,169,683.56	1.49%
750,000+	30	0.13%	34,103,490.83	1.24%	44,657,785.82	1.30%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Original Balance						
Original Balance	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
0-50,000	463	2.05%	13,465,296.95	0.49%	17,070,984.71	0.50%
50,000-100,000	4,048	17.91%	251,909,026.51	9.17%	316,348,105.16	9.21%
100,000-150,000	8,465	37.46%	850,740,827.16	30.96%	1,045,172,479.80	30.44%
150,000-200,000	5,840	25.84%	800,257,050.10	29.12%	975,957,017.37	28.42%
200,000-250,000	2,033	9.00%	355,074,108.34	12.92%	437,897,194.43	12.75%
250,000-300,000	791	3.50%	166,044,664.38	6.04%	209,145,894.62	6.09%
300,000-350,000	383	1.69%	92,613,126.93	3.37%	119,975,171.84	3.49%
350,000-500,000	358	1.58%	102,719,580.51	3.74%	141,838,531.93	4.13%
500,000-750,000	140	0.62%	55,351,363.82	2.01%	80,837,593.60	2.35%
750,000+	76	0.34%	59,663,417.12	2.17%	89,412,880.79	2.60%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Original Loan-to-Value						
Original Loan to Value	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
0-0.1	62	0.27%	4,039,370.97	0.15%	5,515,571.22	0.16%
0.1-0.2	232	1.03%	22,569,677.90	0.82%	29,352,545.14	0.85%
0.2-0.3	446	1.97%	44,246,075.98	1.61%	59,866,870.48	1.74%
0.3-0.4	750	3.32%	74,004,954.04	2.69%	94,119,185.08	2.74%
0.4-0.5	911	4.03%	103,406,817.07	3.76%	127,566,002.30	3.72%
0.5-0.6	1,032	4.57%	131,511,560.67	4.79%	158,476,523.49	4.62%
0.6-0.7	1,388	6.14%	183,841,227.53	6.69%	221,010,174.81	6.44%
0.7-0.8	4,404	19.49%	569,859,319.34	20.74%	660,693,816.40	19.24%
0.8-0.9	4,256	18.83%	559,451,260.19	20.36%	634,195,197.08	18.47%
0.9-1	3,381	14.96%	447,954,378.95	16.30%	529,184,655.03	15.41%
1-1.1	1,479	6.55%	165,338,273.21	6.02%	218,490,152.03	6.36%
1.1-1.2	1,271	5.62%	125,465,800.08	4.57%	192,001,041.60	5.59%
1.2-1.3	1,057	4.68%	106,473,509.69	3.87%	164,579,830.58	4.79%
1.3-1.4	716	3.17%	74,457,097.70	2.71%	120,369,034.60	3.51%
1.4-1.5	457	2.02%	48,039,992.19	1.75%	75,306,261.52	2.19%
1.5-1.6	314	1.39%	35,467,966.36	1.29%	54,782,193.52	1.60%
1.6-1.7	241	1.07%	26,307,773.93	0.96%	45,425,168.21	1.32%
1.7-1.8	100	0.44%	13,328,597.30	0.49%	22,235,435.28	0.65%
1.8+	100	0.44%	12,074,808.72	0.44%	20,486,195.88	0.60%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Current Loan-to-Value						
Current Loan to Value	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
0-0.1	178	0.79%	4,472,227.65	0.16%	16,818,103.62	0.49%
0.1-0.2	464	2.05%	18,468,621.02	0.67%	45,035,836.74	1.31%
0.2-0.3	591	2.62%	36,814,749.99	1.34%	68,227,057.19	1.99%
0.3-0.4	768	3.40%	62,360,140.21	2.27%	91,458,952.12	2.66%
0.4-0.5	851	3.77%	84,567,764.25	3.08%	120,845,122.01	3.52%
0.5-0.6	912	4.04%	96,766,784.84	3.52%	133,662,074.78	3.89%
0.6-0.7	1,060	4.69%	115,733,547.85	4.21%	162,137,933.92	4.72%
0.7-0.8	1,570	6.95%	181,262,602.64	6.60%	227,873,690.20	6.64%
0.8-0.9	7,443	32.94%	967,312,620.93	35.20%	1,138,475,197.29	33.16%
0.9-1	3,573	15.81%	469,614,920.41	17.09%	569,315,507.76	16.58%
1-1.1	1,920	8.50%	252,910,372.17	9.20%	311,660,573.67	9.08%
1.1-1.2	1,233	5.46%	166,048,523.31	6.04%	203,225,413.33	5.92%
1.2-1.3	786	3.48%	111,565,195.50	4.06%	135,190,511.31	3.94%
1.3-1.4	549	2.43%	77,722,999.56	2.83%	92,375,701.34	2.69%
1.4-1.5	319	1.41%	43,993,342.67	1.60%	51,653,196.28	1.50%
1.5-1.6	189	0.84%	27,564,092.18	1.00%	31,823,246.94	0.93%
1.6-1.7	107	0.47%	16,282,291.41	0.59%	18,325,564.65	0.53%
1.7+	84	0.37%	14,377,665.23	0.52%	15,552,171.10	0.45%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Debtors' Region						
Debtors' Region	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
Abruzzo	210	0.93%	22,438,848.94	0.82%	27,867,727.23	0.81%
Basilicata	162	0.72%	11,623,795.00	0.42%	15,443,206.56	0.45%
Calabria	763	3.38%	70,531,347.48	2.57%	89,756,463.18	2.61%
Campania	861	3.81%	110,060,842.17	4.01%	137,026,487.17	3.99%
Emilia Romagna	889	3.93%	114,635,811.80	4.17%	136,414,694.94	3.97%
Friuli Venezia Giulia	130	0.58%	13,895,620.85	0.51%	16,798,556.74	0.49%
Lazio	1,456	6.44%	212,494,804.59	7.73%	250,683,631.14	7.30%
Liguria	598	2.65%	80,654,072.51	2.94%	98,300,362.73	2.86%
Lombardia	12,628	55.88%	1,528,978,209.16	55.64%	1,940,093,772.14	56.50%
Marche	731	3.23%	92,453,366.61	3.36%	121,128,151.56	3.53%
Molise	57	0.25%	4,829,163.29	0.18%	6,532,264.38	0.19%
Piemonte	1,670	7.39%	196,628,684.29	7.16%	242,044,791.43	7.05%
Puglia	925	4.09%	98,287,720.30	3.58%	123,672,886.31	3.60%
Sardegna	342	1.51%	44,242,218.34	1.61%	51,028,837.14	1.49%
Sicilia	266	1.18%	33,599,539.24	1.22%	39,173,206.51	1.14%
Toscana	130	0.58%	17,785,144.20	0.65%	21,883,394.74	0.64%
Trentino Alto Adige	7	0.03%	826,048.68	0.03%	1,068,401.81	0.03%
Umbria	208	0.92%	23,494,357.66	0.86%	29,147,175.90	0.85%
Valle D'Aosta	4	0.02%	337,603.19	0.01%	424,670.77	0.01%
Veneto	560	2.48%	70,041,263.52	2.55%	85,167,171.87	2.48%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Seasoning (years)						
Seasoning	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
0-2	4,197	18.57%	519,828,595.57	18.92%	541,624,393.32	15.77%
2-4	2,402	10.63%	315,460,082.64	11.48%	344,432,047.55	10.03%
4-6	2,928	12.96%	412,676,097.38	15.02%	495,510,306.88	14.43%
6-8	5,641	24.96%	719,686,488.64	26.19%	886,560,991.21	25.82%
8-10	4,898	21.68%	582,821,884.61	21.21%	803,750,584.21	23.41%
10-12	1,668	7.38%	151,089,029.33	5.50%	252,949,230.09	7.37%
12-14	605	2.68%	35,833,424.59	1.30%	79,751,693.49	2.32%
14-16	209	0.92%	9,252,333.25	0.34%	24,040,636.30	0.70%
16-18	47	0.21%	1,155,412.65	0.04%	4,881,034.12	0.14%
18-20	1	0.00%	16,507.76	0.00%	90,379.96	0.00%
20-22	1	0.00%	18,605.40	0.00%	64,557.12	0.00%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Residual Term (years)						
Residual Term	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
0-5	607	2.69%	20,707,882.83	0.75%	77,742,195.48	2.26%
5-10	1,818	8.05%	128,316,872.63	4.67%	245,768,391.24	7.16%
10-15	2,861	12.66%	290,613,154.82	10.58%	417,411,110.90	12.16%
15-20	4,020	17.79%	478,856,107.04	17.43%	602,137,255.70	17.54%
20-25	7,595	33.61%	1,008,019,862.03	36.68%	1,195,220,283.60	34.81%
25-30	4,775	21.13%	673,958,885.94	24.53%	732,934,755.73	21.35%
30-35	731	3.23%	114,283,808.29	4.16%	126,798,181.27	3.69%
35+	190	0.84%	33,081,888.24	1.20%	35,643,680.33	1.04%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Payment Frequency						
Payment Frequency	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
Monthly	22,220	98.33%	2,696,677,960.00	98.14%	3,355,871,436.77	97.73%
Bimonthly	2	0.01%	41,332.84	0.00%	120,000.00	0.00%
Quarterly	56	0.25%	8,320,219.03	0.30%	12,525,346.21	0.36%
Semi annually	319	1.41%	42,798,949.95	1.56%	65,139,071.27	1.90%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by year of origination						
Origination Year	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
1996	1	0.00%	18,605.40	0.00%	64,557.12	0.00%
1998	6	0.03%	92,140.89	0.00%	516,973.36	0.02%
1999	24	0.11%	588,453.21	0.02%	2,238,840.64	0.07%
2000	76	0.34%	2,477,707.59	0.09%	8,456,465.25	0.25%
2001	115	0.51%	5,512,584.77	0.20%	13,661,758.19	0.40%
2002	226	1.00%	11,188,802.11	0.41%	26,198,581.60	0.76%
2003	325	1.44%	20,299,916.91	0.74%	46,070,053.22	1.34%
2004	501	2.22%	37,357,601.62	1.36%	72,173,728.65	2.10%
2005	877	3.88%	80,198,419.48	2.92%	133,478,993.61	3.89%
2006	1,737	7.69%	194,849,873.92	7.09%	285,507,598.08	8.31%
2007	2,798	12.38%	338,712,219.62	12.33%	461,403,135.90	13.44%
2008	3,668	16.23%	455,421,122.87	16.57%	568,895,435.27	16.57%
2009	2,245	9.93%	289,983,161.46	10.55%	356,129,420.58	10.37%
2010	1,845	8.16%	263,989,582.23	9.61%	322,534,269.76	9.39%
2011	1,345	5.95%	185,214,773.21	6.74%	219,702,344.23	6.40%
2012	902	3.99%	118,486,401.88	4.31%	133,565,040.28	3.89%
2013	1,349	5.97%	175,084,033.01	6.37%	189,805,139.64	5.53%
2014	1,549	6.85%	204,431,234.62	7.44%	216,202,135.56	6.30%
2015	2,353	10.41%	289,682,644.14	10.54%	301,628,513.28	8.78%
2016	655	2.90%	74,249,182.88	2.70%	75,422,870.03	2.20%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by year of maturity						
Year of maturity	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
2017-2021	784	3.47%	30,435,788.40	1.11%	101,809,241.70	2.97%
2022-2026	1,992	8.82%	154,840,768.58	5.64%	283,114,016.17	8.25%
2027-2031	2,970	13.14%	306,368,181.81	11.15%	427,451,271.01	12.45%
2032-2036	4,578	20.26%	561,850,478.08	20.45%	700,707,681.17	20.41%
2037-2041	7,060	31.24%	942,871,601.24	34.31%	1,105,073,377.98	32.18%
2042-2046	4,404	19.49%	622,538,969.09	22.66%	673,613,923.41	19.62%
2047-2051	658	2.91%	104,058,644.37	3.79%	115,223,775.33	3.36%
2052-2056	112	0.50%	18,685,022.46	0.68%	19,923,440.41	0.58%
2057-2061	39	0.17%	6,189,007.79	0.23%	6,739,127.07	0.20%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by interest rate type						
Interest rate type	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
Fixed	4,538	20.08%	497,995,721.02	18.12%	586,980,701.96	17.09%
Floating	13,985	61.89%	1,791,927,916.04	65.21%	2,243,319,291.21	65.33%
Optional rate (currently fixed)	3,421	15.14%	384,357,306.94	13.99%	499,042,532.25	14.53%
Optional rate (currently floating)	653	2.89%	73,557,517.82	2.68%	104,313,328.83	3.04%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100.00%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by margin (current floating rate Portfolio)						
Margin % (current floating rate)	**N° Loan**	**N° Loans %**	**Outstanding Principal**	**Outstanding Principal %**	**Original Balance**	**Original Balance %**
-1--0.5	1	0.01%	92,574.51	0.00%	236,868.24	0.01%
-0.5-0	87	0.59%	9,113,345.73	0.49%	10,998,304.53	0.47%
0-0.5	892	6.09%	97,506,647.17	5.23%	115,910,786.31	4.94%
0.5-1	1,516	10.36%	209,612,447.81	11.24%	293,540,575.54	12.50%
1-1.5	3,472	23.72%	447,551,291.31	23.99%	611,436,775.42	26.04%
1.5-2	4,202	28.71%	516,417,240.40	27.68%	660,443,046.90	28.13%
2-2.5	1,260	8.61%	167,131,951.52	8.96%	192,673,733.32	8.21%
2.5-3	1,056	7.21%	146,873,486.11	7.87%	164,177,907.94	6.99%
3-3.5	953	6.51%	125,867,275.21	6.75%	137,765,353.67	5.87%
3.5-4	1,033	7.06%	124,970,122.31	6.70%	138,130,187.49	5.88%
4-4.5	86	0.59%	10,263,586.98	0.55%	11,255,655.47	0.48%
4.5-5	67	0.46%	9,278,166.50	0.50%	10,104,706.48	0.43%
5-5.5	3	0.02%	213,639.38	0.01%	271,730.52	0.01%
5.5-6	10	0.07%	593,658.92	0.03%	686,988.21	0.03%
Grand Total	**14,638**	**100%**	**1,865,485,433.86**	**100%**	**2,347,632,620.04**	**100%**

Breakdown of the Initial Portfolios by interest rate (current fixed rate Portfolio)						
Interest rate % (current fixed rate)	N° Loan	N° Loans %	Outstanding Principal	Outstanding Principal %	Original Balance	Original Balance %
0-0.5	2	0.03%	209,469.69	0.02%	259,489.00	0.02%
0.5-1	20	0.25%	2,295,956.28	0.26%	3,555,000.00	0.33%
1-1.5	562	7.06%	62,226,599.57	7.05%	86,448,490.93	7.96%
1.5-2	1,667	20.94%	178,967,532.14	20.28%	247,332,233.90	22.77%
2-2.5	554	6.96%	62,695,720.35	7.11%	77,728,846.51	7.16%
2.5-3	671	8.43%	76,596,613.31	8.68%	85,925,032.20	7.91%
3-3.5	1,025	12.88%	120,382,808.07	13.64%	131,735,570.19	12.13%
3.5-4	884	11.11%	103,090,018.70	11.68%	115,102,042.85	10.60%
4-4.5	381	4.79%	45,326,974.43	5.14%	51,958,396.81	4.78%
4.5-5	464	5.83%	52,914,278.99	6.00%	65,140,802.98	6.00%
5-5.5	591	7.43%	66,005,272.44	7.48%	80,346,062.81	7.40%
5.5-6	746	9.37%	72,806,741.27	8.25%	93,239,703.01	8.59%
6-6.5	320	4.02%	32,827,958.09	3.72%	39,627,531.44	3.65%
6.5-7	69	0.87%	5,848,902.39	0.66%	7,367,031.58	0.68%
7-7.5	3	0.04%	158,182.24	0.02%	257,000.00	0.02%
Grand Total	**7,959**	**100%**	**882,353,027.96**	**100%**	**1,086,023,234.21**	**100%**

Breakdown of the Initial Portfolios by Foreign Nationality						
Foreign Nationality	N° Loan	N° Loans %	Outstanding Principal	Outstanding Principal %	Original Balance	Original Balance %
No	20,152	89.18%	2,476,973,043.46	90.14%	3,104,611,139.41	90.42%
Yes	2,445	10.82%	270,865,418.36	9.86%	329,044,714.84	9.58%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Originator's employee						
Originator's employee	N° Loan	N° Loans %	Outstanding Principal	Outstanding Principal %	Original Balance	Original Balance %
No	21,531	95.28%	2,630,726,427.97	95.74%	3,296,121,331.08	95.99%
Yes	1,066	4.72%	117,112,033.85	4.26%	137,534,523.17	4.01%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

Breakdown of the Initial Portfolios by Months in Arrears						
Months in Arrears	N° Loan	N° Loans %	Outstanding Principal	Outstanding Principal %	Original Balance	Original Balance %
Current	21,704	96.05%	2,637,738,970.77	95.99%	3,294,399,819.91	95.94%
0-1	700	3.10%	86,394,318.28	3.14%	109,987,165.39	3.20%
1-2	130	0.58%	15,712,852.30	0.57%	19,759,620.77	0.58%
2-3	63	0.28%	7,992,320.47	0.29%	9,509,248.18	0.28%
Grand Total	**22,597**	**100%**	**2,747,838,461.82**	**100%**	**3,433,655,854.25**	**100%**

The Criteria for the Aggregate Portfolio

The Receivables comprised in each Portfolio assigned and that will be assigned from time to time to the Issuer, will be selected on the basis of the following general objective criteria (the "**Common Criteria**"), as well as on the basis of additional objective criteria (the "**Specific Criteria**"), if any, to be intended cumulative with the Common Criteria (collectively, the "**Criteria**") in order to ensure that such Receivables have the same legal and financial characteristics.

COMMON CRITERIA

The Receivables comprised in each Portfolio, as at the relevant Selection Date (or as at the different date indicated in the relevant *criterium*), fulfilled the following Common Criteria, to be intended as cumulative:

(1) that are not consumer loans (*crediti al consumo*);

(2) that are not a *mutuo agrario* pursuant to Articles 43, 44 and 45 of the Consolidated Banking Act;

(3) that are secured by a mortgage created over real estate assets located in the Republic of Italy;

(4) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has expired and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of Article 39, fourth paragraph of the Consolidated Banking Act;

(5) which are not classified as "*attività finanziarie deteriorate*" pursuant to the Circular of the Bank of Italy No. 272 of 30 July 2008;

(6) in relation to which there is no instalment due and unpaid for more than 90 days after its due payment date;

(7) whose amortization profile is linear, French or with constant instalments;

(8) the payment of which is secured by a first ranking mortgage (*ipoteca di primo grado*);

(9) in relation to which the relevant Debtor is an individual residing in the Republic of Italy, who according to the classification criteria of the Bank of Italy set out in Circular n. 140 of 11 February 1991, as amended on 7 August 1998, falls within the SAE 600 category (so called "*Famiglie Consumatrici*") (such category includes an individual or a group of individuals the main purpose of whom is consuming, such as, in particular, workers, employees, retired persons, beneficiaries of other transfers and, more in general, people which may not be considered as entrepreneurs or small entrepreneurs), within the SAE 614 category (so called "*Artigiani*") (such category includes individuals carrying out handicraft activities pursuant to Law 443/85) or within the SAE 615 category (so called "*Altre Famiglie Produttrici*") (such category includes families carrying out activities other than handicraft activities, including financial auxiliaries with no employees), provided that the Debtors falling within the SAE 614 and SAE 615 categories have not executed the relevant Loans for the purpose to carry out the business activity;

(10) that do not benefit from any form of financial subsidy (*agevolazione*), or that have not been entered into pursuant to any law or legislation providing for financial subsidies (*mutui agevolati*), public contributions of any kind, law rebates, maximum contractual limits to interest rate and / or other provisions granting subsidies or reductions to the relevant debtors, third party mortgage guarantors or other guarantors with respect to capital and / or interest;

(11) which have been fully paid and in which there is no possibility of further obligations or disbursements;

(12) that are governed by Italian law;

(13) denominated in Euro;

(14) in relation to which at least one instalment including principal been paid prior to the relevant Cut-Off Date;

(15) which provide for payment by wire to the bank account, payment against notice ("*MAV*") or payment by other directly bank account transfers ("*RID*" or "*SSD*");

(16) in respect of which the amount of the remaining outstanding principal on the mortgage loan does not exceed 200% of the value (relating to only residential assets) of the last survey (*ultima valorizzazione*) of the Real Estate Asset performed in accordance with Regulation EU No. 575/2013;

(17) in respect of which the original amount of the mortgage loan as disbursed does not exceed 200% of the value (relating to only residential assets) of the last survey (*ultima valorizzazione*) of the Real Estate Asset performed in accordance with Regulation EU No. 575/2013;

(18) providing for the repayment on a monthly, bi-monthly, quarterly or semi-annually basis;

(19) in relation to which loan have been granted or purchased solely by the Originator;

(20) which do not include any clauses limiting the possibility for the Originator to assign the receivables arising thereunder or, where providing the Debtor's consent for such assignment, the Originator has obtained such consent;

(21) whose instalment are not allocated for the repayment of one or more previous loans (other than the Loan) granted to the same debtor,

(22) whose repayment is not guaranteed by personal guarantees granted by the guarantor in favour of the Originator as guarantee for the performace of the obligations deriving from the Loan Agreement and other obligations undertaken by the Debtor vis-à-vis the Originator (*garanzie omnibus*);

(23) which are not secured by a mortgage granted as security for the repayment of other loans whose receivables does not meet such Criteria and therefore are not included in the Portfolio transferred by the Originator;

(24) whose periodic instalment is not made up entirely of the interest only (*interest-only*);

(25) in respect of which the Loan Agreement does not provide the payment of a final instalment of the loan (so-called *balloon loans*);

(26) in respect of which neither legal proceeding nor procedures for mediation and conciliation (including that regulated by Legislative Decree No. 28/2010, Law Decree No. 132/2014 and article 128-bis of the Consolidated Banking Act) has been initiated or is pending.

(27) in respect of which the outstanding principal amount is higher than Euro 1,000 (one thousand) and does not exceed Euro 3,100,000 (three million and one hundred thousand);

(28) in respect of which the Originator has not accept to suspend payment of any instalments due or to postpone the due date of such instalments;

(29) which derives from the Loan Agreement that do not set out the debtor's right to set off the accrued interests in relation to the Receivables and the interests due by the Originator with respect to any account open by the debtor with the same Originator (*contratti di mutuo "twin"*).

SPECIFIC CRITERIA OF THE INITIAL PORTFOLIOS

The Receivables comprised in each Initial Portfolio, as at the relevant Selection Date (or as at the different date indicated in the relevant *criterium)* fulfilled collectively (i) the Common Criteria and (ii) the relevant Specific Criteria described below (to be deemed cumulative unless otherwise provided):

a) ***Specific Criteria with reference to the Initial Portfolio transferred by UBI to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by UBI;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for UBI to assign the receivables arising thereunder or providing the debtor's consent for such assignment and UBI has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect of which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point A, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

B. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by UBI;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for UBI to assign the receivables arising thereunder or providing the debtor's consent for such assignment and UBI has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity

(except for public entities, local entities, government entities and central banks) or more individuals (persone fisiche cointestatarie);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("tasso variabile puro"); fixed rate ("tasso fisso puro"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("tasso variabile soggetto a rinegoziazioni con variabilità periodica");

12) •which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (mutui agevolati);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (*catasto*): B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

    c. which are granted as guarantee through the procedure called ABACO (*attivi bancari collateralizzati*), managed by the Bank of Italy;

    d. in respect of which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables.

b) ***Specific Criteria with reference to the Initial Portfolio transferred by BPB to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BPB;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BPB to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BPB has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect of which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point A, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

B. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (periodo di consolidamento) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BPB;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BPB to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BPB has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity

(except for public entities, local entities, government entities and central banks) or more individuals (persone fisiche cointestatarie);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("tasso variabile puro"); fixed rate ("tasso fisso puro"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("tasso variabile soggetto a rinegoziazioni con variabilità periodica");

12) which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (mutui agevolati);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (catasto): B/2 ("case di cura e ospedali"), B/3 ("prigioni e riformatori"), B/5 ("scuole e laboratory scientifici"), B/7 ("cappelle e oratori") and C/5 ("stabilimenti balneari");

    c. which are granted as guarantee through the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy

    d. in respect to which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables.

c) ***Specific Criteria with reference to the Initial Portfolio transferred by BPA to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BPA;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BPA to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BPA has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect to which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point A, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

B. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (periodo di consolidamento) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BPA;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BPA to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BPA has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity

(except for public entities, local entities, government entities and central banks) or more individuals (persone fisiche cointestatarie);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("tasso variabile puro"); fixed rate ("tasso fisso puro"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("tasso variabile soggetto a rinegoziazioni con variabilità periodica");

12) which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (mutui agevolati);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (catasto): B/2 ("case di cura e ospedali"), B/3 ("prigioni e riformatori"), B/5 ("scuole e laboratory scientifici"), B/7 ("cappelle e oratori") and C/5 ("stabilimenti balneari");

    c. which are granted as guarantee through the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy

    d. in respect to which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables;

d) ***Specific Criteria with reference to the Initial Portfolio transferred by Carime to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. the relevant loan agreement has one of the following identification codes (i.e. the number identifying the loan as indicated in the loan agreement): 4000108518, 4000111708, 4000112454;

B. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by Carime;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for Carime to assign the receivables arising thereunder or providing the debtor's consent for such assignment and Carime has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect to which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the difference between the value of the mortgaged real estate as of the date of the last

revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

C. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (periodo di consolidamento) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by Carime;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for Carime to assign the receivables arising thereunder or providing the debtor's consent for such assignment and Carime has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity (except for public entities, local entities, government entities and central banks) or more individuals (persone fisiche cointestatarie);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("tasso variabile puro"); fixed rate ("tasso fisso puro"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("tasso variabile soggetto a rinegoziazioni con variabilità periodica");

12) which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (mutui agevolati);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point C, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (*catasto*): B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

    c. which are granted as guarantee through the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy

    d. in respect to which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables;

e) ***Specific Criteria with reference to the Initial Portfolio transferred by BRE to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. the relevant loan agreement has one of the following identification code (i.e. the number identifying the loan as indicated in the loan agreement): 4000260133;

B. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BRE;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BRE to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BRE has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect to which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the difference between the value of the mortgaged real estate as of the date of the last

revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

C. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (periodo di consolidamento) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BRE;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BRE to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BRE has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity (except for public entities, local entities, government entities and central banks) or more individuals (persone fisiche cointestatarie);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("tasso variabile puro"); fixed rate ("tasso fisso puro"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("tasso variabile soggetto a rinegoziazioni con variabilità periodica");

12) which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (mutui agevolati);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point C, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (*catasto*): B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

    c. which are granted as guarantee through the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy

    d. in respect of which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables;

f) ***Specific Criteria with reference to the Initial Portfolio transferred by BdB to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. the relevant loan agreement has one of the following identification codes (i.e. the number identifying the loan as indicated in the loan agreement): 4001001849, 4001070722, 4001006487;

B. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BdB;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BdB to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BdB has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect to which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the difference between the value of the mortgaged real estate as of the date of the last

revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

C. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (periodo di consolidamento) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BdB;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BdB to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BdB has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity (except for public entities, local entities, government entities and central banks) or more individuals (*persone fisiche cointestatarie*);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica*");

12) •which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (*ipoteca di primo grado*);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point C, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (*catasto*): B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

    c. which are granted as guarantee through the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy;

    d. in respect to which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables;

g) ***Specific Criteria with reference to the Initial Portfolio transferred by BPCI to the Issuer***:

Receivables arising from mortgage loans:

1 that have been disbursed within 30 September 2015 for mortgage loans qualifying as "*mutui fondiari*" pursuant to Articles 38 and following of the Consolidated Banking Act; and 20 March 2016 for the mortgage loans which are not "*mutui fondiari*";

2 in respect of which the last payment date is after 30 June 2017 and is not later than 31 December 2061;

excluding the Receivables arising from the Loan Agreements which, although fulfilling the above criteria, meet, also, one or more of the following criteria:

A. the relevant loan agreement has one of the following identification code (i.e. the number identifying the loan as indicated in the loan agreement): 4179070;

B. that meet jointly the following criteria:

1) which are residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance, No. 310/2006, or (ii) in case of at least one residential real estate that guarantees the loans with other not residential real estate, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent of the value of the residential property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BdB;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than five days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BdB to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BdB has obtained such consent;

7) which provide for the payment by the debtor of monthly, quarterly or semi-annual instalments;

8) which provide for all payments due by the debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have not been granted to individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group,

11) which have been granted to one individual or more individuals (*persone fisiche cointestatarie*);

12) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

13) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica"*);

14) which have been fully disbursed no later than the deadline of 31 December 2015;

15) which does not provide for a full repayment at a date prior to 30 June 2017;

16) in relation to which at least one instalment has been paid by the debtor within 31 March 2016;

17) in respect to which the contract proposal relating to the Loan Agreements was not conveyed through Tecnocasa Franchising S.p.A.;

18) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; (ii) loans registered in accordance with the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy; and / or (iii) transferred as a guarantee to institutions providing funding;

19) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

20) which are secured by a mortgage on a real estate registered under a category of the real estate register (*catasto*) other than the following categories: B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

21) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point B, meet one or more of the following criteria:

a. (a) the amount in respect to which the relevant mortgage is registered is three times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement; and, jointly, (b) the remaining debt is higher than Euro 10,000; and, jointly, (c) the difference between the amount in respect of which the relevant mortgage is registered and the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is higher than Euro 50,000.00;

b. (a) the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date is five times higher than the amount disbursed to the debtor pursuant to the relevant Loan Agreement and, jointly, (b) the remaining debt is higher than Euro 10,000 and (c) the difference between the value of the mortgaged real estate as of the date of last revaluation and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00;

c. (a) the difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the amount in respect of which the relevant mortgage is registered is higher than Euro 1,000,000.00; and, jointly, (b) the

difference between the value of the mortgaged real estate as of the date of the last revaluation performed prior to the Selection Date and the value of the mortgaged real estate as of the date of the first technical evaluation is higher than Euro 250,000.00.

d. the amount disbursed to the debtor pursuant to the relevant Loan Agreement is higher than the value of the mortgaged real estate as of the date of the first technical evaluation;

e. which are secured by a mortgage which guarantees the receivables fulfilling the criteria set out under paragraph A and also further receivables which do not meet one or more criteria mentioned above;

C. that meet jointly the following criteria:

1) which are, alternatively: (A) residential mortgage receivables (i) with a risk weight not higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the property, in accordance with Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a residential property, which have a risk weight higher than 35 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 80 per cent. of the value of the residential property; or (B) commercial mortgage receivables (i) with a risk weight not higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the property, in accordance with the Decree of the Ministry of Economic and Finance No. 310/2006, or (ii) in case of a loan guaranteed by mortgage on more than one property, among which at least one is a commercial property, which have a risk weight higher than 50 per cent. and in respect of which the relevant principal amount outstanding added to the principal amount outstanding of any higher ranking mortgage loans secured by the same property, does not exceed 60 per cent. of the value of the commercial property;

2) in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage has elapsed and the relevant mortgage is not capable of being challenged pursuant to Article 67 of the Bankruptcy Law and, if applicable, of article 39, fourth paragraph of the Consolidated Banking Act;

3) loans granted or acquired by BdB;

4) which are governed by Italian law;

5) which are performing and in respect of which no instalments are due but not paid since more than thirty days from the relevant payment date;

6) which do not include any clauses limiting the possibility for BdB to assign the receivables arising thereunder or providing the debtor's consent for such assignment and BdB has obtained such consent;

7) in relation to which at least one instalment has been paid by the relevant debtor;

8) which provide for all payments due by the Debtor thereunder to be made in Euro;

9) which are fully disbursed;

10) which have been granted to one individual (including individuals who are, or were on the relevant disbursement date, employees of any company of the UBI Group), and entity (except for public entities, local entities, government entities and central banks) or more individuals (*persone fisiche cointestatarie*);

11) which provide for the payment by the relevant debtor of one of the;following types of interest rate: floating rate ("*tasso variabile puro*"); fixed rate ("*tasso fisso puro*"); fixed rate with floating rate conversion, after one year from the relevant disbursement date, which is, as at the Selection Date, fixed rate; floating rate subject to renegotiations with periodic variability ("*tasso variabile soggetto a rinegoziazioni con variabilità periodica*");

12) which have been fully disbursed no later than 31 December 2015;

13) which does not provide for a full repayment at a date prior to 30 June 2017;

14) which did not provide at the time of disbursement for any subsidy or other benefit in relation to principal or interest (*mutui agevolati*);

15) that are not (i) granted in a technical form other than the mortgage loan with a medium / long term amortization plan; or (iii) transferred as a guarantee to institutions providing funding;

16) the payment of which is secured by a first ranking mortgage (ipoteca di primo grado);

17) excluding the Receivables arising from the Loan Agreements which, although fulfilling the criteria set forth under point C, meet one or more of the following criteria:

    a. residential mortgage receivables which have been granted to individuals other than persons who are, or were on the relevant disbursement date, employees of any company of the UBI Group and in respect of which a specific amortisation schedule is provided or the payment of the instalment in respect of the principal is scheduled for each due date;

    b. which are secured by a mortgage on a real estate registered under one of the following categories of the real estate register (*catasto*): B/2 ("*case di cura e ospedali*"), B/3 ("*prigioni e riformatori*"), B/5 ("*scuole e laboratory scientifici*"), B/7 ("*cappelle e oratori*") and C/5 ("*stabilimenti balneari*");

    c. which are granted as guarantee through the procedure called ABACO (attivi bancari collateralizzati), managed by the Bank of Italy

    d. in respect to which the contract proposal relating to the loan agreements was conveyed through Tecnocasa Franchising S.p.A.;

    e. which have been granted to a debtor included in one of the following categories: religious entity, companies or entities which are resident for tax purposes outside the Republic of Italy, non-profit corporate entities;

    f. which are secured by a mortgage which guarantees not only the receivables fulfilling the Criteria mentioned above, but also further receivables;

SPECIFIC CRITERIA OF THE SUBSEQUENT PORTFOLIOS

The Specific Criteria of each Subsequent Portfolios from time to time selected by each Originator will be specified in the relevant offer of transfer according to the relevant Master Transfer Agreement. It being understood that, in any case, the Specific Criteria may not be in contrast with the Common Criteria and may be utilised in order to select each of the Subsequent Portfolios.

COLLECTION POLICIES

UBI Group Network of Banks: recovery and collection policies

The Branches/PCU of the Bank Network and its Managers are responsible for client relationships and payment collections, instituting any and all necessary and opportune operations for the same. If the Bank deems it useful and necessary – for customer-service reasons – it may reformulate loan/mortgage operations.

Responsibility for first-level monitoring of clients' scores lies with the Relationship Managers of the Bank Network, with the aim of controlling credit risks by assessing the quality of the portfolios falling under the manager's span of control. Such oversight takes the form of direct, timely supervision of all such positions, assessment of any anomalies, and identification of any necessary corrective actions.

The "*Unità Organizzative B. Rete - Presidio e Monitoraggio Qualità del Credito e B. Rete - Credito Anomalo*" of the Bank Network are responsible for first-level and second-level monitoring, based on the counterparty's status.

With regards to performing counterparties, the "*B. Rete - Presidio e Monitoraggio Qualità del Credito*" shall monitor, supervise and analyze performing counterparties both at a detailed (in cooperation with the Relationship Managers), as well as at an aggregate level, applying an intensity and attention commensurate with the risk and severity of any performance anomalies detected. As far as defaulting positions (excluding positions considered as "*sofferenza"*), responsibility for second-level monitoring lies with "*B. Rete - Credito Anomalo.*"

Procedures for the classification and management of default positions are described below. These are divided according to the commercial segment in which the counterparty falls, and by indicating the maximum time spent (when situations of overdrawn accounts / late payments arise) as either a performing client or in one of the different types of default.

A. Clients subject to Delinquency Management

The procedure described in this paragraph applies to Private Clients and Small Businesses (undertakings with a turnover under Euro 300,000) that are late with their instalment payments on loans and/or are overdrawn on their bank account. However, counterparts meeting the above requirements who are part of financial groups or are defined as counterparts pursuant to Article 136 or as employees of the UBI Group, or have loans additional to those described above, are excluded.

Where the instalment payment (for Private Clients or Small Businesses) has been due for up to 15 days after the anomaly was detected, the relevant Branch of the bank shall have the discretion to select the best way to approach the client in order for the outstanding payments to be made.

Where a counterparty's payments have been past-due or the accounts are overdrawn for more than 15 days without the anomaly being taken care of, the "*Supporto Morosità Crediti"* of UBI.S will

undertake an activity which aims to cure positions on which anomalies appeared, and to maintain a positive relationship with the client; such activity cannot last more than 105 days. As a last resort, in exceptional circumstances the Head of the operating unit can delegate the management of the position to the unit itself. In such cases the procedure described in paragraph b, *infra*, shall be followed.

During this period of time, which shall not last more than 120 days from the appearance of the anomaly in the client's position, the client shall maintain the status of performing client or:

a.1) should the relevant requirements be met, it may be manually classified as "*Inadempienza Probabile Operativa*" for up to 365 days from the date of such classification; in such period of time the position will be managed by the Manager as directed by the "*Struttura di Credito Anomalo*" of the Network Bank / Product Company. After 365 days have elapsed, if the position has not been cured, it will be automatically classified as "*Inadempienza Probabile a Rientro*" for up to 365 days (see following paragraph).

a.2) should the relevant requirements be met, it may be manually classified as "*Inadempienza Probabile a Rientro*" for up to 365 days from the date of such classification; in such period of time the position will be managed by the Manager as directed by the "*Struttura di Credito Anomalo*" of the Network Bank. After 365 days, the position in "*Inadempienza Probabile a Rientro*" will trigger an automatic proposal to classify the position as "*Sofferenza*".

Within 30 days, the Network Bank / Product Company, via a resolution by the Bodies in charge, in the execution of their delegated powers, shall have the right to reject such proposal, where it provides an adequate justification.

After 180 days from the date of any rejection, it will be automatically re-proposed to classify the position as in "***Sofferenza*,**" to be managed according to the deadlines listed *supra*.

a.3) should the position continue to show overdrawn accounts and late payments, once 90 days from the occurrence of an anomaly have passed, it shall automatically be classified as Past Due (repeated overdrawn accounts / past-due credits) according to the materiality thresholds established by the Bank of Italy to assess a credit as Past Due.

At the end of all Delinquency Management operations, and in any case after a maximum period of 120 days (15 + 105 days) from the occurrence of the anomaly in the position, the client:

a.4) if it has cured the position, will maintain its classification as "Performing"; subject to the provisions for transitions from "Forborne Performing" to "Performing";

a.4) in case it is classified as "Past Due" (a status acquired after 90 days following the occurrence of the anomaly) and should it continue to show overdrawn accounts or late payments, once 60 days[1] in such status have elapsed, a proposal to classify the same as "*Inadempienza Probabile Operativa*", which shall remain in place for a maximum of an additional 120 days, shall be generated. Counterparties (whether single entities or economic groups) with Group-wide exposures greater than € 1 Mil., remaining in a Past Due status for an additional 120 days, are subject to the issuance of a preliminary opinion from the Parent Company, according to the operating procedure in place at the time. In any case, once 180 days have elapsed from the entry into Past-Due status, any position that

[1] The 60-day time period is considered adequate for Manager to complete all operations aimed at curing the position, and consonant with the practice and timeline adopted by the Group in related processes – such as PEM and *Ge. Mo.*; such processes allow for specific management of high-risk or delinquent positions, aimed at identifying and managing the anomalies that are already in a precursor stage to default.

remains in such status (by presenting, thereafter, overdrawn accounts and late payments) shall automatically be classified as "*Inadempienza Probabile Operativa*" for a maximum of 365 days and, potentially, at the end of such period, shall be automatically classified (should the relevant requirements be met) as "*Inadempienza Probabile a Rientro*." Once 365 days have elapsed from the entry into a status of "*Incaglio a Rientro*," a proposal to classify the same as "***Sofferenza***" shall be presented, according to the procedure indicated at point a.2), *supra*.

The management of the positions classified as "*Sofferenza*" (following the above-mentioned procedure) is attributed to the division "*Area Credito Anomalo e Recupero Crediti UBI*".

B. Other Clients (i.e. – not subject to Delinquency Management)

Should the counterparty show overdrawn accounts or late payments, the Manager – in accordance with current operating procedures – must take steps to correct the position in coordination with the P.M.Q.C. of the Network Bank.It should be noted that:

b.1) At the end of the **90th day**, the performing position that continues to have overdrawn accounts or late payments, based on the thresholds used for the "Past Due" assessment established by the Bank of Italy, is automatically classified with "**Past Due**" status (repeated past-due payments / overdrawn accounts) and the management of the same – aimed at curing the position – shall fall to the Manager, in cooperation with the Network Bank's "*Credito Anomalo*" Division. Once 60 days[2] have elapsed with the position in that status, a proposal to classify the same as "*Inadempienza Probabile Operativa*," lasting for a maximum further period of additional 120 days shall be generated.

According to the regulations currently in force, those counterparties[3] (whether an individual entity or economic group) with an over € 1 Mil. Group-wide exposure who remain in a Past Due status for more than 120 days, shall be subject to preliminary assessment by the Parent Company. Regardless, once 180 days from entry into Past-Due status have elapsed, the position that continues in such status (having subsequent late payments or overdrawn accounts), shall automatically be classified as "*Inadempienza Probabile Operativa*" for a maximum of 365 days. Moreover, once such period has expired, it shall be automatically classified (should the relevant requirements be met) as "*Inadempienza Probabile a Rientro*." Once 365 days from the entrance into the status of "*Inadempienza Probabile a Rientro*" have elapsed, a proposal for "*Sofferenza*" classification shall be generated for such positions, according to the procedure defined in paragraph a.2), *supra*;

b.2) Should the position present continuous overdrawn accounts, even while in a performing status (since it would be below the threshold in terms of the Bank of Italy's Past-Due assessment), then at the 270th day from the occurrence of such anomaly it shall automatically be classified as "*Inadempienza Probabile Operativa*". It may remain in such a status of default for a maximum of 365 days from the date of entry; the management of that position for that interval shall fall to the Manager, with oversight from the Network Bank's "*Struttura di Credito Anomalo*" Division.

[2] See previous footnote.

[3] It should be noted that for those counterparties "with restructuring in progress" subject to centralized management, the provisions designed specifically for such counterparties shall apply.

At the end of 270 days, should the position not be cured, the same shall automatically be classified as "*Inadempienza Probabile a Rientro*": once 365 days from the entry into such status have elapsed, a proposal for classifying the position as "*Sofferenza*" shall be generated, which shall be managed according to the procedures indicated in a.2), *supra*.

It should be noted furthermore that the position may be manually classified at any moment as the particular status of default deemed most opportune by the relevant Body issuing a resolution; in such cases, the maximum time in a status of "*Inadempienza Probabile Operativa*" and the maximum time in a status of "*Inadempienza Probabile a Rientro*" shall be the time noted above.

Nevertheless, should there be exposures designated as "Forborne", the rules (referenced *infra* and defined more specifically in the applicable internal regulations) governing the change of an exposure from (1) "Forborne Performing" to "Performing", (2) from "Forborne Performing" to "Forborne Non-Performing", and (3) from "Forborne Non-Performing" to "Forborne Performing" must be followed.

Administrative Status of the Receivables

On that note, the UBI Group, adhering to current Oversight regulations, distinguishes between:

- **Non-deteriorated financing operations**, also known as "**Performing Exposures**". Exposures are denoted as "Performing" when they have no significant anomalies or when they are non-deteriorated with past-due amounts and/or overdrawn accounts[4].
- **Deteriorated Financing Operations**, also known as "**Non-Performing Exposures**" or "Exposures in Default", which are divided – irrespective of the acquisition of any guarantees (whether personal or secured by real property) to support the exposures – into the following **three categories**:
    - **Deteriorated Past-Due Exposures and/or Exposures of Overdrawn Accounts (so called Past Due),**
    - ***Inadempienze Probabili*** (a/k/a "Unlikely to pay")**,**
    - ***Sofferenze*** (a/k/a "Bad Loans").

Past-Due and/or Exposures of Overdrawn Accounts (Past Due)

"Cash" Exposures are defined as past-due / delinquent, as distinguished from those classified among the "*Sofferenze*" or "*Inadempienze Probabili*" that, as of the alert date, have amounts that are past due or delinquent.

The "Past Due" classification is applied based on a per-debtor approach. Specifically, in order to place a debtor in the Past-Due category, the payment delay / delinquency must meet all of the following criteria:

- continuous in nature;
- lasting for over 90 days;

[4] Meaning positions with past-due amounts or overdrawn accounts, which do not exceed the materiality threshold as defined by the Bank of Italy for the purposes of classifying a position as in default.

- with an amount equal to or greater than the materiality threshold, identified from time to time by the Bank of Italy, and currently equal to 5% of the greater of the following numbers:
    - o the average of the instalments that are either past due, or delinquent for the entire exposure, determined on a daily basis over the course of the previous trimester;
    - o past-due and/or delinquent instalment on the entire exposure with reference to the alert date.

In order to determine the amount of the exposure that is past-due and/or delinquent, current past-due positions, and delinquent situations on some lines of credits may be compensated with current available margins on other lines of credit granted to the same debtor.
Upon the occurrence of the regulatory criteria indicated above, a debtor previously classified as Performing shall enter automatically among the deteriorated exposures that are past-due / delinquent.

Subject to the provisions contemplated in the instance of an exposure with granting (a/k/a "Forborne Credit"), an automatic classification shall apply to the debtor who shall:

- appear among the "Performing Exposures" when once past-due / delinquent exposures have been paid[5],
- fall in the category of "*Inadempienze Probabili Operative*," following 180 days of continuous presence in a "Past-Due" status. To that end, it should be noted that once 60 days of presence in such status have passed, for the client classified as Past-Due (a status acquired once 90 days have elapsed from the start of such anomaly) who continues to show delinquent and late payments, a proposal for classification as "*Inadempienza Probabile Operativa*" shall be presented. The latter classification shall remain valid for a maximum period of an additional 120 days. The counterparties (single entity or economic group) with a Group-wide exposure exceeding € 1 Mil., shall be allowed to stay in a Past-Due status for further 120 days, provided the Parent Company has issued a preliminary opinion. Fidi Regulation of the UBI Group identifies the entity vested with the authority to issue such an opinion based on the overall risk of the counterparty (whether an individual entity or economic group).

  Regardless, once 180 days have elapsed from the entry into "Past-Due" status, any position continuing in such status (by presenting, thereafter, payments that are either late or delinquent), shall automatically be classified as "*Inadempienza Probabile Operativa*".

However, an exposure may still be manually classified as "Past Due" within another "Non-Performing" (i.e. in default) administrative status, provided the competent entity has so resolved.

The management of counterparties classified as "Past-Due" shall fall under the authority of the UBI Group's Network Banks.

<u>"Inadempienze Probabili" (Unlikely to pay)</u>

Loan Exposures other than those classified among the "Past Due" or "*Sofferenza*" categories, for which the Bank has determined that debtor is unlikely to discharge all of debtor's payment

[5] That automatic mechanism shall not apply to exposures not designated as Forborne.

obligations (on both principal and interest), in case the Bank itself does not take steps to protect its own outstanding receivables, are termed "*Inadempienze Probabili*".

For internal-management purposes only, the UBI Group distinguishes among:

- ***"Inadempienza Probabile Ristrutturata*"**: stands for all the positions that may be classified as "*Inadempienza Probabile*", and which are subject to formalized restructuring agreements;
- ***"Inadempienza Probabile Operativa*"**: stands for all the positions that may be classified as "*Inadempienza Probabile*," for which there is an intent to cure the position within a timeframe not exceeding 12 months;
- ***"Inadempienza Probabile a Rientro*"**: stands for all the positions that may be classified as "*Inadempienza Probabile*", for which there is an intent to proceed with a total disengagement of the exposure with the client.

"Inadempienze Probabili Ristrutturate"

By "*Inadempienze Probabili Ristrutturate*", we mean the exposures against which the debtor – because of the deterioration of debtor's own economic/financial position – obtains a modification of the original contractual conditions, which take form in the **formalization** of debt-restructuring measures.

Included among the "*Inadempienze Probabili Ristrutturate*" are those counterparties labeled "with restructuring in progress", that is, those positions which – irrespective of their administrative classification status (Performing or in Default, as distinguished from "*Sofferenza*") – present the following characteristics:

- counterparties for which objective elements relating to Client's desire to proceed with a Debt-Restructuring Plan (a/k/a "**objective restructuring**") have been found.
- counterparties for which, because Bank has discovered significant indicia of financial tension, the Bank has resolved to institute a support intervention by opening the door to negotiations (a/k/a "**potential restructuring**").

The UBI Group's Banks have the right to create classifications and write-downs independently at such administrative level, in a manner commensurate with the degree of deterioration of the counterparty's risk profile; the UBI Group's Banks are required, following the classification process, to immediately solicit the Parent Company's preliminary opinion (where the criteria defined *infra* are present) regarding the alignment with the UBI Group's credit objectives relating to the management proposal for the counterparties themselves (including the amount of the analytical write-downs).

The rule noted above shall not apply to the counterparties "with restructuring in progress" (as defined *supra*), whose classification under "*Inadempienze Probabili Ristrutturate*" shall be made by the Banks, following the express preliminary opinion of the Parent Company UBI. The Fidi Regulation of the UBI Group identifies the entity authorized to issue such an opinion, based on the counterparty's (whether an individual entity or economic group) overall risk assessment.

On the other hand, management of those counterparties "with restructuring in progress," and those classified as "*Inadempienze Probabili Ristrutturate*", where clients of the UBI Group's Banks have

granted the Parent Company a specific mandate(by signing a related master agreement), fall to the Parent Company's "*Area Credito Anomalo e Recupero Crediti*" Division. In all other cases, management of counterparties classified as "*Inadempienze Probabili Ristrutturate*" / "Restructuring in Progress" shall be handled by the individual Banks.

In case of Banks facing positions "with restructuring in progress" / classified as "*Inadempienze Probabili Ristrutturate*", resolutions regarding the related management proposal (including the amount of the analytical write-downs) shall be handled by the Banks themselves, provided they obtain a preliminary opinion from the Parent Company UBI. The Fidi Regulation of the UBI Group identifies the entity authorized to issue such an opinion, based on the counterparty's (whether an individual entity or economic group) overall risk assessment.

The Banks and Companies belonging to the UBI Group – as part of their respective Fidi Regulations – determine the Entities authorized to resolve on the management proposals related to the positions in question.

"Inadempienze Probabili Operative"* and *"Inadempienze Probabili a Rientro"

- *"Inadempienze Probabili Operative*" are those positions for which – it is expected – temporary, objective difficulties should be resolved in a very short term (12 months) and for which controlled operations are allowed, in order to mitigate the risk, and to bring the relationship back to "performing"[6];
- *"Inadempienze Probabili a Rientro"* are those positions for which total disengagement is expected.

In order to allow for a timely attribution of "*Inadempienza Probabile Operativa / a Rientro*" to the interested counterparties, the Banks have the authority to independently classify and write them down into the previously mentioned administrative status, in a manner commensurate with the degree of deterioration of the counterparty's risk profile; immediately after performing such a classification, the Banks are required to solicit the Parent Company's preliminary opinion (where the criteria defined *infra* are present) regarding the alignment with the UBI Group's credit objectives in respect of the management proposal for the counterparties themselves (including the amount of the analytical write-downs).

The rule noted above shall not apply to counterparties "with restructuring in progress" and classified as "*Inadempienze Probabili Ristrutturate*" subject to centralized management, whose classification under "*Inadempienze Probabili Operative / Inadempienze Probabili a Rientro*" shall be made by the Banks (who granted management authority to the Parent Company, for those positions involving the subsidiaries themselves), following an opinion from the Parent Company. The Fidi Regulation of the UBI Group identifies the entity authorized to issue such an opinion, based on the counterparty's (whether an individual entity or economic group) overall risk assessment.

Responsibility for managing counterparties classified as "*Inadempienze Probabili Operative / a Rientro*" lies with the UBI Group's Banks; in this regard, it should be notedthat, with reference to

[6] Note: where there are minor credit-related anomalies related to positions for which a debt-restructuring agreement is under way, it is possible – where the elements that allow for the definition of such anomalies as transitory and functional to the solution of the exposure have been met – to maintain the counterparty performing, while awaiting the moment to classify it in the proper status of default following the signing of such agreement.

the management proposal (including the amount of the analytical write-downs) relating to the counterparty in question:

- the Banks have the right to operate independently with regards to positions (whether an individual entity or economic group) which, at a UBI Group level, present an overall risk up to €1 Mil.;
- the Banks are required to solicit a preliminary opinion from the Parent Company on alignment with the UBI Group's credit-related objectives for the counterparties (whether an individual entity or an economic group) which, at a UBI Group level, present an overall risk of over €1 Mil.[7] The Fidi Regulation of the UBI Group identifies the entity authorized to issue such an opinion, based on the counterparty's (whether an individual entity or economic group) overall risk assessment.

The Banks and Companies belonging to the UBI Group – as part of their respective Fidi Regulations – determine the Entities authorized to resolve on the positions in question.

Sofferenze

Cash Exposures owned by subjects in a status of insolvency (even though such status has not been ascertained in Court) or in analogous positions must be categorized as "*Sofferenza*", regardless of any loss forecasts formulated by the Bank. Such a classification shall be made irrespective of the existence and/or the amount of any (personal or real-property) guarantees on the exposures.

In order to allow for a prompt attribution of the "*Sofferenza*" status to the interested counterparties, the Banks shall have the right to effect such a classification, and the write-down into such an administrative status, in complete autonomy, commensurate with the degree of deterioration of the counterparty's risk profile. The Banks must – immediately upon performing such a classification, in instances where the elements defined *infra* are met – inform the Parent Company, and solicit the Parent Company's preliminary opinion regarding the alignment with the UBI Group's credit objectives in respect of the management proposal for the counterparties themselves (including the amount of the analytical write-downs).

The rule noted above shall not apply to counterparties "with restructuring in progress" (as previously defined) / classified as "*Inadempienze Probabili Ristrutturate*", subject to centralized management, whose classification under "*Sofferenza*" shall be made by the Banks that granted management authority to the Parent Company, for those positions involving the subsidiaries themselves, following an opinion from the Parent Company. The Fidi Regulation of the UBI Group identifies the entity authorized to issue such an opinion, based on the counterparty's (whether an individual entity or economic group) overall risk assessment.

The management[8] of those counterparties classified as "*Sofferenza*" who are clients of the Banks, which have granted the Parent Company a specific mandate (by signing a related master agreement), fall to the Parent Company's "*Area Credito Anomalo e Recupero Crediti*" Division, and in particular to the competent "*Servizi di Recupero Crediti*". Where such mandate has not been

[7] For those counterparties "with restructuring in progress" managed in a centralized fashion by the Parent Company, the limits specifically called for are applied for the purposes of the preliminary opinion.

[8] Counterparties classified as "*Sofferenza*", shared among the Banks and Companies within the UBI Group, shall be managed by the Parent Company's "*Area Credito Anomalo e Recupero Crediti*" Division together with the persons in charge of the "*Strutture di Credito Anomalo*" within the Companies themselves.

granted, management of counterparties classified as "*Sofferenza*" shall be handled by the individual Banks.

Resolutions regarding the management proposal for counterparties classified as "*Sofferenza*" (including the amount of analytical write-downs) shall be handled by the aforementioned Banks of the UBI Group, following an opinion provided by the Parent Company. The Fidi Regulation of the UBI Group identifies the entity authorized to issue such an opinion, based on the counterparty's overall risk assessment (whether an individual entity or economic group).

UBI's "*Area Credito Anomalo e Recupero Crediti*" Division may avail itself of external debt-collection companies to carry out its operations, as well as external legal counsel.

Following all debt-collection operations, whether carried out judicially or extra-judicially, should the Bank have partially recovered its debt, or if it has not been collected at all, such partial or total loss shall be accounted for following a resolution of the Entity identified by the Company's Regulations in force. Such a resolution, however, shall not be construed as a waiver to collect the outstanding debts.

Based on the foregoing, each Bank and Company within the UBI Group shall – under their respective Fidi Regulations – provide the authorized entities and related limits for issues regarding:

- classifications under "*Sofferenze*", and the first assessment of the likelihood of the loss;
- acceptance of settlement offers;
- acceptance of settlement offers pertaining to bankruptcy-related claw-back actions, whether judicially or extra-judicially;
- consent to participate in bankruptcy-related (or prior to bankruptcy) procedures aimed at agreements with creditors;
- accounting of the loss;
- defining rates and conditions.

<u>Exposures subject to concessions (a/k/a Forbearance)</u>

A. <u>General Framework</u>

The Forborne Exposures are those credit agreements to which **Forbearance measures** have been extended. These consist of **concessions granted to a debtor which is facing, or may imminently face, difficulty meeting present financial obligations** (financial difficulties)[9].

The "Forborne Credit" attribute may refer:

- o **Both to** debtor **exposures** classified as "**Performing**" (that is, "performing" credits) in which case the exposures themselves are denoted "**Forborne performing exposures**";
- o **As well as to** debtor **exposures** classified as **"Non-performing"** (that is, credits "in default," meaning those classified as either "Past Due", "*Inadempienza Probabile*" or "*Sofferenze*"), in which case the exposures themselves are denoted **"Non-performing exposures with forbearance measures"**.

[9] See Art.163 of the ITS-EBA Document.

B. Principles underlying the Forborne classification

Necessary criteria for assessing exposures as Forborne:

- the presence of a **forbearance measure granted to a client** (falling under the field of application, in terms of the type of concession, and the relationships which may be classified as Forborne).
- the counterparty's status of **financial difficulty**.

C. Definition of a "forbearance measure" and "financial difficulty"

A "Forborne" exposure is identified as such when **both of the following requirements have been met**, meaning (1) the presence of a concession and (2) the presence of "financial difficulty":

1. **presence of a concession**, means one of the **credit subsidies**[10] indicated below, irrespective of whether such a concession means a loss for the creditor (Bank / Company within the UBI Group):

   a) a **modification** (to client's benefit[11]) **of pre-existing contractual terms** granted to a client which is no longer able to respect the former due to the status of financial distress in which client finds him/herself (or in which he/she will imminently find him/herself)[12];

   b) a **total or partial refinancing of a debt** that would not have been granted if the debtor had not found him/herself in financial distress. "Refinancing" means the **recourse to a new assignment of coverage** – whether full or partial – **of an** already existing **exposure**, which the debtor is not able to pay back under current conditions.

2. **Presence of "financial difficulty"**: client, at the moment of the concession, finds him/herself in financial distress.

   To assign the attribute of a "forborne credit", several rules are applied depending on whether the counterparties benefitting from the assistive measure (the "concession") are:

   a) Performing: in such cases, the existence of the "financial difficulty" presumes that the Bank or the Company of the UBI Group that disbursed the credit **invariably** carries out a **judgmental assessment** on the debtor's status of financial difficulty, without applying mechanistic criteria.

   b) Non-performing (i.e. in default): in such cases, the existence of the counterparty's financial difficulty is implicit in the classification of the same into one of the "in-default" status listed *supra*.

Rules for managing counterparties with a "Forborne Credit" attribute

Based on the foregoing, the rules for managing the counterparties beneffiting from "concessionary" measures are differentiated not just in terms of the counterparty's status as either "Performing" or

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[10] See Art.164 of the ITS-EBA Document.

[11] The contractual modification must be, for the debtor benefitting from the same, more favorable than any other contractual modification granted to other debtors having the same risk profile.

[12] The client's request to exercise contractual clauses benefitting the latter – which were already present in the original contract, and which may be activated on client's request – must be handled commensurately with a concession if, and only if: the institution approves the exercise of the contractual clauses themselves, and the debtor actually finds him/herself in a status of financial difficulty.

"Non-Performing" (default), but also in terms of any concurrent presence of the "Forborne" attribute.

At this point, it should be noted what has been established by the provisions contained in the ITS-EBA, with particular reference to the transition of an exposure (1) from "Forborne Performing" to "Performing", (2) from "Forborne Performing" to "Forborne Non-Performing", and (3) from "Forborne Non-Performing" to "Forborne Performing".

1. **Transition from "Forborne Performing" to "Performing"**: the subtraction of the "Forborne" attribute from a "Forborne Performing" exposure (consequently becoming simply "Performing"), is admissible upon the occurrence of certain conditions[13] which must be considered concurrent, and not alternative among themselves; more specifically, the subtraction of the "Forborne" attribute may take place provided the following elements have been met:

   a) the exposure is classified as "Performing" on the date of observation;

   b) at least 2 years have elapsed from the date in which the "Forborne" exposure was considered "Performing". This is known as the "probation period";

   c) regular payments totaling a significant amount of capital or interest over the course of at least half of the "probation period" have been made;

   d) none of the debtor's exposures has been delinquent for over 30 days at the end of the "probation period".

2. **Transition from "Forborne Performing" to "Forborne Non Performing"**: an exposure classified as Forborne Performing is reclassified as Forborne Non Performing when:

   a) the debtor is classified as "Non-Performing" (meaning in an administrative status of default),

   b) during the "probation period" noted *supra*, at least one of the following alternative conditions has occurred[14]:

      - a further concession is granted to debtor, regardless of the debtor's status of financial difficulty,

      - exposures that have either been past-due or delinquent for more than 30 days, referring to the same debtor.

   However, the provision at subpart b), *supra*, concerns the only "Forborne Performing" exposures, coming from the "Forborne Non-Performing" category – those under probation period – (*i.e.*, it is not applicable to the positions that are designated as "Forborne Performing" as of the beginning); for such reason, as the case may be, there is an actual reclassification of the counterparty to "Forborne Non-Performing".

3. **Transition from "Forborne Non-Performing" to "Forborne Performing"**: a "Forborne Non-Performing" exposure may be reclassified as "Forborne Performing" only at the end of a period known as the "<u>cure period</u>", equal to at least 1 year from the classification as "Forborne

[13] See Art. 176 of the ITS-EBA Document.

[14] See Art. 176 of the ITS-EBA Document.

Non-Performing," as well as in the presence of the following criteria[15]:

a) following the concession of the forbearance measure, there are no payments in arrears, meaning amounts that are either past-due or delinquent on the relationship classified as "Forborne Non-Performing,"

b) following the Bank / Company's subjective assessment, the following has been found:

- the forbearance measure did not result in the accounting of losses, intended as a measure of either partial or total "write-off";
- there are no doubts regarding debtor's capacity to reimburse exposure in its entirety, in compliance with the measures agreed upon for the "concession" (meaning, in adherence to the new, post-concession, contractual conditions).

Nevertheless, a relationship to which the designation of "Forborne" has been applied loses that designation once the relationship itself has dissolved.

[15] See Art. 157 of the ITS-EBA Document.

COMPLIANCE WITH ARTICLES 404 TO 409 OF THE CRR AND WITH ARTICLE 51 OF THE AIFMR

In accordance with Regulation (EU) 575/2013 (the "**CRR**"), Circular no. 285/2013 ("*Disposizioni di Vigilanza per le Banche*") issued by the Bank of Italy (the "**Bank of Italy Instructions**"), Commission Delegated Regulation (EU) No 231/2013 (the "**AIFMR**") and the Commission Delegated Regulation (EU) No. 35/2015 (the "**Solvency II Regulation**"), each Originator has undertaken pursuant to the Senior Notes Subscription Agreement and the Intercreditor Agreement 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 article 405 ("**Article 405**") of the CRR, the Bank of Italy Instructions, article 51 of the AIFMR ("**Article 51**") and article 254 ("**Article 254**") of the Solvency II Regulation, and such interest will comprise, in accordance with option (1)(d) of Article 405, option (1) (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 for which it is the relevant Originator;

(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 405-409 (inclusive) of the CRR, chapter 3, section 5 of the AIFMR and Article 254(3) of the Solvency II Regulation;

(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 (whether directly or indirectly) 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, article 256 of the Solvency II Regulation and chapter 3, section 5 of the AIFMR; 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, article 256 of the Solvency II Regulation and/or chapter 3, section 5 of the AIFMR. 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 Originators acting reasonably that the additional information required by it is necessary to comply with paragraph 2 of article 406 of the CRR, article 256 of the Solvency II Regulation and/or chapter 3, section 5 of the AIFMR and the domestic implementing regulations to which such Noteholder is subject.

In addition to the above, each Originator has undertaken to the Noteholders (and to the Representative of the Noteholders on behalf of the Noteholders) that:

(i) on the Issue Date, any of the information to be provided pursuant to articles 405 and 409 of the CRR, the Bank of Italy Instructions and chapter 3, section 5 of the AIFMR, will be included in the following sections of the Prospectus "*Overview of the Transaction*", "*Risk Factors*", "*The Aggregate Portfolio and the Collection Policies*", "*Description of the Main Transaction Documents*", "*Subscription and Sale*", and

(ii) following the Issue Date (a) the Master Servicer will include in the Quarterly Servicer Report, the information required by article 409 of the CRR, the Bank of Italy Instructions, article 256 of the Solvency II Regulation and chapter 3, section 5 of the AIFMR necessary to prospective investors for the purposes above (including, in particular, the information regarding the net economic interest from time to time held by each Originator in the Securitisation); and (b) the Calculation Agent will include in the Investors Report such information contained in the Quarterly Servicer 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 Master Servicer in the Quarterly Servicer Report. It is understood that the Investors Report shall be deemed to have been produced on behalf of each Originator, under the Originator's full responsibility, with reference to the information that the relevant Originator has the obligation to make available (or cause to make available, if the case) to investors under article 409 of the CRR, the Bank of Italy Instructions, article 256 of the Solvency II Regulation and chapter 3, section 5 of the AIFMR.

Each Originator has further undertaken that the retention requirement is not to be subject to any credit risk mitigation, any short position or any other hedge, within the limits of articles 405 to 409 of the CRR, Article 254(3) of the Solvency II Regulation and chapter 3, section 5 of the AIFMR (which, in each case, does not take into account any corresponding national measures).

THE ISSUER

The Issuer was incorporated in the Republic of Italy pursuant to the Securitisation Law on 6 May 2016 and enrolled in the Companies Register of Milan on 9 May 2016 as a limited liability company (*società a responsabilità limitata*). The registered office of the Issuer is in Foro Buonaparte 70, 20121 Milan, Italy and its telephone number is +39 02 861914. The Issuer is registered with No. 09508210961 in the Companies Register of Milan and with number 35277.3 in the *elenco speciale delle società veicolo* held by Bank of Italy pursuant to article 4 of the Bank of Italy's regulation dated 1 October 2014. Since the date of its incorporation, the Issuer has not engaged in any business not related with the purchase of the Portfolios, no dividends have been declared or paid, other than: (i) the authorisation and the execution of the Transaction Documents to which it is a party; (ii) the activities incidental to any registration under the laws of the Republic of Italy; (iii) the activities referred to or contemplated in this Prospectus and in the Transaction Documents; and (iv) the authorisation by it of the Notes.

Quotaholding

The authorised equity capital of the Issuer is € 10,000. The issued and paid-up equity capital of the Issuer is € 10,000. No other amount of equity capital has been agreed to be issued. The quotaholders of the Issuer (the "**Quotaholders**") are Unione di Banche Italiane S.p.A. (10%) and Stichting Evanthe (90%).

Quotaholders' Agreement

According to the Quotaholders' Agreement, a call options has been granted in favour of UBI (for itself or another company designated by UBI) to purchase from Stichting Evanthe a quota equal to 90% of Issuer quota capital within six months after the redemption in full of the Notes; and a put option will be granted in favour of UBI to sell to Stichting Evanthe (or another company designated by it), within six months after redemption in full of the Notes, a quota equal to 10% of the quota capital of the Issuer.

Pursuant to the Quotaholders' Agremeent, UBI and Evanthe have undertaken, in the interest of the Noteholders, not to transfer, pledge or grant a beneficial interest over, or otherwise dispose of the respective quotaholding in the quota capital of the Issuer, or the voting rights pertaining to such quotaholding, until the redemption in full of the Notes, unless the prior written consent of the Representative of the Noteholders on behalf of the Noteholders has been obtained. It is understood that except as provided in relation to the purchase option of the quota granted in favour of UBI and described above, in any case, UBI shall not be the majority quotaholder of the Issuer.

The Quotaholders' Agreement sets out provisions in relation to the management of the Issuer as well as an undertaking of UBI (in such capacity, the "**Quotaholder**") to indemnify the Issuer from, or make available to the Issuer the moneys required to pay, any damages, losses, claims, liabilities, costs and expenses incurred by the Issuer, not payable out of the Issuer Available Funds, in relation to:

(a) any amount of direct or indirect tax and other fiscal charges of the Issuer;

(b) any cost or expense arising in connection with remuneration of the Issuer's directors and auditors (if any) and accountants and any cost or expense relating to the continuation of the Issuer; and

(c) any cost, expense, liability or loss other than those described in item (b) above and other than Securitisation's costs, that may in the future arise from the Issuer's being made subject to regulatory requirements, including as a result of the introduction or amendment of any law and of secondary regulations applicable to the Issuer.

In addition, pursuant to the Quoataholders' Agreement, UBI in its capacity of Quotaholder has undertaken to:

(i) take all reasonable actions to ensure that the Issuer is not subject to any insolvency or bankruptcy proceedings (including, without limitation, *fallimento*, *liquidazione coatta amministrativa* and *amministrazione strordinaria*) arising from the inability of the Issuer to satisfy those of its obligations for which it has a liability exceeding the value of the Receivables and the other rights constituting a separate pool of assets segregated for the satisfaction of the rights of the Noteholders and the Other Issuer Creditors, in accordance with article 3 of the Securitisation Law.;

(ii) take all necessary actions to avoid the winding-up by reason of a reduction of the Issuer's capital below the minimum required by Italian law from time to time in force.

The Quotaholders Agreement also provides that the Quotaholders will not approve the payment of any dividends by the Issuer prior to the date on which all amounts of principal and interest on the Notes have been paid in full.

The Quotaholders Agreement, and any non-contractual obligations arising out of and in connection with it, are governed by Italian law.

Special purpose vehicle

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset-backed Securities and accordingly it may carry out further securitisation transactions in addition to the Transaction, subject to the provisions set forth in the Terms and Conditions.

Accounting treatment of the Claims

Pursuant to the Bank of Italy's regulations, the accounting information relating to the securitisation of the Claims 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*).

Accounts of the Issuer

The fiscal year of the Issuer begins on 1 January of each calendar year and ends on 31 December of the same calendar year, with the exception of the first fiscal year, which started on 6 May 2016 and ended on 31 December 2016. The Issuer has commenced operations by purchasing the Initial Portfolios pursuant to the Master Transfer Agreements (as described in this Prospectus under section "Overview of the Transaction", paragraph "Master Transfer Agreement" and section"Description of the Main Transaction Documents", paragraph "The Master Transfer Agreements"), however as of the date of this Prospectus no audited financial statements have been produced. The financial statements of the Issuer will be prepared in accordance with IFRS.

Issuer's Principal Activities

The principal corporate object of the Issuer as set out in Article 3 of its by-laws (*statuto*) dated 6 May 2016, and in compliance with the Securitisation Law is to perform securitisation transactions (*operazioni di cartolarizzazione*).

The issuance of the Notes was approved by means of the resolutions of the Quotaholders held on 7 June 2016. So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Representative of the Noteholders and as provided for in the relevant Terms and Conditions, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Portfolios, issuing the Notes and entering into the Transaction Documents to which it is a party), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Terms and Conditions) or increase its capital. The Issuer will covenant to observe, *inter alia,* those restrictions which are detailed in the Terms and Conditions.

Management

The members of the board of directors of the Issuer as at the date of approval of the Prospectus and the offices held in other companies are as follows:

Name	Position	Principal activities performed by the Directors outside the Issuer
Renzo Parisotto	Chairman	Tax advisor
Marco Trabattoni	Director	UBI officer
Andrea Di Cola	Director	Chartered accountant

appointed by Quotaholders with the deed of incorporation (*repertorio* no. 19.405) dated 6 May 2016.

The address of the directors is at Foro Buonaparte 70, 20121 Milan, Italy.

Capitalisation and Indebtedness Statement

The capitalisation and the indebtedness of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes being issued on the Issue Date, is as follows:

Quota capital

A quota capital of Euro 10,000 (fully paid up)	Euro 10,000

Loan Capital

Euro 2,085,600,000 Class A Asset Backed Floating Rate Notes due

October 2070	Euro 2,085,600,000
Euro 113,800,000 Class B1 Asset Backed Additional Return Notes due October 2070	Euro 113,800,000
Euro 62,700,000 Class B2 Asset Backed Additional Return Notes due October 2070	Euro 62,700,000
Euro 133,900,000 Class B3 Asset Backed Additional Return Notes due October 2070	Euro 133,900,000
Euro 95,400,000 Class B4 Asset Backed Additional Return Notes due October 2070	Euro 95,400,000
Euro 244,400,000 Class B5 Asset Backed Additional Return Notes due October 2070	Euro 244,400,000
Euro 51,000,000 Class B6 Asset Backed Additional Return Notes due October 2070	Euro 51,000,000
Euro 59,100,000 Class B7 Asset Backed Additional Return Notes due October 2070	Euro 59,100,000
Total Capitalisation	**Euro 10,000**
Total Capitalisation and Indebtedness	**Euro 2,845,910,000**

Following the issue of the Notes and save for the foregoing, the Issuer shall have no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

THE ORIGINATOR, THE MASTER SERVICER, THE ACCOUNT BANK, QUOTAHOLDER, THE CASH MANAGER AND THE CALCULATION AGENT

Unione di Banche Italiane S.p.A. ("**UBI**") a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Piazza Vittorio Veneto, 8, 24122 Bergamo, fiscal code and enrolment with the companies register of Bergamo number 03053920165, enrolled under number 5678 with the registers of banks and number 3111.2 with the registers of banking groups held by the Bank of Italy in accordance with, respectively, articles 13 and 64 of the Consolidated Banking Act.

UBI is the entity resulting from the merger by incorporation of Banca Lombarda e Piemontese S.p.A. into Banche Popolari Unite S.c.p.A. ("**BPU**") (the "**Merger**"). The Merger became legally effective on 1 April 2007, with the surviving entity, BPU, changing its name to Unione di Banche Italiane S.p.A.. UBI is the parent company of the UBI Banca group (the "**UBI Group**"). On 12th October 2015, UBI was the first popolare bank to become a Joint Stock Company (S.p.A.).

In the context of the Securitisation, UBI will act as Quotaholder pursuant to the Quotaholders' Agreement. Originator pursuant to the relevant Master Transfer Agreement, Master Servicer pursuant to the Master Servicing Agreement, as Calculation Agent, Account Bank and Cash Manager pursuant to the CAMPA.

THE ORIGINATORS AND SUB-SERVICERS

Banco di Brescia

Banco di Brescia S.p.A. ("**BdB**"), a *società per azioni* with sole shareholder incorporated under the laws of the Republic of Italy, having its registered office at Corso Martiri della Libertà, 13, 25122 Brescia, fiscal code and enrolment with the companies register of Brescia number 03480180177, enrolled under number 5393 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

Banco di Brescia is a retail bank, which, as at 31 December 2015, was wholly-owned by UBI.

In the context of the Securitisation, BdB will act as Originator pursuant to the relevant Master Transfer Agreement and as Sub-Servicer under the Master Servicing Agreement.

Banca Regionale Europea

Banca Regionale Europea S.p.A. ("**BRE**"), a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Roma, 13, 12100 Cuneo, fiscal code and enrolment with the companies register of Cuneo number 01127760047, enrolled under number 5240.70 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

BRE Banca is a retail bank, which, as at 31 December 2015, was 74.776 per cent. owned by UBI, 24.90 per cent. owned by Fondazione Cassa Risparmio di Cuneo, and the remaining interest owned by minority shareholders.

In 2012, BRE Banca incorporated Banco di San Giorgio S.p.A. a smaller bank operating in the region of Liguria.

In the context of the Securitisation, BRE will act as Originator pursuant to the relevant Master Transfer Agreement and as Sub-Servicer under the Master Servicing Agreement.

Banca Popolare di Ancona

Banca Popolare di Ancona S.p.A. ("**BPA**"), a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Don A. Battistoni, 4 – 60035 Jesi (AN), Italy, fiscal code and enrolment with the companies register of Ancona number 00078240421, enrolled under number 301 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

BPA is a retail bank with 99.58 per cent. owned by UBI (as at 31 December 2015) and the remaining interest owned by minority shareholders.

In the context of the Securitisation, BPA will act as Originator pursuant to the relevant Master Transfer Agreement and as Sub-Servicer under the Master Servicing Agreement.

Banca Popolare di Bergamo

Banca Popolare di Bergamo S.p.A. ("**BPB**"), a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Piazza Vittorio Veneto, 8, 24122, Bergamo, Italy,

fiscal code and enrolment with the companies register of Bergamo, number 03034840169, enrolled under number 5561 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

BPB is a retail bank which was established on 1 July 2003 and, as at 31 December 2015, was wholly owned by UBI.

In the context of the Securitisation, BPB will act as Originator pursuant to the relevant Master Transfer Agreement and as Sub-Servicer under the Master Servicing Agreement.

Banca Popolare Commercio e Industria

Banca Popolare Commercio e Industria S.p.A. ("**BPCI**"), a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Monte di Pietà, 7, 20121 Milano, Italy, fiscal code and enrolment with the companies register of Milan number 03910420961, enrolled under number 5560 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

BPCI is a retail bank which was established on 1 July 2003. As as at 31 December 2015, BPCI was 83.763 per cent. owned by UBI and 16.237 per cent. owned by Fondazione Banca del Monte di Lombardia.

In the context of the Securitisation, BPCI will act as Originator pursuant to the relevant Master Transfer Agreement and as Sub-Servicer under the Master Servicing Agreement.

Banca Carime

Banca Carime S.p.A. ("**Carime**"), a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Crati, 87100 Cosenza, Italy, fiscal code and enrolment with the companies register of Cosenza number 13336590156, enrolled under number 5562, with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the UBI Group.

Carime is a retail bank operating in southern Italy (primarily in the regions of Campania, Puglia, Calabria and Basilicata). As at 31 December 2015, UBI owned 99.99 per cent. of Carime, with the remaining interest owned by minority shareholders.

In the context of the Securitisation, Carime will act as Originator pursuant to the relevant Master Transfer Agreement and as Sub-Servicer under the Master Servicing Agreement.

THE CORPORATE SERVICER

TMF Management Italy S.r.l. ("**TMF**"), a *società a responsabilità limitata* incorporated under the laws of the Republic of Italy, having its registered office at Foro Buonaparte, 70, 20121 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 03296470960.

TMF is part of TMF Group, a leading global provider of specialized and business-critical financial and administrative services that enable companies to operate their corporate structures, finance vehicles and investment funds in different geographical locations.

In the capital markets TMF Group is one of the largest and most experienced administrators of structured finance entities in the world, acting as corporate servicer, calculation/computation agent, cash manager, loan agent, note/bond trustee, representative of the noteholders, back-up servicer facilitator, to more than 2,000 special purpose vehicles (SPVs) across all leading onshore and offshore jurisdictions.

In the context of the Securitisation, TMF will act as Corporate Servicer pursuant to the Corporate Services Agreement Agreement

THE PAYING AGENT

The Bank of New York Mellon (Luxembourg) S.A., Italian Branch, a bank incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at Vertigo-Polaris, 2-4 rue Eugène Ruppert, L-2453, Luxembourg, Grand Duchy of Luxembourg, acting through its Italian branch at Via Carducci, 31, 20123 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 05694250969, enrolled as a "*filiale di banca estera*" under number 3351.4 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act.

In the context of this Securitisation, The Bank of New York Mellon (Luxembourg) S.A., Italian Branch acts as Paying Agent.

THE LISTING AGENT

The Bank of New York Mellon S.A/N.V, Dublin Branch is a a banking corporation organised pursuant to the laws of Belgium, with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin Branch (registered in Ireland with branch number 907126) and having its registered branch office at Hanover Building, Windmill Lane, Dublin 2, Ireland.

In the context of this Securitisation, The Bank of New York Mellon S.A/N.V, Dublin Branch acts as Listing Agent.

THE REPRESENTATIVE OF THE NOTEHOLDERS AND THE BACK-UP SERVICER FACILITATOR

Zenith Service S.p.A. is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office at Via Guidubaldo del Monte 61, 00197, Rome, Italy and administrative offices at Via Alessandro Pestalozza 12/14, 20131 Milan, Italy, fiscal code and enrolment with the companies register of Rome number 02200990980,, enrolled in the New register of financial intermediaries ("Albo Unico") held by Bank of Italy pursuant to articles 106 of the Consolidated Banking Act, ABI Code 32590.2.

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

In the context of this Securitisation, Zenith Service S.p.A. acts as Representative of the Noteholders and Back-Up Servicer Facilitator.

Zenith Service S.p.A. is subject to the auditing activity of BDO Italia S.p.A..

USE OF PROCEEDS

Proceeds available to the Issuer from the issue of the Notes will be applied by the Issuer (a) in or towards full payment of the Purchase Price of the Initial Portfolio (net of the purchase price of the Receivables repurchased by the Originators prior to the Issue Date) and (b) also to fund the Initial Cash Reserve Amount as of the Issue Date.

DESCRIPTION OF THE MAIN TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is a summary of certain features of such agreements and is qualified by reference to the detailed provisions of the terms and conditions of the relevant Transaction Document. All defined terms herein bear the same meaning ascribed thereto, respectively, in each relevant Transaction Document. Noteholders may inspect a copy of each Transaction Document upon request at the registered office of each of the Representative of the Noteholders.

The Master Transfer Agreements

EachOriginator and the Issuer has entered into a Master Transfer Agreement on 30 June 2016, pursuant to which each Originator has assigned without recourse (*pro soluto*) and in bulk (*in blocco*) and the Issuer has purchased, an initial portfolio of receivables arising from residential mortgage loans and has undertaken to purchase, subject to the terms and conditions indicated therein, further portfolios of subsequent receivables, selected in accordance with the Common Criteria and the Specific Criteria in order to satisfy the provisions set forth under Articles 1 and 4 of the Securitisation Law and under Article 58 of the Consolidated Banking Act.

The economic effects of the transfer of the Portfolio from each Originator to the Issuer became effective on the Cut-Off Date. Pursuant to the terms of the relevant Master Transfer Agreement, on 30 June 2016, each Originator has assigned and transferred the Initial Receivables comprised in the relevant Portfolio which, as of the Selection Date (or any different date specified in the relevant criteria), comply with the Criteria.

The Initial Receivables comprised in the relevant Portfolio have been and will be selected by each Originator on the basis of Common Criteria, which are set out in Annex A, Section 1, to the relevant Master Transfer Agreement. See "*The Aggregate Portfolio and the Collection Policies*".

The Specific Criteria in respect of the Initial Portfolios are indicated in the relevant Master Transfer Agreement, while the Specific Criteria in respect of each Subsequent Portfolio will be indicated by the Originators in the relevant Transfer Offer.

The purchase price of the Initial Portfolios and of any Subsequent Portfolios have been and will be made by the Issuer in the context of the Securitisation and will be financed through the issue by the Issuer of the Notes.

The Purchase Price of the Initial Portfolios has been funded through the net proceeds of the Notes.

The Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of the principal instalments collected in respect of the Receivables and any other Issuer Available Funds, as the case may be, available to such purpose.

The purchase of a Subsequent Portfolio and/or the payment of the Purchase Price are conditional upon, *inter alia*:

- the availability, on the Payment Date immediately following the Revolving Assignment Date, of sufficient Issuer Available Funds to effect the payment of the Purchase Price of the Subsequent Portfolio;
- no Purchase Termination Event having occurred as confirmed by the Quarterly Servicer Report;

- no Transfer Limits being breached as a consequence of the purchase of the Subsequent Receivables as confirmed by the Master Servicer in the Quarterly Servicer Report.
- the Purchasing Conditions of the Subsequent Portfolio have been satisfied as confirmed by the Master Servicer in the Quarterly Servicer Report;
- the delivery by the relevant Originator of a Transfer Offer, together with the following documents dated on or about the date of the Transfer Offer: (i) the solvency certificate relating to such Originator, (ii) the certificate of good standing issued by the competent Chamber of Commerce confirming that no bankruptcy proceedings were pending, started or resolved with respect to the Originator;
- the publication of a notice of the assignment of the Subsequent Portfolio in the Official Gazette and its registration in the register of the competent Chamber of Commerce.

Each Master Transfer Agreement provides that if, after the Cut-Off Date, with respect to the Receivables, it transpires that any of the Receivables do not meet the Criteria, such Receivables will be deemed not to have been assigned and transferred to the Issuer pursuant to the relevant Master Transfer Agreement. If, after the Cut-Off Date, with respect to the Receivables, it transpires that any Receivable which meets the Criteria has not been included in the relevant Portfolio, such Receivable shall be deemed to have been assigned and transferred to the Issuer by the Originator on the Cut-Off Date.

Thereafter, the Purchase Price shall be adjusted accordingly. The Master Transfer Agreement also contains a number of undertakings by the Originator in respect of its activities relating to the Receivables. The Originator undertakes until the publication of a notice of the assignment of each Portfolio in the Official Gazette, *inter alia*, not to assign or transfer the Receivables comprised thereunder to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of such Receivables, in whole or in part, and to refrain from any action which could cause the invalidity of any of such Receivables or of the relevant collateral security.

The Master Transfer Agreement furthermore contains a Partial Portfolio Call Option in favour of the Originator, to be exercised to repurchase:

(i) all or part of the existing Eligible Receivables;

(ii) all or part of the Receivables within the following limits: (a) a general limit of 15% of the sum of the principal amount due of the Initial Portfolio and the Subsequent Portfolios assigned by the relevan Originator and (b) in respect of a specific Collection Period, a limit calculated on a quarterly basis equal to 5% of the sum of the principal amount due of the Initial Portfolio and the Subsequent Portfolios purchased from the relevant Originator in the relevant Collection Period;

and conditional upon, *inter alia*:

(a) no Relevant Event of the Originator or the Issuer being occurred; and

(b) in respect of the repurchase of Eligible Receivables, the Repurchase Limits having been satisfied.

With respect to the case described under point (i) above, the Partial Portfolio Call Option may be exercised on a Business Day falling within two day following any Quarterly Servicer Report Date

with respect to the repurchase of the Receivables having as Selection Date a date which is not later than the relevant Quarterly Servicer Report Date provided that the relevant conditions have been satisfied.

With respect to the case described under point (ii) above, the Partial Portfolio Call Option may be exercised on each Business Day provided that the relevant conditions have been satisfied.

The Partial Portfolio Call Option may be exercised by the Originator provided that, inter alia:

(i) the Originator shall have delivered to the Issuer (a) a solvency certificate signed by a duly empowered representative of it and (b) a certificate issued by the competent Chamber of Commerce (*Camera di Commercio*), dated not earlier than 5 (five) Business Days prior to the relevant date of the repurchase Offer, declaring that no insolvency proceedings are pending against the Originator;

(ii) the Originator shall have obtained the authorisations, as prescribed by law and regulations (if any) to exercise the Partial Portfolio Call Option;

(iii) the purchase price payable by the Originator to the Issuer for the repurchase of the relevant Portfolio shall be calculated: (i) in respect of the Eligible Receivables and the Receivables *in bonis*, as the principal amount outstanding of such Receivables plus any Accrued Interest at the relevant selection date indicated under the relevant repurchase offer; (ii) in respect of all the Receivables other than the Eligible Receivables not qualified as *in bonis,* the current value of the Receivables, asindicated under (a) the most recent yearly financial statements of the Originator certified by the Originator's auditors or, if more recent, (b) the half-yearly report of the Originator prepared for the purpose of the consolidated financial statements of UBI Group.

In addition to the above, the Originators may exercise the option to repurchase (in whole but not in part) the Aggregate Portfolio from the Issuer (including for the avoidance of doubt all Delinquent Receivables and Defaulted Receivables comprised therein).

The purchase price payable by the Originators to the Issuer for the repurchase of the Aggregate Portfolio shall be calculated: (i) in respect of Receivables in bonis, as the principal amount outstanding of such Receivables plus any Accrued Interestat the relevant selection date indicated under the relevant repurchase offer; (ii) in respect of all the Receivables not qualified as in bonis, the current value of the Receivables, asindicated under (a) the most recent yearly financial statements of the Originator certified by the Originator's auditors or, if more recent, (b) the half-yearly report of the Originator prepared for the purpose of the consolidated financial statements of UBI Group.

The option to repurchase (in whole but not in part) the Aggregate Portfolio may be exercised by the Originators provided that, inter alia:

(i) the Originators shall have delivered to the Issuer (a) a solvency certificate signed by a duly empowered representative of it and (b) a certificate issued by the competent Chamber of Commerce (Camera di Commercio), dated not earlier than 5 (five) Business Days prior to the relevant date of the repurchase Offer, declaring that no insolvency proceedings are pending against the Originators;

(ii) the Originators shall have obtained the authorisations, as prescribed by law and regulations (if any) to exercise the repurchase option.

Furthermore the purchase price payable by the Originators to the Issuer for the repurchase of the entire Aggregate Portfolio shall not be lower than the amount needed to redeem the Notes (or the Senior Notes and some only of the Junior Notes, if the Junior Noteholders consent) at their principal amount outstanding and the accrued and unpaid interest as calculated on the respective date plus any amount to be paid in priority thereto as of such relevant Payment Date, pursuant to the relevant Priority of Payment, less the Issuer Available Funds which as of such relevant Payment Date can be used for such purposes. The amount due for the purchase of the Aggregate Portfolio shall be credited on the Payment Account, at the same time of the transfer of the Aggregate Portfolio, at least 2 Business Days prior to the relevant Payment Date (save for other instructions given by the Issuer), through a bank transfer in favour of the Issuer with compensate value.

The Master Transfer Agreements are governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any disputes arising in respect of the Master Transfer Agreements.

The Warranty and Indemnity Agreements

On 30 June 2016, the Issuer and each Originator, have entered into a Warranty and Indemnity Agreement pursuant to which each Originator has given certain representations and warranties in favour of the Issuer.

The Warranty and Indemnity Agreements contains representations and warranties by each Originator in respect of, *inter alia*, the following categories:

(i) the Loan Agreements;

(ii) the Receivables;

(iii) the Guarantees;

(iv) transmission of data;

(v) the Securitisation Law and Article 58 of the Consolidated Banking Act; and

(vi) various declarations.

Clause 4 of each Warranty and Indemnity Agreement contains an undertaking by each Originator to indemnify the Issuer or any of its permitted assignees from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against (including, but not limited to, legal fees and disbursement included any value added tax) or incurred by the Issuer or any of its permitted assignees arising from (a) any obligation of the relevant Originator under the relevant Warranty and Indemnity Agreement being breached, (b) any representations and/or warranties made by the relevant Originator thereunder, being false, incomplete or incorrect and (c) the failure to collect payments in respect of the receivables due to (i) exceptions (including set-off exceptions or pursuant to article 1283 of the Italian Civil Code) raised by the Debtors or (ii) claw back actions undertaken against the Debtors or (iii) declaration of infectiveness pursuant to article 65 of Bankruptcy Law in respect of payments received by the relevant Originator before the cut-off date *vis-à-vis* the relevant Originator, from any Debtor and/or any Guarantor and/or any receiver (as the case may be).

Alternatively to the indemnity obligation, pursuant to Clause 4.6 of each Warranty and Indemnity Agreement, the Originators shall repurchase the Receivables included in the relevant Portfolio in respect to which any of the event listed above has occurred.

The Issuer has given certain representations and warranties to each Originator in relation to its due incorporation, solvency as well as due authorisation, execution and delivery of the Warranty and Indemnity Agreements and the Master Transfer Agreements.

Clause 6 of each Warranty and Indemnity Agreement contains an undertaking by the Issuer to indemnify each Originator or any of its permitted assignees from and against any and all damages, losses, claims, liabilities, costs and expenses awarded against (including, but not limited to, legal fees and disbursement included any value added tax) or incurred by the Issuer or any of its permitted assignees arising from any representations and/or warranties made by the Issuer thereunder, being false, incomplete or incorrect.

Each Warranty and Indemnity Agreement provides that the obligations of the Issuer to make any payments thereunder, including the indemnity obligations of the Issuer under Clause 6 of each Warranty and Indemnity Agreement afterwards the Issue Date, shall be limited to the lesser of the nominal amount thereof and the amount which may be applied by the Issuer in making such payment in accordance with the applicable Priority of Payments. Each Originator acknowledges that the obligations of the Issuer contained in the relevant Warranty and Indemnity Agreement will be limited to such sums as aforesaid and that it will have no further recourse to the Issuer in respect of such obligations.

The Warranty and Indemnity Agreements are governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any disputes arising in respect of the Warranty and Indemnity Agreement.

The Master Servicing Agreement

On 30 June 2016, the Issuer, UBI in its capacity as Master Servicer and BdB, Carime, BPB, BRE, BPA and BPCI, in their capacity of Sub-Servicers, have entered into the Master Servicing Agreement, as further amended before the Issue Date, pursuant to which the Issuer, also in the interest of the Representative of the Noteholders, has appointed Unione di Banche Italiane S.p.A. as Master Servicer of the Receivables. The Master Servicer will act as 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 the receipt of the Collections acting as agent (*mandatario con obbligo di rendiconto*) of the Issuer. In such capacity, the Master Servicer shall also be responsible for ensuring that such operations comply with the provisions of articles 2.3, letter (c), and 2.6 bis of the Securitisation Law.

Under the Master Servicing Agreement the Master Servicer has delegated each Originator (other than UBI), in its capacity as Sub-Servicer, to carry out on behalf of the Issuer and in accordance with the Master Servicing Agreement and the Collection Policy the management, administration, collection, recovery, monitoring and reporting activities with respect to the Receivables transferred by the relevant Originator to the Issuer, except from the Receivables arising from UBI Portfolio and with the exception of the activities aimed at recovering any Defaulted Receivables, provided that in any case the activity of assignment of Defaulted Receivables to third parties cannot be delegated to the Sub-Servicers in accordance with the Master Servicing Agreement.

The Master Servicer will be responsible pursuant to article 1717 of Italian Civil Code for the actions undertaken by the Sub-Servicers.

The Sub-Servicers will be responsible for the fulfilment of the obligations undertaken by them under the Master Servicing Agreement on an individual basis and without joint liability. Each Sub-Servicer has confirmed, in relation to its undertakings pursuant to the Master Servicing Agreement, its willingness to be the autonomous holder (*titolare autonomo del trattamento dei dati personali*) for the processing of personal data in relation to the Receivables of the relevant Portfolio, pursuant to the Privacy Law.

The Master Servicer and each Sub-Servicer have represented to the Issuer that each has all skills, software, hardware, information technology and human resources necessary to comply with the efficiency standards required by the Master Servicing Agreement in relation to the respective responsibilities.

Under the terms of the Master Servicing Agreement, the Master Servicer shall prepare and submit to the Issuer, with a copy to the Calculation Agent, the Corporate Servicer, the Representative of the Noteholders and the Rating Agencies, within any Quarterly Servicer Report Date a report (the "**Quarterly Servicer Report**").

For the entire duration of the Master Servicing Agreement, the Master Servicer, directly or through the Sub-Servicers, shall collect the Receivables on behalf of the Issuer and shall transfer any such Collections relating to the Receivables of any relevant Portfolio into the relevant Operation Accounts within one Business Day succeeding such collection. The Issuer and/or the Representative of the Noteholders are entitled to inspect and take copies of the documentation and records relating to the Receivables in order to monitor the activities performed by the Master Servicer pursuant to the Master Servicing Agreement, subject to notice being given to the Master Servicer.

Pursuant to, and subject to, Clause 19 of the Master Servicing Agreement, the Master Servicer may, in compliance with the Collection Policy and within the limits set forth under Annex E to the Master Servicing Agreement, re-negotiate or otherwise amend the due dates under the Loan Agreements, including the Renegotiations Excluded which are not subject to any limitation.

The Issuer may terminate, at its own discretion, or in case set out under point (i) below, is obliged to terminate the Master Servicer's appointment and appoint, also in the interest of the Representative of the Noteholders, a successor master servicer (the "**Successor Master Servicer**") if one of the following events takes place (the "**Master Servicer Termination Event**"):

(i) an order is made by any competent judicial authority providing for a *liquidazione coatta amministrativa* of the Servicer or in the event that the Servicer is admitted to any insolvency proceedings or a resolution is passed by the Master Servicer for the admission of the Master Servicer to insolvency proceedings;

(ii) failure on the part of the Master Servicer, to comply with or perform any obligation under the Servicing Agreement such as to materially prejudice the management and collection of the Receivables, including non-delivery or delay delivery of the Quarterly Servicer Report and in case such breach may be solved, it continues for more than 15 (fifteen) Business Days from the notice sent from the Issuer to the Master Servicer and the Representative of the Noteholders (*provided that* a failure ascribable to any Sub-Servicers delegated by the Master Servicer shall not constitute a Master Servicer Termination Event);

(iii) the performace of the obligations of the Master Servicer set out under the Master Servicing Agreement and/or the Transaction Documents becomes unlawful;

(iv) the Master Servicer loses the requirements required under the law, by Bank of Italy or any other competent authorities;

(v) material breach by the Master Servicer of the representations and warranties given by it under the Master Servicing Agreement and in case such breach may be solved, it continues for more than 15 (fifteen) Business Days from the notice sent from the Issuer to the Master Servicer and the Representative of the Noteholders; and

(vi) the breach by the Master Servicer of any of its obligations to credit any amount received in relation to the Receivables to the relevant Operation Account and such breach continues for more than 10 (ten) Business Days save it depends on strikes, technical interruptions, or any other justified reasons (*provided that* without prejudice to the provisions set out under the Master Servicing Agreement with reference to the responsibility of the Master Servicer, a failure ascribable to any Sub-Servicers delegated by the Master Servicer shall not constitute a Master Servicer Termination Event).

The Master Servicer has agreed that any claim for payment of sums due from the Issuer under the Master Servicing Agreement afterwards the Issue Date shall be limited to the lesser between the nominal amount of such claim and the amount which may be applied by the Issuer in making such payment in accordance with the applicable Priority of Payments. Any amount which remains unpaid following the completion of all procedures undertaken for the recovery of the Receivables or, in any event, on the Final Maturity Date, shall be deemed to be waived by the Master Servicer and the Sub-Servicers and cancelled.

The Master Servicer, to the extent that it proves advantageous to the Noteholders in accordance with the provisions of article 2, paragraph 3, letter d) of the Securitisation Law, may, in the name and on behalf of the Issuer and prior written consent of the Representative of the Noteholders (upon instructions of the Noteholders), sell to third parties, including the Originator, one or more receivables classified as Defaulted Receivables provided that:

(i) have been exhausted, with the most professional care but without any success, the recovery attempts in accordance with the Collection Procedures;

(ii) the Master Servicer has attempted, directly or though the Sub-Servicers, with the utmost care professional to come to settlement agreements in respect of such Deafulted Receivables , without success;

(iii) by a prudent assessment of the Master Servicer, carried out with the most professional care, there are no practical alternatives to reach a recovery of such Defaulted Receivables in a cost-effective way in the context of the Securitisation;

(iv) the sale of the Deafulted Receivables is non-recourse (*pro soluto*) and does not imply any guarantee from the Issuer of the performance and the solvency of assigned debtors;

(v) in the event that a third party purchaser may be subject to insolvency proceedings, there must be evidence of (i) a certificate of the section of the bankruptcy court of competent jurisdiction and (ii) a certificate from the competent register of companies, stating that over the past five years are not started, pending or established procedures of bankruptcy, arrangement with creditors, receivership, and/or other insolvency procedures in respect of such purchaser;

(vi) the consideration for the transfer is paid in full and not in instalments; and

(vii) the Master Servicer communicates the transfer of such receivables to the Corporate Servicer and indicates the receivables that are transferred in the immediate following Quarterly Servicer Report.

In order to mitigate the servicing risk in respect of the Portfolios, according to the Master Servicing Agreement, a Back-Up Servicer will be appointed, following the downgrade of the Master Servicer's long term rating below BB(low) from DBRS or below Ba3 from Moody's (il "**BUS Rating Event**), and it will assume and/or perform the duties and obligations of the Servicer on the same terms as are provided for in the Master Servicing Agreement. In addition, a Back-Up Servicer Facilitator has been appointed pursuant to the Master Servicing Agreement. In particular, under the Master Servicing Agreement, the Back-Up Servicer Facilitator has undertaken to cooperate with the Issuer in order to select an entity to be appointed as Back-Up Servicer or Successor Master Servicer, as the case may be, in case of termination of the appointment of the Master Servicer pursuant to the Master Servicing Agreement.

Following the termination of the appointment of the Master Servicer, the Issuer (or the Master Servicer, the Back-Up Servicer or the Back-Up Servicer Facilitator on behalf of the Issuer) will have to issue new payment instructions to the Borrowers to pay directly to the Issuer.

The Master Servicing Agreement is governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the Parties out of or in connection with the Master Servicing Agreement.

The CAMPA

On or about the Issue Date, the Issuer will enter into the Cash Allocation Management Payment and Agency Agreement (the "**CAMPA**") with the Account Bank, the Cash Manager, the Master Servicer, the Originators, the Sub-Servicers, the Representative of the Noteholders, the Back-Up Servicer Facilitator, the Corporate Servicer, the Calculation Agent and the Paying Agent.

Pursuant to the CAMPA:

(i) the Account Bank agrees to provide the Issuer with certain reporting services together with account handling services in relation to the monies from time to time standing to the credit of the Operation Accounts, the Interest Collection Accounts, the Principal Collection Accounts, the Investment Account, the Expenses Account, the Securities Account and the Cash Reserve Account;

(ii) the Cash Manager agrees to provide the Issuer with certain reporting services together with account handling services in relation to securities from time to time standing to the credit of the Investment Account and the Securities Account and certain management services in relation to the monies and securities, as the case may be, standing to the credit of the Accounts;

(iii) the Calculation Agent agrees to provide the Issuer with certain reporting services together with certain calculation services; and

(iv) the Paying Agent will agree to provide the Issuer with certain reporting services together with account handling services in relation to the monies from time to time standing to the credit of the Payment Account and the payment services to the Noteholders.

The Accounts other than the Payment Account will be opened in the name of the Issuer and shall be operated by the Account Bank. The Payment Account will be opened in the name of the Issuer and shall be operated by the Paying Agent.The amounts and securities, as the case may be, standing to the credit of the Accounts shall be debited and credited in accordance with the provisions of the CAMPA (see section "*The Accounts*").

According to the CAMPA, each of the Account Bank and the Paying Agent with reference to the Accounts opened respectively with each of them: (i) has represented and warranted that the Accounts (other than the Quota Capital Account) have been opened and is and will be treated and maintained in accordance with the provisions set forth under Article 3, paragraph 2-bis the Securitisation Law; (ii) has acknowledged that any sum standing to the credit of the Accounts (other than the Quota Capital Account) is segregated from the other accounts of the Account Bank or the Paying Agent, as the case may be, and the other depositors held by the Account Bank or the Paying Agent, as the case may be, so that such sums can be attached only by the Noteholders; (iii) has undertaken to keep any such amount segregated from any other amount of the Issuer standing to the credit of any other account held by the Account Bank or the Paying Agent, as the case may be, and to keep appropriate and separate evidence in its accounting books, electronic system and in any other document evidencing sums standing to the credits of any accounts, such separate evidence shall be provided, upon request, to the Representative of the Noteholders; (iv) has undertaken to inform any creditor, administrator, judicial liquidator or any other person asserting any right or claim in respect of any Account that each Account (other than the Quota Capital Account) is a segregated account in its books and records (*conto corrente segregato*) for the purposes of Article 3, paragraph 2-bis of the Securitisation Law, making the Accounts and the sums credited thereto unavailable, including in relation to any conservative measures or any enforcement which would be brought by a creditor of the Issuer, and to disclose the balance of the Issuer upon any request for information by the auditors of the Issuer, and to specify that each Account is a segregated account in its books and records (*conto corrente segregato*) for the purposes of Article 3, paragraph 2-bis of the Securitisation Law; (v) has acknowledged and agreed that it shall have no right to set off any amounts due for any reason whatsoever from the Issuer to the Account Bank or the Paying Agent, as the case may be, against any sum standing to the credit of the Accounts; (vi) has acknowledged and agreed to operate on the Accounts (other than the Quota Capital Account) only on the basis of the instructions received pursuant to this Agreement; (vii) undertakes to promptly inform the Issuer, the Representative of the Noteholders of the receipt of any request or other document asserting any right or claim from a third party in relation to any Account (other than the Quota Capital Account) – including without limitation in relation to any enforcement measures over the relevant Account – received after the date hereof by no later than three Business Days following the date of receipt.

In relation to the payments from the Debtors in respect of the Receivables which are made on an account opened by the Master Servicer and the Sub-Servicers (the "**Services Accounts**"), pursuant to the Master Servicing Agreement the Master Servicer has undertaken to procure that any amount standing to the credit of the Services Accounts in respect to the Receivables will be transferred by the Master Servicer or the Sub-Servicers to the Operation Accounts within one Business Day following the actual collection and pursuant to the CAMPA each of the Master Servicer and the Sub-Servicers has undertaken to keep any such amount segregated from any other amount of, respectively, the Master Servicer and the Sub-Servicer and keep appropriate and separate evidence in its accounting books, balance sheet and in any other document and/or electronic system

evidencing the assets of the Master Servicer and the Sub-Servicer that the sums are segregated from its own assets, such separate evidence in its accounting shall be provided upon request to the Issuer.

On the third Business Day following the end of each month, the Account Bank shall deliver to the Issuer, the Representative of the Noteholders, the Corporate Servicer, the Cash Manager, the Calculation Agent, the Master Servicer, the Paying Agent and the Rating Agencies, a copy of its report (the "**Account Bank Report**") which shall contain details of the balance of the Operation Accounts, the Collection Accounts, the Expenses Account, the Cash Reserve Account and the Investment Account held with the Account Bank and interest accrued thereon.

On the third Business Day following the end of each month, the Paying Agent shall deliver to the Issuer, the Representative of the Noteholders, the Corporate Servicer, the Cash Manager, the Calculation Agent, the Master Servicer, the Account Bank and the Rating Agencies, a copy of its report (the "**Paying Agent Report**") which shall contain details of the balance of the Payment Account held with the Paying Agent and interest accrued thereon.

Funds standing from time to time to the credit of the Investment Account will be invested by the Cash Manager on behalf of the Issuer in Eligible Investments upon direction by the Cash Manager pursuant to the terms of the Investment Letter by the Issuer.

On or prior to each Cash Manager Report Date, the Cash Manager shall deliver to the Issuer, the Representative of the Noteholders, the Account Bank, the Paying Agent, the Master Servicer, the Corporate Servicer, the Rating Agencies and the Calculation Agent a copy of its report (the "**Cash Manager Report**") which shall contain details of the Eligible Investments made including at least the following information: (a) date of investment; (b) identification of the Eligible Investment; (c) maturity/redemption date; (d) rating of the Eligible Investment (e) yield, (f) purchase price, (g) redemption price, (h) interest accrued and/or profit generated; and (i) any additional information as the Calculation Agent may require to perform its obligations the CAMPA.

Subject to receipt by it from the Master Servicer of the Quarterly Servicer Report (see the paragraph entitled "*The Master Servicing Agreement*"*),* the Cash Manager Report, the Account Bank Report, the Paying Agent Report, any other information – provided by the Corporate Servicer - necessary to prepare the Payment Report, the Calculation Agent will prepare a Payments Report with respect to each Collection Period, setting out, *inter alia,* payments to be made in accordance with the applicable Priority of Payments set out in the Intercreditor Agreement. The Calculation Agent shall, no later than the close of business on the Calculation Date, deliver a copy of the Payments Report to, *inter alia*, the Issuer, the Representative of the Noteholders, the Cash Manager, the Paying Agent the Account Bank and the Rating Agencies.

In the event that the Quarterly Servicer Report is not being provided as and when due in accordance with the terms of the Master Servicing Agreement, the Calculation Agent shall be entitled to consider all funds standing to the credit of the Accounts, other than Expenses Account and the Quota Capital Account, as Issuer Available Funds relating to the immediately preceding Collection Period and shall prepare the Payments Report. For this purpose all such amounts will be considered up to the amount necessary to make payment under the Pre-Enforcement Interest Priority of Payments under items (i) to (iv), based on the assumption that the amount to be paid to the Master Servicer under item (iii) of the Pre-Enforcement Interest Priority of Payments shall be equal to the amount specified in the last available Payment Report. No payments will be made on any item of the Pre-Enforcement Interest Priority of Payments different from the interests on the Senior Notes and any

other amount ranking in priority thereto (and, therefore, for the avoidance of doubt, no principal will be due and payable on the Senior Notes on such Payment Date), being understood that any other funds shall remain deposited into the Accounts (other than the Quota Capital Account) and will form part of the Issuer Available Funds on the following Payment Date. In addition to the above the Calculation Agent on the next Payment Date (subject to receipt of the Quarterly Servicer Report and all other relevant information set forth in the CAMPA) shall make appropriate recalculations and adjustments to take into account any differences and/or discrepancies between (i) amounts paid on the preceding Payment Date on the basis of provisional payments report and (ii) actual amounts that would have been due on such Payment Date if the relevant Quarterly Servicer Report had been delivered, to be included in an appropriate Payment Report. The Paying Agent has been authorised to make all the relevant payments required of them in the CAMPA in accordance with the provisions of such Payments Report.

Each of the Account Bank and the Paying Agent, with reference to the Accounts opened respectively with each of them: shall, on behalf of the Issuer, maintain or procure the maintenance of records in respect of such Accounts held by each of them and such records will, on each Calculation Date, show separately all payments paid to, and all payments made from, each of such Accounts and will record these receipts and payments on a basis which is consistent with the principles set out in the CAMPA (including the Payments Report) and the Intercreditor Agreement.

The CAMPA will contain representations and warranties of the Cash Manager, the Account Bank, the Calculation Agent, the Back-Up Servicer Facilitator and the Paying Agent in respect of, *inter alia*, their status, powers and authorisations, non violation and delivery of the CAMPA.

None of the Account Bank, the Cash Manager, the Calculation Agent, the Back-Up Servicer Facilitator and the Paying Agent (the "**Agents**") shall be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any other party hereto as a result of the performance of its obligations under the CAMPA save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any fraud, gross negligence or wilful default of the relevant Agent, or any of their respective agents, delegates or representatives.

Upon the occurrence of any of the termination events set out in the CAMPA, the Issuer may terminate the appointment of any of the Agents. In particular, the loss of status of Eligible Institution from the Account Bank or Paying Agent is a termination event of the appointment of the Account Bank or Paying Agent, as the case maybe.

Any of the Agents, in certain circumstances, may resign from their appointment under the CAMPA upon giving not less than two months prior written notice (or such shorter period as the Representative of the Noteholders may agree) of termination to the Representative of the Noteholders, the Rating Agencies, the Issuer and the other parties thereto.

The Issuer may, subject to the prior written approval of the Representative of the Noteholders pursuant to the terms of the CAMPA, terminate the appointment of any of Agents under the CAMPA in any circumstances by giving three months prior written notice of such termination to the relevant Agent, the Rating Agencies and the other Parties thereto.

Such termination will be subject to and conditional upon a substitute of the relevant Agent being appointed, with the prior written consent of the Representative of the Noteholders and subject to prior written notice to the Rating Agencies, on substantially the same terms as those set out in the CAMPA, it being understood that such substitute may be identified and appointed by the resigning

party, should the Issuer fail to do so. The Account Bank, the Cash Manager, the Calculation Agent, the Back-Up Servicer Facilitator the Paying Agent (as the case may be) will not be released from their obligations under the CAMPA until such substitute has entered into such new agreement and has undertaken to adhere to the Intercreditor Agreement and the other relevant Transaction Documents. In the event that any of the Account Bank and the Paying Agent ceases to be an Eligible Institution, the Accounts will be transferred within 30 days from the occurrence of such event, to a bank which qualifies as an Eligible Institution.

The CAMPA will be governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the Parties out of or in connection with the CAMPA.

The Intercreditor Agreement

On or about the Issue Date, the Issuer, the Other Issuer Creditors and the Representative of the Noteholders for itself and on behalf of the Noteholders will enter into the Intercreditor Agreement which sets out, *inter alia*, the Priority of Payments to be followed in the distribution of the Issuer Available Funds.

The obligations owed by the Issuer to each Noteholder and, in general, to each of the Other Issuer Creditors will be limited recourse obligations of the Issuer. The Noteholders will have a claim against the Issuer only to the extent of the Issuer Available Funds, subject to and as provided in the Intercreditor Agreement and the other Transaction Documents.

Under the terms of the Intercreditor Agreement, the Issuer undertakes, upon the occurrence of an Enforcement Event, to comply with all directions of the Representative of the Noteholders in relation to the management and administration of the Receivables. The Noteholders and the Other Issuer Creditors have irrevocably appointed the Representative of the Noteholders to act as their exclusive agent in relation to the Deed of Pledge and authorise the Representative of the Noteholders to apply all cash deriving from time to time from the subject matter of the Deed of Pledge as well as all proceeds upon the enforcement thereof to satisfy amounts payable to each of them in accordance with the applicable Priority of Payments.

The Intercreditor Agreement furthermore will provide that following the service of an Enforcement Notice, the Representative of the Noteholders may direct the Issuer (or shall, if so requested by an Extraordinary Resolution of the Most Senior Noteholders) to sale one or more Receivables provided that a sufficient amount would be realised to allow discharge in full of all amounts owing to the Senior Noteholders and amounts ranking in priority thereto and *pari passu* therewith.

In addition to the above, pursuant to the Master Transfer Agreement and Condition 8.3 (*Optional Redemption*) the Originator may, on any Quarterly Servicer Report Date, exercise the option to repurchase (in whole, but not in part) the Portfolio from the Issuer, subject to the provisions set forth therein.

The Intercreditor Agreement will be governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the Parties out of or in connection with the Intercreditor Agreement.

The Deed of Pledge

On or about the Issue Date, the Issuer will execute the Deed of Pledge pursuant to which the Issuer will grant, in favour of the Representative of the Noteholders and the Other Issuer Creditors a first

priority pledge over (a) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, credits and guarantees) to which the Issuer is entitled pursuant to the Transaction Documents (other than the Deed of Pledge) to which the Issuer is a party; (b) any existing or future pecuniary claim and right and any sum credited from time to time to the Operation Accounts, the Collection Accounts, the Investment Account, the Cash Reserve Account and the Expenses Account, and (c) the Eligible Investments deposited, from time to time, with the Account Bank in accordance with the CAMPA. The Pledge on the credit balances of the Accounts which are pledged has been created, *inter alia*, pursuant to the provisions of Italian Legislative Decree No. 170 of 21 May 2004, implementing Directive 2002/47/EC on financial collateral securities. The Pledge on the Eligible Investments has been created in compliance with the provisions of Decree No. 170 of 21 May 2004, article 83-*octies* of Italian Legislative Decree No. 58 of 24 February 1998 and articles 37 and 38 of the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008.

Under the terms of the Intercreditor Agreement, the Noteholders (acting through the Representative of the Noteholders) and the Other Issuer Creditors has appointed the Representative of the Noteholders to act as their agent in relation to the Deed of Pledge and will agree that following the delivery of the Enforcement Notice, the cash deriving from time to time from the subject matter of the Deed of Pledge as well as all proceeds upon the enforcement thereof shall be applied to satisfy amounts due to each of them in accordance with the applicable Priority of Payments.

The Deed of Pledge will be governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the Parties out of or in connection with the Deed of Pledge.

The Mandate Agreement

On or about the Issue Date, the Issuer will enter into the Mandate Agreement, pursuant to which the Representative of the Noteholders is authorised to exercise, in the name and on behalf of the Issuer, (a) subject to the occurrence of an Enforcement Event and the subsequent delivery of an Enforcement Notice, all the Issuer's rights arising out of the Transaction Documents (other than the right to collect and recover Receivables under the Master Servicing Agreement) to which the Issuer is a party and the Issuer's rights in respect of the Receivables and (b) upon failure by the Issuer to exercise its rights under any of the Transaction Documents, as a consequence of a counterparty default and if, notwithstanding the service of notice by the Representative of the Noteholders to the Issuer to perform such rights, such failure persists 30 (thirty) days after the service of such notice, to exercise all the rights of the Issuer deriving from the Receivables and/or the Transaction Documents. The Issuer has undertaken to promptly notify the Rating Agencies of the occurrence of any of the events under points (a) and (b) above (or any circumstance which might lead to the occurrence of any such event) of which it becomes aware.

The Mandate Agreement will be governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the Parties out of or in connection with the Mandate Agreement.

The Subscription Agreements

On or about the Issue Date, the Issuer will enter into:

(i) a senior notes subscription agreement (the "**Senior Notes Subscription Agreement**"), pursuant to which the Initial Senior Notes Subscribers will undertake, upon certain terms and

conditions, to subscribe for the Senior Notes and pay the issue price of the Senior Notes. Pursuant to the Senior Notes Subscription Agreement, Zenith Service S.p.A. will be appointed as legal representative of the Senior Noteholders; and

(ii) a junior notes subscription agreement (the "**Junior Notes Subscription Agreement**" and, together with the Senior Notes Subscription Agreement, the "**Subscription Agreements**"), pursuant to which the Initial Junior Notes Subscriber will undertake, upon certain terms and conditions, to subscribe for the Junior Notes and pay the issue price of the Junior Notes. Pursuant to the Junior Notes Subscription Agreement, Zenith Service S.p.A. will be appointed as legal representative of the Junior Noteholders.

The Subscription Agreements will be governed by Italian law. The Courts of Milan shall have exclusive jurisdiction in respect to any and all disputes arising between the Parties out of or in connection with the Subscription Agreements. For further details, see the section entitled "*Subscription and Sale*".

WEIGHTED AVERAGE LIFE OF THE SENIOR NOTES

Under the Conditions, the Final Maturity Date of the Notes is the Payment Date falling on 7 October 2070 and the Notes will be subject to mandatory redemption in full or in part on the First Payment Date and on each Payment Date falling thereafter to the extent that on such Payment Date the Issuer has sufficient available funds to be applied for this purpose in accordance with the applicable Priority of Payments. The Notes may also be subject to optional redemption in full under certain circumstances.

The tables below show the expected average life of the Senior Notes on the basis of various assumptions regarding prepayment rates. The assumptions used to calculate the expected average life of the Notes hereunder are based on the historical performance of the loans originated by the Originators having the same characteristics as those of the Receivables.

Moreover, the following assumptions have been made:

(i) no Enforcement Event occurs in respect of the Notes;

(ii) the Issuer will not exercise its option to redeem the Notes under Condition 8.3 (*Optional Redemption*) and under Condition 8.4 (*Redemption for Taxation*);

(iii) there will be no Delinquent Receivables and no Defaulted Receivables in the Aggregate Portfolio;

(iv) terms of the Receivables will not be changed during the life of the transaction;

(v) no Purchase Termination Event occurs and no assignment of Subsequent Portfolios is made by any Originator to the Issuer;

(vi) the Pre-Amortisation Reimbursement Amount is not paid during the Revolving Period and the Senior Notes start to amortise on the first Payment Date immediately following the Revolving Period Termination Date; and

(vii) no repurchase of Receivables is made by any Originator after the Issue Date.

Constant Prepayment Rate (CPR) (*% per annum*)	**Class A Notes**	
	Expected Average Life (*years*)	**Expected Maturity**
0%	8.04	October 2033
3.5%	6.42	January 2030
5%	5.77	July 2028
10%	4.46	April 2025

The base case assumptions above reflect the current expectations of the Issuer but no assurance can be given that the redemption of the Senior Notes will occur as described above. The prepayment rates are stated as an average annual prepayment rate but the prepayment rate for one Interest Period may substantially differ from one period to another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

The average life of the Senior Notes is subject to factors that are largely out of the control of the Issuer. As a consequence no assurance can be given that the above estimates will prove in any way to be realistic and therefore they must be considered with caution.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Senior Notes and Junior Notes (as defined below) (the "**Terms and Conditions**" or the "**Conditions**"). In these Conditions, references to the "**holder**" of a Senior Note and a Junior Note, or to the Senior Noteholders and the Junior Noteholders, are to the ultimate owners of the Notes, as the case may be, issued in bearer form and dematerialised and evidenced as book entries with Monte Titoli S.p.A. ("**Monte Titoli**") in accordance with the provisions of (i) Article 83-bis of Italian Legislative Decree No. 58 of 24 February 1998 and (ii) the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as subsequently amended and supplemented from time to time. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the Noteholders (as attached as Exhibit to, and forming part of, these Terms and Conditions).*

All capitalised words and expressions used herein shall have the same meaning as set forth below. Each initial and subsequent purchaser of the Notes will be deemed, by its subscription or purchase of such Notes, to have agreed and accepted the terms and conditions of the Notes and, in particular, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof in accordance with any applicable laws.

The Euro 2,085,600,000 Class A Asset Backed Floating Rate Notes due October 2070 (the "**Senior Notes**") and the Euro 113,800,000 Class B1 Asset Backed Additional Return Notes due October 2070 (the "**Class B1 Notes**"), the Euro 62,700,000 Class B2 Asset Backed Additional Return Notes due October 2070 (the "**Class B2 Notes**"), the Euro 133,900,000 Class B3 Asset Backed Additional Return Notes due October 2070 (the "**Class B3 Notes**"), the Euro 95,400,000 Class B4 Asset Backed Additional Return Notes due October 2070 (the "**Class B4 Notes**"), the Euro 244,400,000 Class B5 Asset Backed Additional Return Notes due October 2070 (the "**Class B5 Notes**"), the Euro 51,000,000 Class B6 Asset Backed Additional Return Notes due October 2070 (the "**Class B6 Notes**"), the Euro 59,100,000 Class B7 Asset Backed Additional Return Notes due October 2070 (the "**Class B7 Notes**" and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes and the Class B6 Notes, the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**") have been issued by UBI SPV Group 2016 S.r.l. (the "**Issuer**") on 11 August 2016 or such other date indicated in the Prospectus (the "**Issue Date**") in the context of a securitisation transaction (the "**Transaction**") to finance the purchase from Unione di Banche Italiane S.p.A. ("**UBI**"), Banco di Brescia S.p.A. ("**BdB**"), Banca Regionale Europea S.p.A. ("**BRE**"), Banca Popolare di Ancona S.p.A. ("**BPA**"), Banca Popolare di Bergamo S.p.A. ("**BPB**"), Banca Popolare Commercio e Industria S.p.A. ("**BPCI**"), Banca Carime S.p.A. ("**Carime**" and together with UBI, BdB, BRE, BPA, BPB and BPCI, the "**Originators**" and each, the "**Originator**") of portfolios of receivables and connected rights (the "**Receivables**") deriving from residential mortgage loans (the "**Loans**") entered into between the Originators and the debtors thereunder (the "**Debtors**").

The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy under Article 3 of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Securitisation Law**"), whose registered office is at Foro Buonaparte, 70, 20121 Milan, Italy. The Issuer is registered for the purposes of issuing asset backed securities and registered in the general list (*elenco generale*) of special purpose vehicles held

by the Bank of Italy pursuant to Decision of 1 October 2014 under No. 35277.3 , registered with the Register of Companies of Milan and Tax Code No.09508210961.

Any reference in these Conditions to (i) a "**Class**" of Notes or a "**Class**" of holders of Notes ("**Noteholders**") shall be construed as a reference to the Senior Notes or the Junior Notes, as the case may be, or to the respective holders thereof and (ii) any agreement or document shall be construed as a reference to such agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented.

The principal source of payment of interest and of repayment of principal on the Notes will be collections and recoveries made in respect of Receivables deriving from payments due under certain portfolios (collectively, the "**Portfolios**") of loan agreements between the Originators and the Debtors thereunder purchased and to be purchased from time to time pursuant to the terms of the master transfer agreements dated 30 June 2016, each of them between the Issuer and an Originator (each "**Master Transfer Agreement**" and jointly the "**Master Transfer Agreements**"). Pursuant to the Master Transfer Agreements, during the Revolving Period, each Originator may offer for sale to the Issuer, Subsequent Receivables arising from a Subsequent Portfolio. The Issuer will pay to the relevant Originator the purchase price for the Subsequent Receivables (if any) on each Payment Date during the Revolving Period, according to the provisions of the relevant Master Transfer Agreement.

The Purchase Price of any Subsequent Portfolio will be paid by the Issuer out of the Principal Collections in respect of the Receivables and any other Issuer Available Funds, as the case may be, available to such purpose in accordance with the applicable Priority of Payments.

The Aggregate Portfolio will be segregated from all other assets of the Issuer by operation of the Securitisation Law and amounts deriving therefrom will be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, to pay amounts due to the Issuer's creditors under the Transaction Documents (as defined below) and to pay any other creditor of the Issuer in respect of costs, fees or expenses of, and any other amount payable by, the Issuer to such other creditor in relation to the securitisation of the Receivables made by the Issuer through the issuance of the Notes (the "**Securitisation**"). Amounts deriving from the Aggregate Portfolio will not be available to any other creditor of the Issuer. In the context of the Securitisation, (i) the Accounts (other than the Quota Capital Account) have been opened and are and will be treated and maintained in accordance with the provisions set forth under Article 3, paragraph 2-bis the Securitisation Law and (ii) each of the Account Bank and the Paying Agent has represented that any sum standing to the credit of the Accounts held by each of them is segregated from the other accounts of the Account Bank or the the Paying Agent, as the case may be, and the other depositors held by the Account Bank or the Paying Agent, as the case may be, so that such sums can be attached only by the Noteholders.

By the warranty and indemnity agreements entered into on 30 June 2016, each of them between the Issuer and an Originator (each, the "**Warranty and Indemnity Agreement**" and jointly the "**Warranty and Indemnity Agreements**"), each Originator has given certain representations and warranties in favour of the Issuer in relation to the relevant 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 relevant Portfolio.

By a master servicing agreement entered into on 30 June 2016 (the "**Master Servicing Agreement**") between the Issuer and UBI (in such capacity, the "**Master Servicer**"), UBI, as

soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e di pagamento, has agreed to administer and service the Portfolios and to collect any amounts in respect of the Portfolios in the name and on behalf of the Issuer.

Pursuant to the terms of the sub-servicing agreements entered into on 30 June 2016, each of them between the Master Servicer and each Originator (other than UBI) (each, the "**Sub-Servicing Agreement**" and jointly the "**Sub-Servicing Agreements**"), each Originator (other than UBI) (each the "**Sub-Servicer**" and jointly the "**Sub-Servicers**") has been appointed as Sub-Servicer in order to administer, service and collect amounts in respect of the relevant Portfolio on behalf of the Issuer.

By a corporate services agreement entered into on 30 June 2016 (the "**Corporate Services Agreement**") between the Issuer and TMF Management Italy S.r.l. (in such capacity, the "**Corporate Servicer**"), the Corporate Servicer has agreed to provide to the Issuer certain administrative services for so long as any Note is outstanding.

By a cash allocation, management and payments agreement entered into on or about the Issue Date (the "**CAMPA**") between the Issuer, UBI as account bank, calculation agent and cash manager (the "**Account Bank**", the "**Calculation Agent**" and the "**Cash Manager**"), The Bank of New York Mellon (Luxembourg) S.A., Italian Branch as paying agent (the "**Paying Agent**"), Zenith Service S.p.A. as representative of the Noteholders (the "**Representative of the Noteholders**") and the Cash Manager, the Account Bank, the Calculation Agent and the Paying Agent have agreed to provide the Issuer with certain calculation, notification and reporting services together with account handling, cash management and payment services in relation to moneys or securities from time to time standing to the credit of the Operation Accounts, the Collection Accounts, the Investment Account, the Securities Account, the Payment Account, the Cash Reserve Account the Expenses Account and the Quota Capital Account (each as defined below and together, the "**Accounts**").

By an intercreditor agreement entered into on or about the Issue Date (the "**Intercreditor Agreement**") between the Issuer, the Originators, the Representative of the Noteholders (for itself and on behalf of the Noteholders), the Corporate Servicer, the Master Servicer, the Sub-Servicers, the Cash Manager, the Account Bank, the Calculation Agent, the Paying Agent, the Back-Up Servicer Facilitator and the Quotaholders (as defined below), provision is made as to the application of the proceeds of the Issuer Available Funds (as defined below) and as to the circumstances in which the Representative of the Noteholders will be entitled to exercise certain rights in relation to the Portfolios.

By a deed of pledge executed by the Issuer on or about the Issue Date (the "**Deed of Pledge**") the Issuer has granted, in favour of the Representative of the Noteholders acting in its capacity as agent of the Noteholders and the Other Issuer Creditors, a first priority pledge over: (i) all monetary claims and rights and all the amounts (including payment for claims, indemnities, damages, credits and guarantees) to which the Issuer is entitled pursuant to the Transaction Documents (other than the Deed of Pledge) to which the Issuer is a party; (ii) any existing or future pecuniary claim and right and any sum credited from time to time to the Operation Accounts, the Collection Accounts, the Account, the Securities Account, the Cash Reserve Account and the Expenses Account and (iii) the Eligible Investments deposited, from time to time, with the Account Bank in accordance with the CAMPA.

By a mandate agreement entered into on or about the Issue Date (the "**Mandate Agreement**") between the Issuer and the Representative of the Noteholders, the Representative of the Noteholders

is authorised to exercise, in the name of and on behalf of the Issuer, (a) subject to an Enforcement Notice being served upon the Issuer following the occurrence of an Enforcement Event (each such term as defined in Condition 12 (*Enforcement Events*) below), all the Issuer's rights arising out of the Transaction Documents (other than the right to collect and recover Receivables under the Master Servicing Agreement) to which the Issuer is a party and the Issuer's rights in respect of the Receivables, including the right to direct the sale (in whole or in part) of the Portfolio, provided that a sufficient amount will be realised to allow the discharge in full of all amounts due and payable to the Senior Noteholders and the amounts ranking in priority thereto or *pari passu* therewith; and (b) upon any unjustified failure by the Issuer to exercise its rights under the Transaction Documents against any defaulting party to procure the remedy of such default, all the Issuer's rights arising under such Transaction Documents against the defaulting counterparty.

By a senior notes subscription agreement (the "**Senior Notes Subscription Agreement**"), the Initial Senior Note Subscribers have agreed, upon the terms and subject to the conditions specified therein, to subscribe and pay for the Senior Notes. Pursuant to the Senior Notes Subscription Agreement, Zenith Service S.p.A. has been appointed as legal representative of the Senior Noteholders.

By a junior notes subscription agreement (the "**Junior Notes Subscription Agreement**" and, together with the Senior Notes Subscription Agreement, the "**Subscription Agreements**"), the Initial Junior Notes Subscribers have agreed, upon the terms and subject to the conditions specified therein, to subscribe and pay for the Junior Notes. Pursuant to the Junior Notes Subscription Agreement, Zenith Service S.p.A. has been appointed as legal representative of the Junior Noteholders.

By a quotaholders' agreement entered into on or about the Issue Date (the "**Quotaholders' Agreement**") between UBI, Stichting Evanthe and the Issuer, certain rules have been set forth, *inter alia*, in relation to the corporate management of the Issuer, call/put options have been granted by UBI to Stichting Evanthe and by Stichting Evanthe to UBI, and UBI (in such capacity, the "**Quotaholder**" and, jointly with Stichting Evanthe , the "**Quotaholders**") has undertaken certain indemnification obligations in favour of the Issuer.

By a master definitions agreement entered into on or about the Issue Date (the "**Master Definitions Agreement**") the parties of the Transaction have agreed the definitions of certain terms used in the Transaction Documents.

These Conditions include summaries of, and are subject to, the detailed provisions of the Intercreditor Agreement, the Master Transfer Agreements, the Warranty and Indemnity Agreements, the Corporate Services Agreement, the Master Servicing Agreement, the Subscription Agreements, the CAMPA, the Mandate Agreement, the Deed of Pledge, the Master Definitions Agreement and the Quotaholders' Agreement (together, the "**Transaction Documents**").

The Senior Noteholders and the Junior Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents. Certain provisions of these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents.

Copies of the Transaction Documents and the constitutive documents of the Issuer are available in electronic format for inspection during normal business hours at the office for the time being of the Representative of the Noteholders, being, as at the Issue Date, Zenith Service S.p.A.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents which are applicable to them. In particular, each Noteholder, by reason of holding one or more Notes, recognises the Representative of the Noteholders as its representative, acting in its name and on its behalf, and agrees to be bound by the terms of the Transaction Documents to which the Representative of the Noteholders is a party as if such Noteholder was itself a signatory thereto.

The rights and powers of the Senior Noteholders and the Junior Noteholders may only be exercised in accordance with the rules of the organisation of the Noteholders (respectively, the "**Rules of the Organisation of the Noteholders**" and the "**Organisation of the Noteholders**") which are attached to these Conditions as Exhibit 1 and are deemed to form an integral and substantive part of these Conditions and the Noteholders shall be bound by the provisions of such Rules of Organisation of the Noteholders as if they had been set out herein in full. A copy of the Rules of the Organisation of the Noteholders may be inspected upon request at the registered offices of, respectively, the Issuer and the Representative of the Noteholders.

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

The Recitals hereof and the Exhibits hereto constitute an integral and essential part of these Conditions.

Unless the context otherwise requires, any reference in these Conditions to (a) any agreement and/or other document shall be construed as a reference to such agreement and/or document, and any relevant ancillary documents and/or supplements thereto, as from time to time replaced, supplemented, extended, amended, varied, novated, supplemented or superseded, (b) any law, statutory provision or legislative enactment shall be deemed also to refer to any re-enactment, modification or replacement thereof and any statutory instrument, order or regulation made thereunder or under any such re-enactment, (c) a person acting in a specified capacity shall include references to that person's permitted successors and/or assignees and/or transferees and/or any further or other person and all persons deriving title under or through it and/or for the time being acting in such capacity and, (d) save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

Headings used in these Conditions are for ease of reference only and shall not affect their interpretation.

1. Definitions

In these Conditions (including the Recitals), capitalised terms not otherwise defined herein shall, unless the context otherwise requires, have the following meaning:

"**3 Months EURIBOR**" means, on the reference date, the 3 months Euro Interbank Offered Rate for Euro denominated deposits determined by the Euribor Committee as of 11:00 (Brussels time) of each Business Day and published on the Reuters Screen EURIBOR03.

"**Acceptance of a Subsequent Portfolio**" means the document providing the acceptance from the Issuer of any Transfer Offer, in accordance with Clause 6.3 of the Master Transfer Agreements.

“**Accounts**” means each of the Interest Collection Accounts, the Principal Collection Accounts, the Expenses Account, the Payment Account, the Operation Accounts, the Investment Account, the Securities Account, the Cash Reserve Account, the Quota Capital Account or such other accounts opened, or to be opened, in the name of the Issuer with the Account Bank or any other Eligible Institution.

“**Account Bank**” means UBI or any other entity acting as account bank pursuant to CAMPA.

“**Accrued Interests**” means, as at any date, with reference to any Receivable, the sum of (i) the amount of the interests due and not yet paid in respect of such Receivable and (ii) the amount accrued and not yet due in respect of such Receivable under the relevant Loan Agreement.

“**Additional Return**” means the Pre-Enforcement Junior Notes Additional Return e the Post-Enforcement Junior Notes Additional Return, as the case maybe.

“**Agents**” means the Paying Agent , the Calculation Agent, the Account Bank, the Back-Up Servicer Facilitator and the Cash Manager, and “Agent” means each of them.

"**Aggregate Portfolio**" means the aggregate portfolio composed by all Receivables purchased, or to be purchased, by the Issuer from the Originators in accordance with the Master Transfer Agreements and equal to the aggregate of each Portfolio.

“**Aggregate Portfolio Breach of Ratio**” means, with reference to any Calculation Date and the Aggregate Portfolio, any of the following:

(i) the Cumulative Default Ratio exceeds the Aggregate Portfolio Default Trigger;

(ii) the Delinquency Ratio exceeds the Aggregate Portfolio Delinquency Trigger for two consecutive Payment Dates;

(iii) an Uncured Principal Deficiency Amount occurs.

“**Aggregate Portfolio Default Trigger**” means:

(i) in respect of any Calculation Date falling before and including the Calculation Date falling in October 2017: 2%; or

(ii) in respect of any Calculation Date falling from the Calculation Date falling in October 2017 (excluded) to the Calculation Date falling in October 2018 (included): 4%; or

(iii) in respect of any Calculation Date falling thereafter up to the end of the Revolving Period: 6%.

“**Aggregate Portfolio Delinquency Trigger**” means, in respect of any relevant Calculation Date: (i) if the Outstanding Principal of the Performing Receivables included in the Aggregate Portfolio as at the immediately preceding Collection Date is higher than 50% of the aggregate of the Outstanding Principal of each Initial Portfolio and each Subsequent Portfolio as at the relevant Cut-Off Date (excluded), 6%; or (ii) otherwise, 7.5%.

“**Amortisation Period**” means the period which will commence on the Payment Date immediately following the Revolving Period Termination Date (included), and will end on the Cancellation Date.

“**Ancillary Guarantee**” means any guarantee, real or personal, other than the Mortgages, granted to the Originator to guarantee the payment of Receivables, including the Personal Guarantees.

“**Applicable Rate**” means, on any given day, the rate of interest applicable from time to time to a

Loan.

“**Asset**” means any Real Estate Assets and any registered and unregistered movable properties which is the object of any Guarantee.

“**Authorised Person**” means any person who is designated in writing by the Issuer from time to time to give Instructions to any of the other Parties to the Transaction Documents under the terms of the Transaction Documents.

“**Back-Up Servicer Facilitator**” means Zenith Service S.p.A. acting as back-up servicer facilitator pursuant to the provisions of the Master Servicing Agreement.

“**Bankruptcy Law**” means the Royal Decree no. 267 of 16 March 1942, as amended and supplemented from time to time.

"**BdB**" means Banco di Brescia S.p.A., a bank with sole shareholder incorporated under the laws of Italy with its registered office at Corso Martiri della Libertà, 13, Brescia, fiscal code and enrolment in the companies register of Brescia number 03480180177, enrolled under number 5393 with the register of banks held by the Bank of Italy in accordance with article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BdB Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BdB, IBAN: IT38C0311111299000000089712, or such other substitute account as may be opened in accordance with the CAMPA.

“BdB Operation Account” means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT33J0311111299000000089724, operating in accordance with the CAMPA.

"**BdB Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BdB to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BdB Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BdB, IBAN: IT15D0311111299000000089713, or such other substitute account as may be opened in accordance with the CAMPA.

“**Block Voting Instruction**” means, in relation to any Meeting, a document:

(i) certifying that certain specified Notes (the “**Blocked Notes**”) have been blocked in an account with a clearing system or the depository, as the case may be, and will not be released until the conclusion of the Meeting;

(ii) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the relevant Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(iii) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(iv) authorising a named individual or individuals to vote in respect of the Blocked Notes in

accordance with such instructions.

“**BoI Regulations**” means the supervisory instructions the “*Disposizioni di Vigilanza per le Banche*” (Circolare No. 285 of 17 December 2013) issued by the Bank of Italy, as amended and supplemented from time to time.

“**Borrower**” means each beneficiary of the loan granted by any Originator under the Loan Agreements.

"**BPA**" means Banca Popolare di Ancona S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Don A. Battistoni, 4, 60035 Jesi (AN), Italy, fiscal code and enrolment with the companies register of Ancona number 00078240421, enrolled under number 301 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BPA Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BPA, IBAN: IT89E0311111299000000089714, or such other substitute account as may be opened in accordance with the CAMPA.

“BPA Operation Account” means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT10K0311111299000000089725, operating in accordance with the CAMPA.

"**BPA Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BPA to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BPA Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BPA, IBAN: IT66F0311111299000000089715, or such other substitute account as may be opened in accordance with the CAMPA.

"**BPB**" means Banca Popolare di Bergamo S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Piazza Vittorio Veneto, 8, 24122, Bergamo, Italy, fiscal code and enrolment with the companies register of Bergamo, number 03034840169, enrolled under number 5561 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BPB Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BPB, IBAN: IT43G0311111299000000089716, or such other substitute account as may be opened in accordance with the CAMPA.

“BPB Operation Account” means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT84L0311111299000000089726, operating in accordance with the CAMPA.

"**BPB Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BPB to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BPB Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BPB, IBAN: IT20H0311111299000000089717, or such other substitute

account as may be opened in accordance with the CAMPA.

"**BPCI**" Banca Popolare Commercio e Industria S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Monte di Pietà 7, 20121 Milano, Italy, fiscal code and enrolment with the companies register of Milan number 03910420961, enrolled under number 5560 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BPCI Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BPCI, IBAN: IT94I0311111299000000089718, or such other substitute account as may be opened in accordance with the CAMPA.

"BPCI Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT61M0311111299000000089727, operating in accordance with the CAMPA.

"**BPCI Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BPCI to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BPCI Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BPCI, IBAN: IT71J0311111299000000089719, or such other substitute account as may be opened in accordance with the CAMPA.

"**BRE**" means Banca Regionale Europea S.p.A., a bank incorporated under the laws of the Republic of Italy, with its registered office at Via Roma, 13, Cuneo, Italy, fiscal code and enrolment in the companies register of Cuneo number 01127760047, registered under number 5240.70 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BRE Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BRE, IBAN: IT28F0311111299000000089720, or such other substitute account as may be opened in accordance with the CAMPA.

"BRE Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT38N0311111299000000089728, operating in accordance with the CAMPA.

"**BRE Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BRE to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BRE Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BRE, IBAN: IT05G0311111299000000089721, or such other substitute account as may be opened in accordance with the CAMPA.

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, London and Dublin and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

"**Calculation Agent**" means UBI in its capacity as calculation agent under the CAMPA and any

successor thereof appointed in accordance with the CAMPA.

"**Calculation Date**" means the Business Day which falls on the 4th Business Day immediately preceding a Payment Date.

"**CAMPA**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Account Bank and the Cash Manager.

"**Cancellation Date**" means the earlier of:

(a) the date on which the Notes have been redeemed in full;

(b) the Final Maturity Date;

(c) the later of the date on which (i) the Representative of the Noteholders, upon notice from the Master Servicer, has certified to the Issuer that all the Collections due in respect of all the Receivables comprised in the Aggregate Portfolio have been received or recovered and that all judicial enforcement procedures in respect of the Aggregate Portfolio have been exhausted; and (ii) the last of those Collections are applied in accordance with the applicable Priority of Payments; and

(d) the date on which all the Receivables comprised in the Aggregate Portfolio have been sold and the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments.

"**Carime**" means Banca Carime S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Crati, 87100 Cosenza, Italy, fiscal code and enrolment with the companies register of Cosenza number 13336590156, enrolled under number 5562 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**Carime Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by Carime, IBAN: IT79H0311111299000000089722 or such other substitute account as may be opened in accordance with the CAMPA.

"Carime Operation Account"means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT15O0311111299000000089729, operating in accordance with the CAMPA.

"**Carime Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by Carime to the Issuer pursuant to the relevant Master Transfer Agreement.

"**Carime Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by Carime, IBAN: IT56I0311111299000000089723 or such other substitute account as may be opened in accordance with the CAMPA.

"**Cash Collateral**" means, with reference to any Quarterly Servicer Report Date, the aggregate (without double counting) of (i) the Principal Collections of the Portfolio credited into the Principal Collection Accounts in respect of the immediately preceding Collection Period, (ii) the proceeds in respect of principal arising from the disposal by the Issuer of the Receivables with reference to the immediately preceding Collection Period and (iii) the Relevant Collateral Integration Amounts

credited into the Principal Collection Accounts on the immediately preceding Payment Date.

"**Cash Manager**" means UBI in its capacity as cash manager under the CAMPA and any successor thereof appointed in accordance with the CAMPA.

"**Cash Manager Report Date**" means the Business Day which falls on the 5th Business Days immediately preceding a Calculation Date.

"**Cash Reserve"** means the reserve fund established by the Issuer on the Issue Date out of a portion of the proceeds arising from the payment of the Issuer Price of the Junior Notes and managed in accordance with the provisions of the Transaction Documents.

"**Cash Reserve Account**" means the account opened with the Account Bank with IBAN IT90O0311111299000000089737, in the name of the Issuer, operating in accordance with the CAMPA.

"**Cash Trapping Condition**" means, with reference to any Calculation Date, the event which occurs when the Cumulative Default Ratio exceeds 9%.

"**Clearstream**" means Clearstream Banking, S.A., a company incorporated under the laws of the Grand Duchy of Luxembourg providing domestic and cross-border clearing and settlement services.

"**Collateral Integration Amount**" means, in relation to any Payment Date during the Revolving Period, an amount equal to the Issuer Principal Available Funds after all payments from *First* to *Third* of the Pre-Enforcement Principal Priority of Payments during the Revolving Period as set out in Condition 6.1(B) have been made in accordance with such Priority of Payments.

"**Collection Accounts**" means the Interest Collection Accounts and the Principal Collection Accounts.

"**Collection Date**" means the last day of each Collection Period. The first Collection Date immediately following the Transfer Date of the Initial Portfolios will be 31 August 2016.

"**Collection Period**" means each quarterly period starting from the first calendar day (including) of March, June, September and December of each calendar year and ending on (and including) the last calendar day of May, August, November and February of each calendar year. The first Collection Period shall start on the Cut-Off Date with reference to the Initial Portfolio (included) and shall end on 31 August 2016 (included).

"**Collection Policy**" means the collection policies set out in Annex "A" to the Master Servicing Agreement.

"**Collections**" means the amounts received or recovered by the Master Servicer or the Sub-Servicers, in respect of the Receivables comprised in the Aggregate Portfolio.

"**Condition**" means any of the conditions set out in this Terms and Conditions of the Notes.

"**Consolidated Banking Act**" means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

"**Consolidated Financial Act**" means the Legislative Decree No. 58 of 24 February, 1998, as amended and supplemented from time to time.

"**Common Criteria**" means the common criteria set out in Annex A, Section I to each Master Transfer Agreement.

"**Corporate Services Agreement**" means the corporate services agreement entered into on 30 June 2016 between the Issuer and the Corporate Servicer.

"**Corporate Servicer**" means TMF Management Italy S.r.l. in quality of corporate servicer under the Corporate Services Agreement.

"**Criteria**" means collectively the Common Criteria and the Specific Criteria.

"**Cumulative Default Ratio**" means, with reference to any Calculation Date the ratio between:

(i) the aggregate of the Outstanding Principal of the Receivables of the Aggregate Portfolio or the Portfolio assigned by each Originator, as the case may be, classified as Defaulted Receivables during all the Collections Periods preceding such Calculation Date, calculated as at the Collection Date immediately following the date on which such Receivables have been classified as Defaulted Receivables ; and

(ii) the aggregate of (a) the Purchase Price of the Initial Portfolios or, as the case maybe, each Initial Portfolio and (b) the sum of all the Purchase Price of any Subsequent Portfolio transferred to the Issuer by the Originators, or, as the case maybe, each Originator before 3 months preceding such Calculation Date,

provided that the Receivables repurchased by the Originator pursuant to Clause 14 (*Opzione di Riacquisto Parziale*) of the Master Transfer Agreements (but only to the extent not yet classified as Defaulted Receivables) will be excluded from the computation of such ratio.

"**Cut-Off Date**" means (i) with reference to each Initial Portfolio, 13 June 2016 and (ii) with reference to any Subsequent Portfolio the date designated as such as indicated in the relevant Transfer Offer.

"**DBRS**" means DBRS Ratings Limited.

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

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+
A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+

BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a public long term rating by Fitch Ratings Limited ("**Fitch**"), a public long term rating by Moody's and a public long term rating by Standard & Poor's Ratings Services ("**S&P**") in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such public long term ratings from such rating agencies (provided that (i) if such public long term rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one public long term rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such public long term ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but public long term ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS Equivalent Rating of the lower such public long term rating (provided that if such public long term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but public long term ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such public long term rating (provided that if such public

long term tating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debtor**" means any person in its capacity as Borrower under a Loan Agreement originated by, and included in the Portfolio assigned by each Originator.

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

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Italian Legislative Decree No. 239.

"**Deed of Pledge**" means the deed of pledge governed by Italian law entered into on or about the Issue Date between the Issuer, the Other Issuer Creditors and the Noteholders, acting through the Representative of the Noteholders.

"**Defaulted Receivables**" means the Receivables which have been classified as "*sofferenze*" ("bad loans") or "*inadempienze probabili* ("*unlikely to pay*") pursuant to the Bank of Italy Circular no. 272 of 30 July 2008 on the "*Matrice dei Conti*", as subsequently amended and supplemented and the Collection Policy.

"**Delinquency Ratio**" means, with reference to any Calculation Date and with respect to the Aggregate Portfolio or the Portfolio assigned by each Originator, as the case may be, the ratio between:

(i) the Delinquent Amounts as of the last day of the Collection Period immediately preceding the relevant Calculation Date; and

(ii) the Outstanding Principal of all Receivables that are not classified as Defaulted Receivables as of the last day of the Collection Period immediately preceding the relevant Calculation Date.

"**Delinquent Amount**" means, as at any date, the Outstanding Principal of all the Receivables that are classified as Delinquent Receivables as at such date.

"**Delinquent Receivables**" means the Receivables in relation to which certain amounts are due but not paid by the relevant Borrower (*importi scaduti e/o sconfinanti*) for at least 90 (ninety) days after the relevant due date but which have not been classified as Defaulted Receivables.

"**Document of Proof of the Receivable**" any Loan Agreement and deeds of Guarantees from which a Receivable included in the Initial Portfolio or in the Subsequent Portfolios derives.

"**Eligible Institution**" means any depository institution organised under the laws of any State which is a member of the European Union or of the United States (1) whose long-term unsecured, unsubordinated and unguaranteed debt obligations or (2) whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose long-term unsecured, unsubordinated and unguaranteed debt obligations have at least the following ratings:

1. "Baa3" by Moody's, provided that all references to a rating by Moody's to the long-term

unsecured, unsubordinated and unguaranteed debt obligations of such depository institution shall be deemed to be referred to the deposit rating of that entity; and

2. "BBB (low)" by DBRS, *provided that* a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of a depository institution which does not have a private rating nor a public rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the DBRS Minimum Rating or which is otherwise deemed by DBRS as an Eligible Institution in accordance with DBRS criteria.

"**Eligible Investments**" means

(a) euro-denominated senior unsubordinated debt financial instruments (but excluding, for the avoidance of doubt, credit linked notes), commercial papers, certificate of deposits or

(b) account or deposit with a maturity date falling not later than the next succeeding Eligible Investments Maturity Date,

(c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer;

provided that, in all cases: (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount), and (iii) the debt securities or other debt instruments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(x) with respect to Moody's ratings, either: (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, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity less or equal to one month ; (ii) "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, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity higher than one month and less than or equal to three months or (iii) such other rating as acceptable to Moody's from time to time; and

(y) with respect to DBRS ratings, either: (i) "R-2(low)" 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 or equal to 30 days; or (ii) "R-1(low)" by DBRS in respect of short-term

debt or "A (low)" in respect of long-term debt, with regard to investments having a maturity higher than 30 days and less than or equal to 90 days; or (iii) such other rating as acceptable to DBRS from time to time; *provided that* a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of debt securities or other debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution which does not have a private rating nor a public rating from DBRS, then the minimum rating requirements of the relevant debt instrument for DBRS will be defined having reference to the DBRS Minimum Rating;

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

"**Eligible Investments Maturity Date**" means in relation to Eligible Investments made in respect of any Collection Period the day falling the 4th Business Day prior to the Payment Date immediately following the relevant Collection Period.

"**Enforcement Event**" has the meaning ascribed to it in Condition 12.

"**Enforcement Notice**" has the meaning ascribed to it in Condition 12.

"**EU Insolvency Regulation**" means the Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings, as amended and supplemented from time to time.

"**EURIBOR**" means:

(a) prior to the delivery of an Enforcement Notice, the 3 Months EURIBOR (except in respect of the Initial Interest Period, where the 2 months Euro Interbank Offered Rate for Euro denominated deposits which appears on the display page designated EURIBOR 01 on Reuters will be substituted); or

(b) following the delivery of an Enforcement Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders; or

(c) in the case of (a) and (b), 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

(d) in the case of (a) and (b), 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 (a) to (d) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**") at or about 11:00

a.m. (Brussels time) on the Interest Determination Date; and

(e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

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

"**Euro-zone**" means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992);

"**Execution Date**" means, in relation to each Loan Agreement, the original date of execution of the Loan Agreement, regardless of any potential taking over of a debt, or reorganisation or splitting of the loan which has occurred afterwards such date.

"**Expenses**" means any 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 any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

"**Expenses Account**" means the account opened with the Account Bank with IBAN IT34I0311111299000000089731, in the name of the Issuer, operating in accordance with the CAMPA.

"**Extraordinary Resolution**" means a resolution of the meeting of the relevant class Noteholders, duly convened and held in accordance with the provisions of the Rules of the Organisation of Noteholders;

"**Final Maturity Date**" has the meaning ascribed to it in Condition 8.

"**Final Release Date**" means the earlier between (i) the Payment Date on which the Senior Notes can be redeemed in full; and (ii) the Final Maturity Date.

"**First Payment Date**" has the meaning ascribed to it in Condition 7.1.

"**Formalities**" means with regard to each Portfolio, jointly (i) the publication of the notice of the

assignment of the relevant Initial Portfolio or Subsequent Portfolio, as the case may be, in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the deposit of the request of registration of such notice with the competent companies' register.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Further Notes**" has the meaning ascribed to such term in clause of the Intercreditor Agreement.

"**Further Securities**" has the meaning ascribed to such term in Clause 13 of the Intercreditor Agreement.

"**Further Securitisation**" means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.10 (*Covenants - Further Securitisations*).

"**Guarantee**" means any personal or real guarantee (including the Mortgages and the Ancillary Guarantee) granted by a Borrower, a Guarantor or any other person in relation to the Receivables for the purpose of granting (a) the payment of the Receivables and (b) the fulfillment of the obligations under the Loan Agreements.

"**Guarantor**" means any subject and any successor or assigns, other than a Borrower, that has granted a personal or real guarantee in favour of the Originator for the purpose of granting the payment of the Receivables.

"**Individual Price**" means the amount due for the transfer of each of the Receivables as set out in each Master Transfer Agreement.

"Initial Cash Reserve Amount" means Euro 83,424,000.

"**Initial Interest Period**" has the meaning ascribed to it in Condition 7.1.

"**Initial Junior Notes Subscriber**" means each Originator as initial Junior Notes Subscriber.

"**Initial Portfolio**" means the aggregate of the Initial Receivables transferred by the Originators or, as the case maybe, by each Originator to the Issuer, pursuant the relevant Master Transfer Agreement at the Transfer Date falling on 30 June 2016.

"**Initial Receivables**" means the Receivables included in the Initial Portfolio.

"**Initial Senior Notes Subscriber**" means each Originator as initial Senior Notes Subscriber.

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

(i) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, *fallimento*, *liquidazione coatta amministrativa*, *concordato preventivo*, *accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or any procedure having a similar effect, unless in the opinion of the Representative of the Noteholders (who may rely on the advice of legal advisers selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) 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 rely on the advice of legal advisers selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) such company or corporation takes any action for a re-adjustment of 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 case of the Issuer, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or

(iv) 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 in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganisation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

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

"**Insolvency Proceeding**" means any applicable bankruptcy, liquidation, administration, insolvency, composition or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria*", "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*" and "*accordi di ristrutturazione*" each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy.

"**Instalment**" means, with reference to any instalment to be paid by a Debtor, any amount due as, Principal Component and Interest Component, in accordance with the relevant Loan Agreement.

"**Instructions**" means any written notices, directions or instructions received by any Party to the Transaction Documents in accordance with the relevant Transaction Documents from an Authorised Person or from a person reasonably believed by such Party to be an Authorised Person.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Originators, the Representative of the Noteholders (acting for itself and on behalf of the Noteholders) and the Other Issuer Creditors.

"**Interest Amount Arrear**s" has the meaning ascribed to it in Condition 7.

"**Interest Collection Accounts**" means collectively, the BdB Interest Collection Account, the BRE Interest Collection Account, the BPA Interest Collection Account, the BPB Interest Collection Account, the BPCI Interest Collection Account, the Carime Interest Collection Account and the UBI Interest Collection Account and, each of them, an "**Interest Collection Account**".

"**Interest Collections**" means the amounts received by the Master Servicer or the Sub-Servicers, as

payments of the Receivables, other than Principal Collections.

"**Interest Component**" means the interest component of the Instalments, the relevant expenses (including expenses on overdue Instalments) and the interest amount of any other payment due by a Debtor under the respective Loan Agreement.

"**Interest Component of the Purchase Price**" means, in relation to each Initial Portfolio and any Subsequent Portfolio, as the case maybe, the Accrued Interest of the Receivables of such Initial Portfolio or Subsequent Portfolio, as the case maybe, as at the relevant Cut-Off Date (excluded).

"**Interest Determination Date**" means the second Business Day before each Payment Date, save in respect to the Initial Interest Period, in relation to which the Interest Determination Date is the second Business Day before the Issue Date.

"**Interest Payment Amount**" has the meaning ascribed to it in Condition 7.3.

"**Interest Period**" has the meaning ascribed to it in Condition 7.1.

"**Investment Account**" means the account opened with the Account Bank with IBAN IT16N0311111299000000089736, in the name of the Issuer, operating in accordance with the CAMPA.

"**Investment Letter**" means the investment letter that can be entered into, in accordance with the CAMPA, by the Issuer and the Cash Manager, as amended and supplemented from time to time.

"**Investors Report Date**" means, which reference to each Interest Period, the 3rd Business Day after the Payment Date falling at the end of the relevant Interest Period.

"**Irish Stock Exchange**" means the Irish stock exchange on which application has been made for the Senior Notes to be listed to the official list and to be admitted to trading on its Regulated Market.

"**Issue Date**" means the date on which the Notes will be issued.

"**Issue Price**" means, with reference to the Senior Notes, 100% of the Senior Notes Nominal Amount and with reference to the Junior Notes, 100% of the Junior Notes Nominal Amount.

"**Issuer**" means UBI SPV Group 2016 S.r.l., in his capacity as issuer of the Notes.

"**Issuer Available Funds**" means the aggregate of the Issuer Interest Available Funds and the Issuer Principal Available Funds.

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

(i) all Interest Collections paid into the Interest Collection Accounts in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) up to the Final Release Date (excluded), the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments);

(iii) all amounts of interest accrued and available on each of the Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments in respect of the preceding Collection Period;

(iv) any Recoveries collected in respect of the immediately preceding Collection Period;

(v) any other amount received under the Transaction Documents, except for amounts which relate to principal, in respect of the preceding Collection Period;

(vi) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account;

(vii) the interest proceeds arising from the disposal of the Receivables in respect of the immediately preceding Collection Period;

(viii) without double counting, the amount to be allocated on the relevant Payment Date in accordance with item *Sixth* of the Principal Priority of Payments set out in Condition 6.2(B).

"**Issuer Principal Available Funds**" means in respect of any Payment Date the aggregate amount of:

(i) all Principal Collections (excluding any Recoveries) paid into the Principal Collection Accounts in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) any Principal Allocation Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments;

(iii) any Principal Deficiency Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments;

(iv) on the Final Release Date, the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments);

(v) any Relevant Collateral Integration Amount allocated into the Principal Collection Accounts on the immediately preceding Payment Date;

(vi) the principal proceeds arising from the disposal of the Receivables in respect of the immediately preceding Collection Period;

(vii) any amount credited (and not used) in the Payment Account on the previous Payment Date under the Pre-Enforcement Principal Priority of Payments during the Revolving Period and the Pre-Enforcement Principal Priority of Payments during the Amortisation Period, to the extent not allocated to the Issuer Interest Available Funds.

"**Issuer Security**" means, collectively, any and all Security Interest created under the Deed of Pledge.

"**Issuer's Rights**" mean the Issuer's rights and remedies under the Transaction Documents.

"**Junior Noteholders**" means the holders of the Junior Notes from time to time.

"**Junior Notes**" means the junior notes issued by the Issuer in the context of the Securitisation.

"**Junior Notes Nominal Amount**" means, with reference to Class B1 Notes, Euro 113,800,000; with reference to Class B2 Notes, Euro 62,700,000; with reference to Class B3 Notes, Euro 133,900,000; with reference to Class B4 Notes, Euro 95,400,000; with reference to Class B5 Notes, Euro 244,400,000; with reference to Class B6 Notes, Euro 51,000,000 and, with reference to Class B7 Notes, Euro 59,100,000.

"Junior Notes Principal Amount" means, with reference to any Payment Date and in respect of any Relevant Class of Junior Notes, the amount of the Issuer Principal Available Funds remaining

after application towards payments of items (i) to (iv) of the Pre-Enforcement Principal Priority of Payment set forth under Condition 6.2 (B) or item (i) to (viii) of the Post-Enforcement Priority of Payments, as the case maybe, on such Payment Date, pro-rata based on the Relevant Proportion.

"**Junior Notes Subscription Agreement**" means the junior notes subscription agreement entered into on or about the Issue Date between the Issuer, the Initial Junior Notes Subscribers and the Representative of the Noteholders.

"**Liquidation of the Securitisation**" means the time at which all of the Notes issued by the Issuer in the context of the Securitisation have been repaid in full.

"**Listing Agent**" means The Bank of New York Mellon S.A/N.V., Dublin Branch.

"**Loans**" means the loans granted pursuant to the terms of the Loan Agreement.

"**Loan Agreement**" means any mortgage loan agreement from which the Receivables arise together with the other agreements and documents relating to the Guarantees.

"**Losses**" means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by either party.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

"**Master Definition Agreement**" means the master definition agreement entered into on or about the Issue Date by all the parties to the Transaction Documents.

"**Master Servicer**" means UBI in its capacity as servicer under the Master Servicing Agreement and any successor thereof appointed in accordance with the Master Servicing Agreement.

"**Master Servicing Agreement**" means the master servicing agreement entered into on 30 June 2016 between the Issuer, UBI as Master Servicer and BPCI, BRE, BPA, BdB, BPB and Carime as Sub-Servicers.

"**Master Transfer Agreements**" means each master transfer agreement entered into on 30 June 2016 between the Issuer and each Originator and, each of them, a "**Master Transfer Agreement**".

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

"**Moody's**" means Moody' Investors Service Ltd.

"**Mortgages**" means the mortgages entered into over the Real Estate Assets as a guarantee of the Receivables.

"**Most Senior Class of Notes**" means the Class of Notes outstanding which ranks highest in accordance with the applicable Priority of Payments.

"**Most Senior Noteholders**" means, at any time, the holders of the Most Senior Class of Note at that time being.

"**Noteholders**" means the holders of the Notes and "**Noteholder**" means any of them.

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

"**Offer Date**" means a Business Day which falls in the period between the Quarterly Servicer

Report Date (excluded) and the 4th Business Day preceding the Calculation Date.

"**Operation Accounts**" means, collectively, the BdB Operation Account, the BRE Operation Account, the BPA Operation Account, the BPB Operation Account, the BPCI Operation Account, the Carime Operation Account and the UBI Operation Account and, each of them, an "**Operation Account**".

"**Optional Redemption**" has the meaning ascribed to it in Condition 8.3.

"**Organisation of the Noteholders**" means the association of the Noteholders created on the Issue Date.

"**Originators**" means jointly UBI, BdB, BPB, BRE, BPA, BPCI e Carime acting as originators pursuant to the relevant Master Transfer Agreement and, each of them, a "**Originator**".

"**Other Issuer Creditors**" means, collectively, the Representative of the Noteholder, the Account Bank, the Paying Agent, the Originators, the Calculation Agent, the Corporate Servicer, the Master Servicer, the Sub-Servicers, the Back-Up Servicer Facilitator, the Cash Manager, the Quotaholders and any other of the Issuer's creditors under the Transaction Documents other than the Noteholders.

"**Outstanding Principal**" means, with respect to any Receivable, and as at any date, the aggregate of (i) all the Principal Components not yet due and payable by the Debtor as at such date and (ii) the Principal Components due and payable but unpaid by the Debtor as at such date.

"**Partial Portfolio Call Option**" means, under Clause 14 (*Opzione di Riacquisto Parziale*) of each Master Transfer Agreement the right of the relevant Originator, under certain conditions, to repurchase in part the relevant Portfolio from the Issuer.

"**Paying Agent**" means The Bank of New York Mellon (Luxembourg) S.A., Italian Branch in its capacity as paying agent under the CAMPA and any successor thereof appointed in accordance with the CAMPA.

"**Payment Account**" means the account No. 9063979780 opened with the Paying Agent, in the name of the Issuer, operating in accordance with the CAMPA.

"**Payment Date**" means the 7th day of January, April, July and October, in each year (or, if such day is not a Business Day, the immediately succeeding Business Day). The first Payment Date will be 7 October 2016.

"**Payment Date of the Partial Portfolio Call Option**" means the Payment Date immediately following the date of exercise of the Partial Portfolio Call Option.

"**Payment Date of the Portfolio Call Option**" means the Payment Date immediately following the date of exercise of the Portfolio Call Option.

"**Payments Report**" means the report prepared, on or prior to each Calculation Date, by the Calculation Agent pursuant to the terms and conditions of the CAMPA, containing details of amounts to be paid by the Issuer on the Payment Date succeeding the relevant Calculation Date in accordance with the applicable Priority of Payments.

"**Performing Receivables**" means the Receivables that are not classified as Defaulted Receivables.

"**Personal Guarantees**" means the personal guarantees (except for *fideiussioni omnibus*) or the other guarantees granted by a Guarantor in relation to the Receivables.

"**Portfolio**" means, with reference to each Originator, the aggregate of the Initial Portfolio and any Subsequent Portfolios purchased or to be purchased by the Issuer pursuant to the relevant Master Transfer Agreement.

"**Portfolio Balance**" means, as the case maybe, the Outstanding Principal of (a) the Performing Receivables in the Aggregate Portfolio (including the Subsequent Portfolio purported to be transferred to the Issuer on the relevant Transfer Date) or (b) as applicable, the Performing Receivables in the Subsequent Portfolio.

"**Portfolio Call Option**" means, under Clause 15 (*Opzione di Riacquisto Residuale*) of each Master Transfer Agreement the right of the relevant Originator, under certain conditions, to repurchase in whole the relevant Portfolio from the Issuer.

"Post-Enforcement Junior Notes Additional Return" means, with reference to any Payment Date and in respect of any Relevant Class of Junior Notes, the amount of the Issuer Interest Available Funds remaining after application towards payments of items (i) to (ix) of the Post-Enforcement Priority of Payments set forth under Condition 6.3 on such Payment Date, pro-rata based on the Relevant Proportion.

"**Post-Enforcement Priority of Payments**" has the meaning ascribed to it in Condition 6.3.

"**Pre-Amortisation Reimbursement Amount**" means, with respect to the Senior Notes, on any relevant Payment Date during the Revolving Period, the lower between

(a) the Issuer Principal Available Funds which can be applied on such Payment Date towards payment of the item *Third* of the Pre-Enforcement Principal Priority of Payments during the Revolving Period set forth under Condition 6.1(B); and

(b) the amount (if any) indicated under the notice served by the Representative of the Noteholders, upon written instruction of all Senior Noteholders, pursuant to Condition 8.2,

and in any case, following the occurrence of a Pre-Amortisation Reimbursement Event, an amount at least equal to the excess between (i) the Cash Collateral with reference to the immediately preceding Quarterly Servicer Report Date and (ii) 25% per cent. of the aggregate principal amount of the Notes upon issue.

"**Pre-Amortisation Reimbursement Event**" means, in respect of any Payment Date during the Revolving Period, the circumstance in which the Cash Collateral with reference to the immediately preceding Quarterly Servicer Report Date is higher than 25 per cent. of the aggregate principal amount of the Notes upon issue.

"**Pre-Enforcement Junior Notes Additional Return**" means, with reference to any Payment Date and in respect of any Relevant Class of Junior Notes, the amount of the Issuer Interest Available Funds remaining after application towards payments of items from *First* to *Eighth* of the Pre-Enforcement Interest Priority of Payment set forth under Condition 6.1 (A) or 6.2 (A), as the case may be, on such Payment Date, pro-rata based on the Relevant Proportion.

"**Pre-Enforcement Interest Priority of Payments during the Amortisation Period**" has the meaning ascribed to it in Condition 6.2(A).

"**Pre-Enforcement Interest Priority of Payments during the Revolving Period**" has the meaning ascribed to it in Condition 6.1(A).

"**Pre-Enforcement Principal Priority of Payments during the Amortisation Period**" has the

meaning ascribed to it in Condition 6.2(B).

"**Pre-Enforcement Principal Priority of Payments during the Revolving Period**" has the meaning ascribed to it in Condition 6.1(B)

"**Principal Allocation Amount**" means, with reference to any Payment Date during the Revolving Period and the Amortisation Period on which there are Senior Notes outstanding, any Issuer Interest Available Funds after all the payments from *First* to *Sixth* of the Pre-Enforcement Interest Priority of Payments as set out in Condition 6.1(A), or, as the case may be, from *First* to *Sixth* of the Pre-Enforcement Interest Priority of Payments set out in Condition 6.2(A) have been made in accordance with such Priority of Payments.

"**Principal Amount Outstanding**" means, on any day:

(a) with respect to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class;

(b) with respect to a Note, the nominal amount of such Note, *less* the aggregate amount of all Principal Payments in respect of that Note that have been made on or prior to that date.

"**Principal Collection Accounts**" means, collectively, the BdB Principal Collection Account, the BRE Principal Collection Account, the BPA Principal Collection Account, the BPB Principal Collection Account, the BPCI Principal Collection Account, the Carime Principal Collection Account and the UBI Principal Collection Account and, each of them, a "**Principal Collection Account**".

"**Principal Collections**" means the amounts received by the Master Servicer or the Sub-Servicers as principal payments in respect of the Receivables.

"**Principal Component**" means the principal component of the Instalments and the principal amount of any other payment due by a Debtor under the respective Loan Agreement.

"Principal Deficiency" means, in relation to any Payment Date, an amount equal to the aggregate of the Outstanding Principal relating to the Receivables which have become Defaulted Receivables during the preceding Collection Period (calculated as at the Collection Date immediately following the date on which such Receivables have been classified as Defaulted Receivables).

"**Principal Deficiency Amount**" means, in relation to any Payment Date falling during the Revolving Period and the Amortisation Period, an amount equal to the aggregate of (i) the Principal Deficiency, (ii) an amount equal to the payment made under item *First* of the Pre-Enforcement Principal Priority of Payments set out in Conditions 6.1 (B) and 6.2 (B), as the case maybe, on the immediately preceding Payment Date (iii) any indemnity amounts paid or to be paid to the Issuer in accordance with the Warranty and Indemnity Agreements in respect of the immediately preceding Collection Period (iv) the Interest Component of the Purchase Price collected in respect of the immediately preceding Collection Period (v) up to the Final Release Date (excluded), the Released Cash Reserve Amount and (vi) any amounts which have not been allocated to the Issuer Principal Available Funds on the preceding Payment Date in order to make good any of those payments.

"**Principal Payment**" means the principal amount redeemable in respect of each Note.

"**Priority of Payments**" means, jointly, the Pre-Enforcement Priorities of Payments during the Amortisation Period, the Pre-Enforcement Priorities of Payments during the Revolving Period and the Post-Enforcement Priority of Payments, and each Priority of Payments, as the case may be, as

from time to time applicable under the Terms and Conditions, in accordance to which the payments due by the Issuer will be carried out.

"**Privacy Law**" means the Legislative Decree No. 196 of 30 June 2003, as subsequently amended and supplemented, together with the relevant implementation rules, as from time to time supplemented by the rules enacted by the privacy Guarantee Authority.

"**Prospectus**" means the final prospectus prepared in relation to the Notes.

"**Purchase Price**" means the purchase price payable by the Issuer to the Originator in respect of the Initial Portfolio or any Subsequent Portfolio, as the case may be, pursuant to the Master Transfer Agreement.

"**Purchase Price of the Initial Portfolio**" means the purchase price payable by the Issuer to each Originator in respect of the relevant Initial Portfolio, as calculated pursuant to Clause 3.2 of each Master Transfer Agreement.

"**Purchase Price of the Subsequent Portfolio**" means the purchase price payable by the Issuer to each Originator in respect of each Subsequent Portfolio, equal to the aggregate of individual purchase price of the Receivables included in the relevant Subsequent Portfolio, being equal to the sum of, as at the relevant Cut-Off Date (excluded), (i) the Outstanding Principal of the Subsequent Portfolio and (ii) the Accrued Interests.

"**Purchase Termination Event**" means any of the following:

(a) an Aggregate Portfolio Breach of Ratio has occurred;

(b) a Relevant Event of the Originator has occurred;

(c) the amount of the Cash Reserve on any Payment Date (after payments made in accordance with the applicable Priority of Payments) is lower than the relevant Required Cash Reserve Amount;

(d) a representation or warranty given by one or more Originators in the relevant Warranty and Indemnity Agreement has been breached and not been remedied within 10 (ten) Business Days in accordance with the terms of the relevant Warranty and Indemnity Agreement;

(e) an undertaking assumed by one or more Originators under the Transaction Documents has been breached and not been remedied within 10 (ten) Business Days;

(f) the revocation of the appointment of the Master Servicer pursuant to the Master Servicing Agreement;

(g) the long-term, unsecured and unsubordinated debt obligations of UBI became lower than "B2" by Moody's or "B" by DBRS.

"**Purchase Termination Event Notice**" means the notice delivered by the Calculation Agent to the Issuer, the Originators, the Master Servicer and the Representative of the Noteholders in accordance with the CAMPA and the Terms and Conditions, stating that (i) the Purchase Termination Event has occurred; (ii) the Originators are not anymore allowed to sell the Receivables to the Issuer (which is not anymore allowed to purchase Receivables from the Originators); and (iii) the Revolving Period has elapsed.

"**Purchasing Conditions of the Subsequent Portfolio**" means with respect to each Originator the non-occurrence of any Relevant Portfolio Breach of Ratio.

"**Quarterly Servicer Report"** means the report delivered by the Master Servicer on each Quarterly Servicer Report Date, in accordance with the provisions set forth in the Master Servicing Agreement.

"**Quarterly Servicer Report Date**" means the 27th March, 27th June, 27th September and 27th December of each calendar year or if such day is not a Business Day, the next following Business Day. The first Quarterly Servicer Report Date will fall on 27 th September 2016.

"**Quota Capital Account**" means the Euro denominated account with IBAN IT11J0311111299000000089732, opened with UBI, in the name of the Issuer, and operating in accordance with the CAMPA.

"**Quotaholders**" means UBI and Stichting Evanthe.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into on or about the Issue Date between the Issuer and the Quotaholders, as from time to time modified and supplemented.

"**Rate of Interest**" has the meaning ascribed to it in Condition 7.2.

"**Rating Agencies**" means, jointly, Moody's and DBRS.

"**Real Estate Assets**" means the real estate assets which have been mortgaged as a guarantee of the Receivables.

"**Receivable**" means a receivable owed by a Debtor under a Document of Proof of the Receivable for the amount of principal, interest, penalties for early termination, indemnities, reimbursement of costs and expenses (including expenses on overdue Instalments) and damages paid under any insurance policy covering any risk, included in each Initial Portfolio or in a Subsequent Portfolio and selected in accordance with the Criteria and including any faculty and right ancillary to it.

"**Recoveries**" means any amounts received or recovered by the Master Servicer or Sub-Servicers in relation to any Defaulted Receivable.

"**Redemption Amount**" has the meaning ascribed to it in Condition 8.5.

"**Reference Banks**" has the meaning ascribed to it in Condition 7.8.

"**Regulated Market**" means the regulated market of the Irish Stock Exchange to which application has been made for the Senior Notes to be admitted to trading.

"**Released Cash Reserve Amount**" means, in relation to any Payment Date falling during the Amortisation Period and prior to the delivery of an Enforcement Notice, the positive difference beween (a) the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments) and (b) the aggregate of (i) the Required Cash Reserve Amount with reference to such Payment Date and (ii) any amount of the Cash Reserve to be drawn towards payment of items (*First*) to (*Fourth*) of the Pre-Enforcement Interest Priority of Payments during the Amortisation Period set out under Condition 6.2(A).

"**Relevant Class Issuer Interest Available Funds**", means, in respect of any Payment Date and with reference to a Relevant Class of Junior Notes, the aggregate of:

(i) all Interest Collections of the relevant Portfolio paid into each relevant Interest Collection Account in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) up to the Final Release Date (excluded), the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments), pro-rata based on the Relevant Proportion;

(iii) all amounts of interest accrued and available on each of the relevant Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments made (a) with the Interest Collections and with the Principal Collections of the relevant Portfolio in respect of the preceding Collection Period and (b) with the amount of the Cash Reserve on the immediately preceding Payment Date, after payments made in accordance with the applicable Priority of Payments (or on the Issue Date, as the case maybe), pro-rata based on the Relevant Proportion

(iv) any Recoveries of the relevant Portfolio collected in respect of the immediately preceding Collection Period;

(v) any other amount received under the Transaction Documents and which are attributed to the relevant Portfolio or to each relevant Originator, as the case maybe, except for amounts which relate to principal, in respect of the preceding Collection Period;

(vi) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account, pro-rata based on the Relevant Proportion; and

(vii) without double counting, the amount to be allocated on the relevant Payment Date in accordance with item *Sixth* of the Principal Priority of Payments set out in Condition 6.2(B), pro-rata based on the Relevant Proportion.

"**Relevant Class of Junior Notes**" means Class B1 Notes, Class B2 Notes, Class B3 Notes, Class B4 Notes, Class B5 Notes, Class B6 Notes or Class B7 Notes, as the case may be.

"**Relevant Class Issuer Principal Available Funds**", means, in respect of any Payment Date and with reference to a Relevant Class of Junior Notes, the aggregate of:

(i) all Principal Collections (excluding any Recoveries) of the relevant Portfolio paid into the relevant Principal Collection Account in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) any Principal Allocation Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments, pro-rata based on the Relevant Proportion;

(iii) any Principal Deficiency Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments, pro-rata based on the Relevant Proportion;

(iv) on the Final Release Date, the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments), pro-rata based on the Relevant Proportion;

(v) any Relevant Collateral Integration Amount allocated into the relevant Principal Collection Account on the immediately preceding Payment Date;

(vi) the proceeds in respect of principal arising from the disposal of the Receivables of each relevant Portfolio in respect of the immediately preceding Collection Period;

(vii) any amount credited (and not used) in the Payment Account on the previous Payment Date

under the Pre-Enforcement Principal Priority of Payments during the Revolving Period and the Pre-Enforcement Principal Priority of Payments during the Amortisation Period, to the extent not allocated to the Relevant Class Issuer Interest Available Funds, pro-rata based on the Relevant Proportion.

"Relevant Collateral Integration Amount" means, in relation to any Payment Date during the Revolving Period, an amount equal to the Collateral Integration Amount for such Payment Date multiplied by the Relevant Proportion.

"**Relevant Date**" has the meaning ascribed to it in Condition 11.2.

"**Relevant Event of the Originator**" means with reference to each Originator any of the following events:

(i) the Originator is declared insolvent or has been initiated against him an insolvency proceedings or similar;

(ii) an official receiver or a liquidator or a special commissioner has been appointed with respect to the Originator;

(iii) the Originator undertakes actions to renegotiate its debts, engages a settlement out of court with its creditors, requires the suspension of payments due from it or the sale of assets to creditors;

(iv) the dissolution or liquidation of the Originator is approved, except in cases of solvent corporate restructuring of the Originator.

"**Relevant Margin**" has the meaning ascribed to it in Condition 7.2.

"**Relevant Maximum Purchase Price Amount**" means, with reference to each Originator and in relation to any Payment Date during the Revolving Period, an amount equal to the Issuer Principal Available Funds available to be applied on such Payment Date pursuant to item *Second* of Pre-Enforcement Principal Priority of Payments during the Revolving Period set forth under Condition 6.1 (B) multiplied by the Relevant Proportion.

"Relevant PDA" means, in respect of each Originator and the Relevant Class of Junior Notes, on each Calculation Date the Outstanding Principal relating to the Receivables included in the relevant Portfolio which have been classified as Defaulted Receivables during the immediately preceding Collection Period (calculated as at the Collection Date immediately following the date on which such Receivables have been classified as Defaulted Receivables).

"**Relevant Portfolio Breach of Ratio**" means, with reference to any Calculation Date and from time to time with respect to the Portfolio assigned by each Originator, any of the following:

(i) the Cumulative Default Ratio exceeds the Relevant Portfolio Default Trigger;

(ii) the Delinquency Ratio exceeds the Relevant Portfolio Delinquency Trigger for two consecutive Payment Dates.

"**Relevant Portfolio Default Trigger**" means:

(i) in respect of any Calculation Date falling before and including the Calculation Date falling in October 2017 (included): 3%; or

(ii) in respect of any Calculation Date falling from the Calculation Date falling in October 2017 (excluded) to the Calculation Date falling in October 2018 (included): 5%; or

(iii) in respect of any Calculation Date falling thereafter up to the end of the Revolving Period: 7% .

"**Relevant Portfolio Delinquency Trigger**" means, in respect of any relevant Calculation Date and with reference to the Portfolio assigned by any Originator: (i) if the Outstanding Principal of the Performing Receivables of the relevant Portfolio as at the immediately preceding Collection Date is higher than 50% of the aggregate of the Outstanding Principal of the relevant Initial Portfolio and the Subsequent Portfolios assigned by the relevant Originator as at the relevant Cut-Off Date (excluded), 6%; or (ii) otherwise, 7.5%.

"**Relevant Proportion**" means:

(a) in respect of the payments due under item (x) of the Pre-Enforcement Interest Priority of Payments during the Amortisation Period and under item (xi) of the Post-Enforcement Priority of Payments: the ratio between (x) the Outstanding Principal, as at the Cut-Off Date (excluded), of the Receivables of the relevant Initial Portfolio and (y) the Outstanding Principal, as at the Cut-Off Date (excluded), of all the Receivables of the Initial Portfolios ;

(b) in respect of the definition of "Relevant Class Issuer Interest Available Funds", item (ii), (iii), (vi) and (vii): the ratio set out under item (a) of this definition;

(c) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (ii): the ratio between (x) the Relevant Class Issuer Interest Available Funds, less the Relevant Senior Expenses, less the Relevant CR Replenishment, less the Relevant PDA; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred to paragraph (x) above;

(d) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (iii): the ratio between (x) the Relevant Class Issuer Interest Available Funds, less the Relevant Senior Expenses, less the Relevant CR Replenishment; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred into paragraph (x) above ;

(e) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (iv): the ratio set out under item (a) of this definition;

(f) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (vii): the ratio set out under item (a) of this definition;

(g) in respect of the definition of "Junior Notes Principal Amount": the ratio between (x) the Relevant Class Issuer Principal Available Funds and (y) the aggregate of all Relevant Class Issuer Principal Available Funds for all Relevant Class of Junior Notes;

(h) in respect of the definition of "Pre-Enforcement Junior Notes Additional Return": the ratio between (x) the Relevant Class Issuer Interest Available Funds, less the Relevant Senior Expenses, less the Relevant CR Replenishment, less the Relevant PDA, less any other amounts due and payable to the relevant Originator under the Transaction Documents; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred to paragraph (x) above;

(i) in respect of the definition of "Post-Enforcement Junior Notes Additional Return": the ratio set out under item (h) of this definition;

(j) in respect of the definition of "Relevant Collateral Integration Amount": the ratio between (x) the Relevant Class Issuer Principal Available Funds, less the amounts due under items *Second* of the Pre-Enforcement Principal Priority of Payment during the Revolving Period set forth under

Condition 6.1 (B) which is applicable to the relevant Subsequent Portfolio transferred by the relevant Originator, less the Relevant Pre-Amortisation Reimbursement Amount; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred into paragraph (x) above;

(k) in respect of the definition of "Relevant Maximum Purchase Price Amount": the ratio set-out under item (g) of this definition.

"**Relevant CR Replenishment**" means the amounts due under item *Fifth* of the Pre-Enforcement Interest Priority of Payment set forth under Condition 6.1 (A) or 6.2 (A), as the case may be, multiplied by the ratio between (x) the Outstanding Principal, as at the Cut-Off Date (excluded), of the Receivables of the relevant Initial Portfolio and (y) the Outstanding Principal, as at the Cut-Off Date (excluded), of all the Receivables of the Initial Portfolios.

"**Relevant Pre-Amortisation Reimbursement Amount**" means the amounts due under item *Third* of the Pre-Enforcement Principal Priority of Payment during the Revolving Period set forth under Condition 6.1 (B) multiplied by the ratio between (x) the Outstanding Principal, as at the relevant Collection Date, of the Receivables of the relevant Portfolio and (y) the Outstanding Principal, as at the relevant Collection Date, of all the Receivables of the Portfolios.

"**Relevant Senior Expenses**" means the amounts due under items *First* to *Fourth* of the Pre-Enforcement Interest Priority of Payment set forth under Condition 6.1 (A) or 6.2 (A), as the case may be, or, following the delivery of an Enforcement Notice, the amounts due under items *First* to *Fourth* of the Post-Enforcement Priority of Payment set forth under Condition 6.3, multiplied by the ratio between (x) the Outstanding Principal, as at the relevant Collection Date, of the Receivables of the relevant Portfolio and (y) the Outstanding Principal, as at the relevant Collection Date, of all the Receivables of the Portfolios.

"**Renegotiations Excluded**" means the changes to the contractual conditions of the Receivables involving, from a financial point of view, an improvement of the position of the Issuer, including (i) the renegotiation of the interest rate from fixed to variable; (ii) the increase in the frequency of payments, (iii) the introduction and/or increase of the floor rate; (iv) the increase in the interest rate, of the spread or of the maximum cap; (v) the reduction of the duration of the repayment plan; (vi) the advance payment of the installment and (vii) any other renegotiations in respect of which no specific limit is provided under Annex E (*Limiti alle Rinegoziazioni*) to the Master Servicing Agreement.

"**Representative of the Noteholders**" means Zenith Service S.p.A. and any entity which, from time to time, will carry out the role of *representative of the Noteholders*.

"**Repurchase Limits**" means, at a certain date, the following events:

(a) no Aggregate Portfolio Breach of Ratio has occurred;

(b) the amount of the Cash Reserve as of the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments) is not lower than the relevant Required Cash Reserve Amount.

"**Required Cash Reserve Amount**" means, with reference to any Payment Date and prior to the Final Release Date and the delivery of an Enforcement Notice:

(i) during the Revolving Period, an amount equal to the Initial Cash Reserve Amount;

(ii) during the Amortisation Period:

(A) if any of the following event has occurred: (a) the occurrence of any Aggregate Portfolio Breach of Ratio or Cash Trapping Condition; or (b) the amount of the Cash Reserve as of the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments) is lower than the Required Cash Reserve Amount as of such immediately preceding Payment Date: an amount equal to the lower between (i) the Initial Cash Reserve Amount and (ii) the Required Cash Reserve Amount with reference to the immediately preceding Payment Date;

(B) otherwise, an amount equal to the higher of

(a) 4% of the aggregate Principal Amount Outstanding of the Senior Notes on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Priority of Payments); and

(b) an amount equal to 50% of the Initial Cash Reserve Amount,

provided that the Required Cash Reserve Amount with reference to the relevant Payment Date cannot exceed 5% of the Principal Amount Outstanding of the Notes upon issue and will be equal to 0 (zero), on the Final Release Date and on each Payment Date falling thereafter.

"**Retention Amount**" means Euro 30,000.

"**Revolving Assignment**" means the assignment of Subsequent Receivables provided for under Clause 5 of each Master Transfer Agreement.

"**Revolving Assignment Date**" means the date of Acceptance (as defined under the Master Transfer Agreement) of a Transfer Offer.

"**Revolving Period**" means the period starting on and including the Issue Date and ending on and including the Revolving Period Termination Date.

"**Revolving Period Termination Date**" means the earlier of (i) the Payment Date (included) falling 36 months after the Issue Date or the earlier date notified by all Originators, acting jointly, to the Issuer, the Rating Agencies and the Representative of the Noteholders, (ii) the day on which a Purchase Termination Event Notice is delivered to the Issuer (excluded), and (iii) the day on which an Enforcement Notice is delivered to the Issuer (excluded).

"**Rules of the Organisation of the Noteholders**" means the rules of the Organisation of the Noteholders, attached to the Conditions.

"**Securities Account**" means the securities account with No. 4048 opened with the Account Bank, in the name of the Issuer, and operating in accordance with the CAMPA.

"**Securities Act**" means the U.S. Securities Act of 1933 as amended from time to time.

"**Securitisation**" means the securitisation transaction carried out by the Issuer in relation to the Receivables pursuant to the Securitisation Law.

"**Securitisation Law**" means the Italian Law No. 130 of 30 April 1999, as subsequently amended and supplemented.

"**Security Interest**" means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

“**Selection Date**” means (i) in relation to the assignment of the Initial Portfolio 31 March 2016 (included), and (ii) in relation to the assignment of any Subsequent Portfolio, the date specified as such in the relevant Transfer Offer (*Offerta di Cessione* (with the meaning ascribed to such expression under Clause 6 of the Master Transfer Agreements)).

“**Senior Noteholders**” means the holders of the Senior Notes from time to time.

“**Senior Notes**” means the senior notes issued by the Issuer in the context of the Securitisation.

"**Senior Notes Nominal Amount**" means Euro 2,085,600,000.

“**Senior Notes Subscription Agreement**” means the senior notes subscription agreement entered into on or about the Issue Date between the Issuer, the Arranger, the Originators, the Initial Senior Notes Subscribers and the Representative of the Noteholders.

“**Specific Criteria**” means, with reference to each Initial Portfolio, the criteria set out in Annex A, Section II of each Master Transfer Agreement, and with reference to the Subsequent Portfolios the criteria described as such in the relevant Transfer Offer.

“**Subscription Agreements**” means the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

“**Subsequent Portfolio**” means each portfolio of Subsequent Receivables which may be transferred by the Originators or, as the case maybe, by each Originator to the Issuer, according to the provision set forth in the relevant Master Transfer Agreement.

“**Subsequent Receivables**” means the Receivables included in any Subsequent Portfolio and selected in accordance with the Common Criteria set out in Section I of Annex A of each Master Transfer Agreement and the Specific Criteria with reference to the relevant Subsequent Portfolio.

"**Sub-Servicer**" means each Originator, other than UBI, in its capacity as sub-servicer pursuant to the Master Servicing Agreement.

“**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.

“**Terms and Conditions**” means the terms and conditions of the Notes, as subsequently amended and supplemented.

“**Transaction Documents**” means, collectively, the Master Transfer Agreements, the Master Servicing Agreement, the Warranty and Indemnity Agreements, the Corporate Services Agreement, the Intercreditor Agreement, the CAMPA, the Deed of Pledge, the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Mandate Agreement, the Quotaholders’ Agreement, the Terms and Conditions, and the Master Definitions Agreement, including any agreement or other document expressed to be supplemental thereto and any other agreement indicated as such by the Issuer or the Originator.

“**Transfer Date**” means the date from which takes effect each transfer of Receivables executed pursuant each Master Transfer Agreement, and in particular means: (a) in relation to each Initial Portfolio, the signing date of the relevant Master Transfer Agreement; (b) in relation to each Subsequent Portfolio the relevant Revolving Assignment Date.

“**Transfer Limits**” means:

1. in respect of the Aggregate Portfolio (including the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date), as at the relevant Quarterly Servicer Report Date with reference to the immediately preceding Collection Date (or, as the case maybe, in respect of the applicable Subsequent Portfolio, the relevant envisaged Cut-Off Date (excluded)), the following criteria:

Limit	Portfolio Balance of	Condition	
1 a	Loans with an interest payment frequency different from monthly	not higher than	3.00%
1 b	Loans with a principal payment frequency different from monthly	not higher than	3.00%
2	Loans with amortization type different from annuity or “French”	not higher than	0.50%
3 a	Loans secured by properties owner occupied (*first home*)	at least	69.00%
3 b	Loans secured by properties used as *buy-to-let*	not higher than	0.00%
4 a	Loans whose Debtor is fully employed[(i)]	at least	60.00%
4 b	Loans whose Debtor is self-employed [(ii)]	not higher than	20.00%
4 c	Loans whose Debtors' employment type is categorized as "Other" or Not available[(iii)]	not higher than	16.50%
5	Loans whose Debtor is coded with a SAE code different from “600” (*famiglie consumatrici*)	not higher than	2.00%
6	Loans whose Debtor is an employee of UBI group	not higher than	5.00%
7 a	Loans whose Debtor is resident in northern regions of Italy	at least	70.00%
7 b	Loans whose Debtor is resident in southern regions of Italy	not higher than	15.50%
8	Loans whose Debtor is a foreigner	not higher than	10.00%
9 a	Loans with a current interest rate indexed to Euribor 1 months, Euribor 3 months or Euribor 6 months	at least	60.00%
9 b	Floating rate Loans not indexed to Euribor, IRS or ECB rates	not higher than	2.50%
10 a	Loans with a floating interest rate up to maturity	at least	52.00%

10 b	Loans with a floating interest rate up to maturity or floating interest rate subject to a cap with a strike level equal or above 10%	at least	58.00%
10 c	Loans with a fixed or optional (multiswitch) switch of the interest rate type	not higher than	36.00%
11	Loans towards the largest 20 Debtors (by Outstanding Principal)	not higher than	1.80%
12 a	Loans with CLTV <= 60%	at least	8.00%
	Loans with CLTV <= 80%	at least	30.00%
	Loans with CLTV > 100%	not higher than	26.00%
	Loans with CLTV > 110%	not higher than	17.00%
	Loans with CLTV > 120%	not higher than	10.60%
	Portfolio WA CLTV	not higher than	87.00%
13	Loans with loan's purpose the purchase	at least	80.00%
	Loans with loan's purpose the purchase, renovation or construction	at least	88.00%
	Loans with loan's purpose different from the purchase, renovation or construction	not higher than	12.00%
14	Loan not originated through the branch network	not higher than	4.00%
15	Loans with an original property valuation method not being full survey (*perizia completa*)	not higher than	20.00%
16 a	WA Interest Rate for fixed rate Loans	at least	3.0%
16 b	WA Spread for floating rate Loans	at least	1.65%
17	Potential Set-Off Ratio	not higher than	0.50%
18	WA Months Current	at least	40 months

2. in respect of the applicable Subsequent Porfolio as at the relevant envisaged Cut-Off Date (excluded), the following criteria:

Limit	Portfolio Balance of	Condition	
1	Loans originated by UBI with origination date after 2014[(iv)]	not higher than	5.0%
2	Loans with a original property valuation method not being full survey (*perizia completa*)	not higher than	10.00%
3	Loans with CLTV > 100%	not higher than	10.00%
	Loans with CLTV > 120%	not higher than	0.00%
4	Loans with one or more installment due and unpaid	not higher than	0.00%
5	Loans with origination date before 1st January 2009	not higher than	10.00%
6	Loans with an original tenor longer than 25 years	not higher than	80.00%
7	Loans with at least 6 months of seasoning and current in the last 6 months	at least	50%

(i) Codes 1 or 3 in the ECB loan-level data taxonomy

(ii) Codes 5 in the ECB loan-level data taxonomy

(iii) Code 9 or N.A. in the ECB loan-level data taxonomy

(iv) Limit not applicable should UBI merge with one or more of the other Originators

For the purpose of the above:

- the percentage applicable for each Limit in respect of the Aggregate Portfolio is expressed in terms of ratio between (a) the relevant Portfolio Balance of Loans belonging to the category specified in the relevant Limit plus, for those Limits whose the condition detailed in the table above is "at least", the Cash Collateral (to the extent not to be used to pay the Purchase Price of the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding Transfer Date) and (b) the aggregate of (i) the Portfolio Balance of the Aggregate Portfolio and (ii) the Cash Collateral (to the extent not to be used to pay the Purchase Price of the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date);
- the percentage applicable for each Limit in respect of each relevant Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date is expressed in terms of ratio between (a) the relevant Portfolio Balance of Loans belonging to the category specified in the relevant Limit and (b) the Portfolio Balance of the relevant Subsequent Portfolio;
- **CLTV** means the ratio between (i) the Outstanding Principal of the Receivables included in an Initial Portfolio or a Subsequent Portfolio, as the case may be and (ii) the most recent residential property value of the Real Estate Assets mortgaged as a guarantee of such Receivables as at the relevant Selection Date;

- **Portfolio WA CLTV** means the aggregate of the CLTV of each Receivable in the Aggregate Portfolio, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the CLTV of the relevant Receivable, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio;
- **WA Interest Rate** means the aggregate of the yield of each Receivable in the Aggregate Portfolio arising from Loans with a fixed interest rate, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the annual nominal interest rate applicable to the relevant Receivable pursuant to the relevant Loan Agreement, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio and arising from Loans with a fixed interest rate;
- **WA Spread** means the aggregate of the spread of each Receivable in the Aggregate Portfolio arising from Loans with a floating interest rate, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the spread applicable to the relevant Receivable pursuant to the relevant Loan Agreement, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio and arising from Loans with a floating interest rate;
- **Potential Set-Off Ratio** means the result of the following formula:

  (A) x 90% / (B),

  where:

(A) is equal to the sum, for any Debtor in the Aggregate Portfolio (including the Debtors whose relevant receivables fall within the Subsequent Portfolio purported to be transferred on the immediately following envisaged Transfer Date), of the lower between (a) the Outstanding Principal of the Receivables towards such Debtor and (b) the sum of the following items:

(i) the positive number, if any, equal to the amount of the gross credit exposures represented by deposits owned by the relevant Debtor towards the relevant Originator which can be subject to set-off by the relevant Debtor, minus Euro 100,000;

(ii) the amount of the gross credit exposures different from deposits owned by the relevant Debtor towards the relevant Originator which can be subject to set-off by the relevant Debtor.

(B) is equal to the aggregate of (i) the Portfolio Balance of the Aggregate Portfolio and (ii) the Cash Collateral, to the extent not to be used to pay the Purchase Price of the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date);

- **Months Current** means in respect of each Receivable in the Aggregate Portfolio not being a Defaulted Receivable the number of months that the Loan is performing since the last period of arrears.
- **WA Months Current** means the aggregate, for each Receivable in the Aggregate Portfolio, of the Month Current, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the Months Current in respect of the relevant

Receivable, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio

"**Transfer Offer**" means any document including the transfer offer of a Subsequent Portfolio, in accordance with Annex E ("*Modello di Offerta di Cessione*") of the Master Transfer Agreement.

"**Transfer Payment Condition Precedents**" means the Formalities and the receipt from the Issuer of (a) the solvency certificate of the relevant Originator and (b) the certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) with respect to the relevant Originator pursuant to the relevant Master Transfer Agreement.

"**UBI**" means Unione di Banche Italiane S.p.A., means a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy with its registered office at Piazza Vittorio Veneto 8, 24122 Bergamo, fiscal code and enrolment in the companies register of Bergamo number 03053920165, enrolled under number 5678 with the register of banks held by the Bank of Italy in accordance with article 13 of the Consolidated Banking Act and enrolled under number 3111.2 with the register held by the Bank of Italy in accordance with article 64 of the Consolidated Banking Act.

"**UBI Group**" means the banking group whose structure includes Unione di Banche Italiane S.p.A. as parent company.

"**UBI Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by UBI, IBAN: IT62L0311111299000000089734, or such other substitute account as may be opened in accordance with the CAMPA.

"UBI Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT57H0311111299000000089730, operating in accordance with the CAMPA.

"**UBI Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by UBI to the Issuer pursuant to the relevant Master Transfer Agreement.

"**UBI Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by UBI, IBAN: IT39M0311111299000000089735, or such other substitute account as may be opened in accordance with the CAMPA.

"**Uncured Principal Deficiency Amount**" means the event which occur, with reference to any Calculation Date, when the amount paid or to be paid, as the case maybe, on a relevant Payment Date, under item *Sixth* of the Pre-Enforcement Interest Priority of Payment during the Revolving Period set out in Condition 6.1(A) is lower than the applicable Principal Deficiency Amount (a) for an amount higher than 2% of the aggregate of the Outstanding Principal of all Portfolios as at the relevant Cut-Off Date (excluded) on any Payment Date or (b) for any amount, for two consecutive Payment Dates.

"**Usury Law**" means Italian of 7 March 1996, No. 108 as amended and supplemented from time to time.

"**V.A.T.**" means the value-added Tax.

"**Voting Certificate**" means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holders or by the Agent (on the basis of the Monte Titoli Account Holders certificate) and

dated in which it is stated:

(i) that the Blocked Notes have been blocked in an account with a clearing system or the depository, as the case may be, and will not be released until the conclusion of the Meeting; and

(ii) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

"**Warranty and Indemnity Agreements**" means each warranty and indemnity agreement entered into on 30 June 2016 between the Issuer and each Originator and, each of them, a "**Warranty and Indemnity Agreement**".

"**Written Instructions**" means any written notices, directions or instructions received by any Party to the Transaction Documents in accordance with the relevant Transaction Documents from an Authorised Person or from a person reasonably believed by such Party to be an Authorised Person.

2. Issuance and Subscription of the Notes

On the Issue Date the Issuer shall issue:

(i) Euro 2,085,600,000 Class A Asset Backed Floating Rate Notes due October 2070 (the "**Class A Notes**" or the "**Senior Notes**");

(ii) Euro 113,800,000 Class B1 Asset Backed Additional Return Notes due October 2070 (the "**Class B1 Notes**");

(iii) Euro 62,700,000 Class B2 Asset Backed Additional Return Notes due October 2070 (the "**Class B2 Notes**");

(iv) Euro 133,900,000 Class B3 Asset Backed Additional Return Notes due October 2070 (the "**Class B3 Notes**");

(v) Euro 95,400,000 Class B4 Asset Backed Additional Return Notes due October 2070 (the "**Class B4 Notes**");

(vi) Euro 244,400,000 Class B5 Asset Backed Additional Return Notes due October 2070 (the "**Class B5 Notes**");

(vii) Euro 51,000,000 Class B6 Asset Backed Additional Return Notes due October 2070 (the "**Class B6 Notes**");

(viii) Euro 59,100,000 Class B7 Asset Backed Additional Return Notes due October 2070 (the "**Class B7 Notes**" and together with the Class B1 Notes, the Class B2 Notes, the Class B3 Notes, the Class B4 Notes, the Class B5 Notes, the Class B6 Notes, the "**Class B Notes**" or the "**Junior Notes**" and, together with the Senior Notes, the "**Notes**").

3. Form, Denomination, Status and Guarantee

3.1. The Senior Notes and the Junior Notes are issued in dematerialised form and will be wholly and exclusively deposited with Monte Titoli in accordance with article 83-bis of Italian legislative decree No. 58 of 24 February 1998, through the authorised institutions listed in article 83-*quater* of such legislative decree.

3.2. The Senior Notes and the Junior Notes will be held by Monte Titoli S.p.A. on behalf of the Noteholders until redemption or cancellation for the account of the relevant Monte Titoli

Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Notes will be evidenced by one or more book entries in accordance with the provisions of (i) Article 83-*bis* and following of Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time, and (ii) the regulation issued by the Bank of Italy and CONSOB on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Senior Notes. However, the Notes may be deemed for certain regulatory and fiscal purposes to constitute "bearer" (*al portatore*) and not "registered" (*nominativi*) securities.

3.3. The Senior Notes are issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 thereof.

3.4. The Junior Notes are issued in denominations of Euro 100,000 and integral multiples of Euro 1,000 thereof.

3.5. Each Note is issued subject to and with the benefit of the Deed of Pledge and the other provisions set forth under the Transaction Documents.

4. Status, Priority and Segregation

4.1. The Notes constitute secured limited recourse obligations of the Issuer. The extent of the obligation of the Issuer to make payments under the Notes is conditional upon the receipt and recovery by the Issuer of amounts due, and is limited to the extent of any amounts received or recovered by the Issuer, in each case, in respect of the Portfolios and the other Issuer's Rights. The Noteholders acknowledge that the limited recourse nature of the Notes produces the effects of a "*contratto aleatorio*" under Italian law and are deemed to accept the consequences thereof, including but not limited to the provisions under Article 1469 of the Italian Civil Code. Without prejudice to the foregoing, any payment obligations of the Issuer under the Notes which have remained unpaid to the extent referred to above on the Cancellation Date shall be deemed extinguished and the relevant claims irrevocably relinquished, waived and surrendered, by the Noteholders to the Issuer and the Noteholders will have no further recourse to the Issuer in respect of such obligations. In addition to the above, the Noteholders accept to be bound by the non-petition provisions and limited recourse provisions set forth under Condition 17 (*Limited Recourse and Non Petition*) below.

4.2. The Notes have the benefit of Security Interests created over certain assets of the Issuer pursuant to the Deed of Pledge. By operation of Italian law, the Issuer's right, title and interest in and to the Portfolio is segregated from all other assets of the Issuer as well as the amounts arising under the Securitisation (including the Collections and the financial assets purchased using the Collections) and standing to the credit of the accounts opened with the Account Bank and the Paying Agent. Amounts deriving therefrom will only be available, both prior to and following the winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders and the Other Issuer Creditors in the Priority of Payments set out in Condition 6 (*Priority of Payments*) and to any third party creditors in respect of costs, fees and expenses incurred by the Issuer in the context of the Securitisation.

4.3. The Notes of each Class will rank *pari passu* and without any preference or priority among themselves.

4.4. In respect of the obligation of the Issuer to pay interest on the Notes prior to the delivery of an Enforcement Notice, (i) the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Junior Notes and (ii) the Junior Notes will rank *pari passu* without preference or priority amongst themselves and subordinated to the Senior Notes.

In respect of the obligation of the Issuer to repay principal on the Notes prior to the delivery of an Enforcement Notice,

- the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the payment of interest and principal on the Junior Notes; and
- the Junior Notes will rank *pari passu* without preference or priority amongst themselves and subordinated to the payment of interest and principal on the Senior Notes.

After the delivery of an Enforcement Notice, in respect of the obligation of the Issuer to pay interest and repay principal on the Notes,

- the Senior Notes will rank *pari passu* without preference or priority amongst themselves and in priority to the Issuer's obligation to pay interest and repay principal on the Junior Notes; and
- the Junior Notes will rank *pari passu* without preference or priority amongst themselves and subordinated to the Issuer's obligation to pay interest and repay principal on the Senior Notes.

4.5. As long as the Senior Notes are 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.

4.6. The Intercreditor Agreement and the Rules of 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 discretion 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 or may be a conflict between the interests of the holders of any Class of Notes, the Representative of the Noteholders is required to have regard only to the interests of the class of Notes ranking prior to the other, until such class of Notes have been redeemed in full.

5. Covenants and Undertakings

Covenants

For so long as any amount remains outstanding in respect of the Notes, the Issuer shall not, save with the prior written consent of the Representative of the Noteholders (or as provided in or contemplated by 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 (save for any Security Interest created in connection with any Further Securitisation and to the extent that such Security Interest is created over assets which form part of the segregated assets of such Further Securitisation); or

5.2. *Restrictions on activities*

(i) save as provided in Condition 5.10 (*Further Securitisations*), engage in any activity whatsoever which is not incidental to or necessary in connection with: (a) any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (b) any Further Securitisation; or

(ii) have any *società controllata* (as defined in Article 2359 of the Italian Civil Code) or any employees or premises; or

(iii) at any time approve or agree or consent to or do, or permit to be done, any act or thing whatsoever which may be materially prejudicial to the interests of the Noteholders under the Transaction Documents; or

(iv) become the owner of any real estate asset; or

5.3. *Dividends or Distributions*

pay any dividend or make any other distribution or return or repay any equity capital to its quotaholders, or issue any further quotas (*quote*) or shares (*azioni*); or

5.4. *Borrowings*

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person (save for any indebtedness to be incurred in relation to any Further Securitisation); or

5.5. *Merger*

consolidate or merge with any other person or convey or transfer all or substantially all its properties or assets to any other person; or

5.6. *No variation or waiver*

permit any of the Transaction Documents to which it is party to be amended, terminated or discharged, if such amendment, termination or discharge may negatively affect the interest of the Most Senior Noteholders; or exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party which may negatively affect the interest of the Most Senior Noteholders; or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder, if such release may negatively affect the interest of the Most Senior Noteholders; or

5.7. *Bank Accounts*

have an interest in any bank account other than the Accounts or any other account opened in the name of the Issuer in accordance to the Transaction Documents or any bank account to be opened in connection with any Further Securitisation; or

5.8. *Statutory Documents*

amend, supplement or otherwise modify its by-laws (*statuto*) or constitutive documents (*atto costitutivo*), except where such amendment, supplement or modification is required by compulsory provisions of Italian law or by the competent regulatory authorities or is an amendment of minor or formal nature; or

5.9. *Centre of Main Interests*

transfer its "*centre of main interests*", as that term is used in Article 3(1) of the EU Insolvency Regulation, outside the Republic of Italy; or

5.10. *Further Securitisations*

carry out other securitisation transactions or, without limiting the generality of the foregoing, implement, enter into, make or execute any document, act, deed or agreement in connection with any other securitisation transaction, unless:

(a) the Issuer confirming in writing to the Representative of the Noteholders (which, for such purpose, may rely on the advice of any certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker or other expert), that:

(i) the transaction documents entered into in the context of the Further Securitisation constitute valid, legally binding and enforceable obligations of the parties thereto under the relevant governing law;

(ii) in the context of the Further Securitisation the Quotaholders give undertakings in relation to the management of the Issuer, the exercise of their rights as quotaholders or the disposal of the quotas of the Issuer which are the same as or, in the sole discretion of the Representative of the Noteholders, equivalent to the undertakings provided for in the Quotaholders Agreement;

(iii) all the participants to the Further Securitisation and the holders of the notes issued in the context of such Further Securitisation will accept non-petition provisions and limited recourse provisions in every material respect equivalent to those provided in Clause 19 (*Limited Recourse*) in the Intercreditor Agreement;

(iv) the security deeds or agreements entered into in connection with such Further Securitisation do not comprise (or extend over) any of the Receivables or any of the Issuer's rights;

(v) the notes to be issued in the context of such Further Securitisation:

(A) are not cross-collateralised or cross-defaulted with the Notes or any note issued by the Issuer in the context of any other previous Further Securitisation; and

(B) include provisions which are the same as, or (in the sole discretion of the Representative of the Noteholders) equivalent to, Clause 13 (*Further Securitisation*) in the Intercreditor Agreement; and

(b) the Rating Agencies having: (i) been notified in advance of the intention of the Issuer to carry out such Further Securitisation; (ii) been provided with all the information and documents which are necessary in order to allow the Rating Agencies to assess the

impact of such Further Securitisation on the rating of the Senior Notes; and (iii) only in respect of Moody's confirmed that the then current rating of the Senior Notes will not be negatively affected by such Further Securitisation.

Undertakings

The Issuer undertakes to:

(i) do all things necessary to remain in existence under the laws of all applicable jurisdictions and to comply with all relevant laws and regulations applicable to it;

(ii) carry out its activity in its own name on arm's length commercial terms;

(iii) make payments by using its own stationery, invoices, and checks, identifying it as an entity separate from any other;

(iv) correct any misunderstandings, known to it, regarding its identity as an entity separate from any other;

(v) have paid, or pay, any taxes payable in connection with the Securitisation, the execution and delivery of, or performance under, the Transaction Documents when due; and

(vi) give notice, upon having knowledge thereof, to the Rating Agencies of any changes to the Quotaholders.

6. Priority of Payments

6.1 Pre-Enforcement Priority of Payments during the Revolving Period

(A) *Pre-Enforcement Interest Priority of Payments*

On each Payment Date, during the Revolving Period, prior to the service of an Enforcement Notice, the Issuer Interest Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Interest Priority of Payments during the Revolving Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* (A) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses not already paid out of the Expenses Account (to the extent that amounts standing to the credit of the Expense Account are insufficient to pay such costs), and (B) to credit into the Expenses Account such an amount as will bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity amounts, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amounts (including any indemnity amounts) due and payable on such Payment Date to the Account Bank, the Back-Up Servicer Facilitator, the Calculation Agent, the Paying Agent, the Cash Manager, the Corporate Servicer and the Master Servicer, the Sub-Servicers and to any other party who has become a party to the Intercreditor Agreement;

(iv) *Fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all

amounts of interest then due and payable in respect of the Senior Notes on such Payment Date;

(v) *Fifth,* up to the Final Release Date (excluded), to credit to the Cash Reserve such an amount to bring the amount of such Cash Reserve up to (but not in excess of) the Required Cash Reserve Amount;

(vi) *Sixth,* to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds;

(vii) *Seventh*, to allocate any Principal Allocation Amount to the Issuer Principal Available Funds, to the extent that the Cash Trapping Condition is met;

(viii) *Eighth,* to pay to the Originators, *pari passu* and *pro rata* according to the respective amounts thereof, any other amounts due and payable as indemnity under the Transaction Documents;

(ix) *Ninth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts as Pre-Enforcement Junior Notes Additional Return then due and payable on each Relevant Class of Junior Notes on such Payment Date.

(B) *Pre-Enforcement Principal Priority of Payments*

On each Payment Date, during the Revolving Period, prior to the service of an Enforcement Notice, the Issuer Principal Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Principal Priority of Payments during the Revolving Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* to pay any amount payable under items *First* to *Fourth* (inclusive) under Condition 6.1(A) above to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

(ii) *Second*, (i) if the Transfer Payment Condition Precedents are met on such Payment Date, to pay to the relevant Originator any amount due as Purchase Price of any Subsequent Portfolio transferred by the relevant Originator and purchased by the Issuer pursuant to the relevant Master Transfer Agreement to the extent not already paid on the previous Payment Dates provided that such amount shal not exceed the Relevant Maximum Purchase Price Amount with respect to each Originator; or (ii) otherwise, to allocate such relevant amount into the Payment Account;

(iii) *Third,* to repay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal due in respect of the Senior Notes up to the Pre-Amortisation Reimbursement Amount;

(iv) *Fourth,* to allocate into each Principal Collection Account any applicable Relevant Collateral Integration Amount;

(v) *Fifth*, to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any price adjustment in respect of the relevant Purchase Price of the Portfolio, if any, and any other amount due to the relevant Originator under the Transaction Documents other than the amounts to be paid under item *Eighth* of Condition 6.1(A);

(vi) *Sixth,* to allocate the residual amount to the Payment Account.

6.2 *Pre-Enforcement Priority of Payments during the Amortisation Period*

(A) ***Pre-Enforcement Interest Priority of Payments***

On each Payment Date, during the Amortisation Period, prior to the service of an Enforcement Notice, the Issuer Interest Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Interest Priority of Payments during the Amortisation Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* (A) to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any Expenses not already paid out of the Expenses Account (to the extent that amounts standing to the credit of the Expense Account are insufficient to pay such costs); and (B) to credit into the Expenses Account such an amount to bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity amounts, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amounts (including any indemnity amounts) due and payable on such Payment Date to the Account Bank, the Calculation Agent, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Corporate Servicer and the Master Servicer, the Sub-Servicers and to any other person who has become a party to the Intercreditor Agreement;

(iv) *Fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of interest then due and payable in respect of the Senior Notes on such Payment Date;

(v) *Fifth*, up to the Final Release Date (excluded), to credit to the Cash Reserve such an amount as will bring the amount of such Cash Reserve up to (but not in excess of) the Required Cash Reserve Amount;

(vi) *Sixth,* to allocate the Principal Deficiency Amount to the Issuer Principal Available Funds;

(vii) *Seventh*, to allocate any Principal Allocation Amount to the Issuer Principal Available Funds, to the extent that the Cash Trapping Condition is met;

(viii) *Eighth,* to pay to the Originators, *pari passu* and *pro rata* according to the respective amounts thereof, any other amounts due and payable as indemnity under the Transaction Documents;

(ix) *Ninth,* to pay, pari passu and pro rata according to the respective amounts thereof, all amounts as Pre-Enforcement Junior Notes Additional Return then due and payable on each Relevant Class of Junior Notes on such Payment Date;

(x) *Tenth*, to pay any residual amounts to the Originators, *pari passu* among them and *pro rata* in accordance to the Relevant Proportion.

(B) ***Pre-Enforcement Principal Priority of Payment***

On each Payment Date, during the Amortisation Period, prior to the service of an Enforcement

Notice, the Issuer Principal Available Funds shall be applied in making or providing for the following payments, in the following priority of payments (the "**Pre-Enforcement Principal Priority of Payments during the Amortisation Period**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First,* to pay any amount payable under items *First* to *Fourth* (inclusive) under Condition 6.2(A) above, to the extent that the Issuer Interest Available Funds are not sufficient on such Payment Date to make such payments in full;

(ii) *Second,* to pay, *pari passu* and *pro-rata* according to the respective amounts thereof, any Principal Amount Outstanding in respect of the Senior Notes due on such Payment Date;

(iii) *Third,* to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any price adjustment in respect of the relevant Purchase Price, if any and any other amount due to each Originator under the Transaction Documents other than the amounts to be paid under item *Eighth* of Condition 6.2(A) and the amounts due under any other items below;

(iv) *Fourth,* to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any Purchase Price (if any) due but not already paid on the preceding Payment Dates;

(v) *Fifth*, upon full reimbursement of the Senior Notes, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) the Junior Notes Principal Amount due and payable on each Relevant Class of Junior Notes on such Payment Date, in any case up to an amount that makes the Principal Amount Outstanding of each Junior Note not lower than 1% of the Principal Amount Outstanding of such Junior Note upon issue, provided that any amount which is not applied to repayment of principal in respect of the Junior Notes as a consequence of the limitation set forth under this paragraph (a) will be allocated to the Payment Account and will form part of the Issuer Principal Available Funds on the next succeeding Payment Dates and (b) on the Final Maturity Date, all amounts of Junior Notes Principal Amount due and payable, if any, on each Relevant Class of Junior Notes; and

(vi) S*ixth,* to pay the residual amount to the Issuer Interest Available Funds, except for the residual amounts due to the rounding of the principal payments on the Notes which will be allocated to the Issuer Interest Available Funds on the Payment Date on which the Notes will be redeemed in full or otherwise cancelled.

6.3 *Post-Enforcement Priority of Payments*

Following the delivery of an Enforcement Notice or under Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Redemption for Taxation*), the Issuer Available Funds shall be applied on each Payment Date in making the following payments in the following priority of payments (the "**Post-Enforcement Priority of Payments**", and jointly with the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the "**Priorities of Payments**" and each a "**Priority of Payments**") (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *First, pari passu* and *pro rata* according to the respective amounts thereof, (A) to pay any Expenses (to the extent that amounts standing to the credit of the Expenses Account are insufficient to pay such costs) and (B) to credit into the Expenses Account such an amount

to bring the balance of such account up to (but not in excess of) the Retention Amount;

(ii) *Second*, to pay the remuneration due to the Representative of the Noteholders and any indemnity amounts, proper costs and expenses incurred by the Representative of the Noteholders under the provisions of or in connection with any of the Transaction Documents;

(iii) *Third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amounts (including any indemnity amounts) due and payable on such Payment Date to the Account Bank, the Calculation Agent, the Back-Up Servicer Facilitator, the Paying Agent, the Cash Manager, the Corporate Servicer and the Master Servicer, the Sub-Servicers, and to any other person who has become a party to the Intercreditor Agreement;

(iv) *Fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof all amounts of interest then due and payable in respect of the Senior Notes on such Payment Date;

(v) *Fifth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts of principal then due and payable in respect of the Senior Notes on such date;

(vi) *Sixth,* to pay to the Originators, *pari passu* and *pro rata* according to the respective amounts thereof, any amounts due and payable as indemnity under the Transaction Documents;

(vii) *Seventh,* to pay to each Originator, *pari passu* and *pro rata* according to the respective amounts thereof, any price adjustment in respect of the relevant Purchase Price, if any and any other amounts due to each Originator under the Transaction Documents other than the amounts due under any other items below;

(viii) *Eighth,* to pay, to each Originator *pari passu* and *pro rata* according to the respective amounts thereof, any Purchase Price (if any) due but not already paid on the preceding Payment Dates;

(ix) *Ninth,* upon full reimbursement of the Senior Notes, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) the Junior Notes Principal Amount due and payable on each Relevant Class of Junior Notes on such Payment Date, in any case up to an amount that makes the Principal Amount Outstanding of each Junior Note not lower than 1% of the Principal Amount Outstanding of such Junior Note upon issue, provided that any amount which is not applied to repayment of principal in respect of the Junior Notes as a consequence of the limitation set forth under this paragraph (a) will be allocated to the Payment Account and will form part of the Issuer Available Funds on the next succeeding Payment Dates and (b) on the Final Maturity Date, all amounts of Junior Notes Principal Amount due and payable, if any, on each Relevant Class of Junior Notes;

(x) *Tenth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts then due and payable as Post Enforcement Junior Notes Additional Return on each Relevant Class of Junior Notes on such Payment Date;

(xi) *Eleventh*, to pay any residual amounts to the Originators, *pari passu* among them and *pro rata* in accordance to the Relevant Proportion.

7. Interest

7.1 *Payment Dates and Interest Periods*

The Senior Notes bear interest on their Principal Amount Outstanding from (and including) the Issue Date, payable in Euro quarterly in arrears on each Payment Date. The first Payment Date will be 7 October 2016 (the "**First Payment Date**"). The period from and including the Issue Date to but excluding the First Payment Date is referred to herein as the "**Initial Interest Period**" and each successive period from and including a Payment Date to but excluding the next Payment Date is referred to as an "**Interest Period**".

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Senior Notes from (and including) the Final Maturity Date (as defined in Condition 8.1 (*Redemption, Purchase and Cancellation*)) unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (as well after as before judgement) at the rate from time to time applicable to the Senior Notes until whichever is the earlier of (i) the day on which all sums due in respect of the Senior Note up to that day are received by or on behalf of the relevant Senior Noteholder and (ii) the day on which all such sums have been received by the Representative of the Noteholders or the Paying Agent on behalf of the relevant Senior Noteholder and notice to that effect is given in accordance with Condition 16 (*Notices*).

7.2 *Rate of Interest*

The rate of interest payable from time to time in respect of the Senior Notes (each, a "**Rate of Interest**") will be determined by the Paying Agent on the Interest Determination Date in respect of the Interest Period commencing immediately after such Interest Determination Date. In case of the Initial Interest Period, the Rate of Interest will be determined by the Paying Agent two Business Days prior to the Issue Date.

The Rate of Interest applicable to the Senior Notes for each Interest Period shall be the sum of the applicable Relevant Margin (as defined below) and the EURIBOR as of the relevant Interest Determination Date.

For the purpose of these Conditions, the "**Relevant Margin**" shall be equal to 0.75% per annum. In the event that in respect of any Interest Period the algebraic sum of the applicable EURIBOR and the Relevant Margin results in a negative rate, the applicable Rate of Interest shall be deemed to be zero.

Subject to the provisions of these Conditions, on each Payment Date, the Junior Noteholders are entitled to receive in accordance with the applicable Priority of Payments the Additional Return.

7.3 *Determination of Rates of Interest and Calculation of Interest Payments*

7.3.1 The Paying Agent shall, on each Interest Determination Date and by reference to the immediately following Interest Period, determine and notify to the Issuer, the Calculation Agent and the Representative of the Noteholders the Euro denominated amount (the "**Interest Payment Amount**") payable on each Senior Note in respect of such Interest Period. The Interest Payment Amount payable in respect of any Interest Period shall be determined (i) by applying the relevant Rate of Interest to the Principal Amount Outstanding of each Senior Note on the Payment Date (or, in the case of the Initial Interest Period, the Issue Date) at the commencement of such Interest Period (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 upwards).

7.3.2 The Additional Return payable on the Junior Notes in respect of such Interest Period will be calculated by the Calculation Agent and notified to the Paying Agent through the Payment Report.

7.4 *Interest Amount Arrears*

In the event that on any Payment Date, there are Interest Payment Amounts that have not been paid on their due date and remain unpaid in respect of the Senior Notes ("**Interest Amount Arrears**"), the Interest Amount Arrears (a) will be deferred to the next following Payment Date, (b) will be paid in accordance with the applicable Priority of Payments, (c) will be treated for the purpose of this Condition 7 (*Interest*) as if it were interest due (subject to this Condition 7.4) on the Notes on the next succeeding Payment Date, until the Final Maturity Date (included) and (d) will not accrue interest during such Interest Period.

The deferral of any Interest Amount Arrears on the Senior Notes shall be without prejudice to the right of the Representative of the Noteholders to serve an Enforcement Notice pursuant to Condition 12(a) (*Non-payment of interest or principal*).

7.5 *Publication of the Rate of Interest, the Interest Payment Amount and the Interest Amount Arrears*

The Paying Agent will, at the Issuer's expense, cause the Rate of Interest and the Interest Payment Amount applicable to the Senior Notes for each Interest Period and the relative Payment Date in respect of such Interest Payment Amount to be notified promptly after determination to the Issuer, the Representative of the Noteholders, Monte Titoli S.p.A., the Irish Stock Exchange and any other relevant stock exchange and (if so required by the rules of the relevant stock exchange) will cause the same to be published in accordance with Condition 16 (*Notices*) on or as soon as possible after the relevant Interest Determination Date.

If the Calculation Agent determines that any Interest Amount Arrears will arise on a Payment Date, the Calculation Agent will notify it through the Payment Report. The notice to this effect will be given by the Paying Agent to the Issuer, the Representative of the Noteholders, the Irish Stock Exchange and any other relevant stock exchange and (if so required by the rules of the relevant stock exchange) will cause the same to be published in accordance with Condition 16 (*Notices*) one Business Day prior to such Payment Date.

The Paying Agent will be entitled to recalculate any Interest Payment Amount or any Interest Amount Arrears (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

7.6 *Determination or calculation by the Representative of Noteholders*

If the Paying Agent does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Payment Amount or, if relevant, the Interest Amount Arrears, for the Senior Notes in accordance with the foregoing provisions of this Condition 7, the Representative of Noteholders shall:

(i) determine the Rate of Interest for the Senior Notes at such rate as (having regard to the procedure described above) it shall consider fair and reasonable in all the circumstances; and/or

(ii) calculate the Interest Payment Amount for the Senior Notes in the manner specified in Condition 7.3 above; and/or

(iii) calculate the Interest Amount Arrears for the Senior Notes in the manner specified in Condition 7.4 above;

and any such determination and/or calculation shall be deemed to have been made by the Paying Agent. It is understood that the Representative of the Noteholders shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful misconduct (*dolo*) on the part of the Representative of the Noteholders.

7.7 *Notifications to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7, whether by the Reference Banks (or any of them), the Paying Agent, the Calculation Agent, the Representative of Noteholders or the Issuer shall (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) be binding on the Reference Banks, the Calculation Agent, the Issuer, the Cash Manager, the Paying Agent, 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, the Calculation Agent, the Representative of Noteholders or the Issuer in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretion hereunder.

7.8 *Reference Banks and Paying Agent*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be three reference banks (the "**Reference Banks**"), and a Paying Agent. The Reference Banks shall be three major banks in the Euro-zone inter-bank market selected by the Paying Agent with the approval of the Issuer. 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, a notice will be published in accordance with Condition 16 (*Notices*).

7.9 *Italian Usury Legislation*

Notwithstanding any other provision of these Conditions, if at any time the remuneration payable to the Noteholders under the Notes (including pursuant to Condition 10 (*Taxation*) below), exceeds the applicable maximum rate of interest permitted pursuant to Italian Law No. 108 of 7 March 1996 (the "**Italian Usury Legislation**") and that would constitute a breach of the Italian Usury Legislation, then the remuneration payable by the Issuer in respect of the Notes shall be capped at the maximum rate permitted under the Italian Usury Legislation.

8. Redemption, Purchase and Cancellation

8.1 *Final Maturity Date*

Unless previously redeemed in full as provided in this Condition 8 (*Redemption, Purchase*

and Cancellation) and subject to the provisions of Condition 12 (*Enforcement Events*), the Issuer shall redeem the Notes at their Principal Amount Outstanding, *plus* any accrued but unpaid interest, on the Payment Date falling on 7 October 2070 (the "**Final Maturity Date**").

All Notes will, on the Cancellation Date, be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment of any such amount is improperly withheld or refused) be finally and definitively cancelled.

8.2 *Mandatory Redemption*

On each Payment Date prior to the delivery of an Enforcement Notice falling during the Amorisation Period on which there are Issuer Available Funds available for payment of principal in respect of each Class of Notes in accordance with respectively, item (ii) and (v) of the Pre-Enforcement Principal Priority of Payments during the Amortisation Period, the Issuer will apply such Issuer Available Funds in or towards mandatory redemption of the Senior Notes and Junior Notes in accordance with such Priority of Payments.

On each Payment Date (prior to the delivery of an Enforcement Notice), falling during the Revolving Period, provided that there are Issuer Available Funds available for payment of principal in respect of the Senior Notes in accordance with the Priority of Payments set out under Condition 6.1 (*Pre-Enforcement Priority of Payments during the Revolving Period*), the Issuer will cause the Senior Notes to be redeemed on such Payment Date in an amount equal to the relevant Pre-Amortisation Reimbursement Amount as determined on the immediately preceding Calculation Date upon (i) the occurrence of Pre-Amortisation Reimbursement Event or (ii) the receipt of a notice served by the Representative of the Noteholders, upon written istructions of all Senior Noteholders, within 4 (four) Business Days before any Calculation Date falling during the Revolving Period. The notice indicated under point (ii) above shall be in writing but may otherwise take any form deemed to be most appropriate by the Issuer (e.g., letter, facsimile, e-mail and a registered letter is not required) and shall be deemed to have been duly delivered on the day it is received by the Issuer, the Paying Agent and the Calculation Agent.

Upon the service of an Enforcement Notice, the Notes shall become immediately due and repayable, in accordance with the Post-Enforcement Priority of Payments, at their Principal Amount Outstanding, together with accrued interest, without any further action or formality and, on each Payment Date, the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments.

8.3 *Optional Redemption*

Provided that no Enforcement Notice has been served on the Issuer, the Issuer may on any Payment Date on which the Senior Notes can be repaid in full at their Principal Amount Outstanding being sufficient Issuer Available Funds for such purpose (therefore, without the Issuer being required to sell the Aggregate Portfolio and using the proceeds deriving therefrom for such purpose), redeem the Notes (or the Senior Notes and none or some only of the Junior Notes, if the Junior Noteholders consent) at their Principal Amount Outstanding, together with interest accrued thereon up to the Payment Date fixed for redemption, in accordance with the Post-Enforcement Priority of Payments under Condition

6.3 subject to the Issuer:

8.3.1 giving no more than 60 days' and no less than 30 days' prior written notice to the Representative of the Noteholders and to the Noteholders in accordance with Condition 16 (*Notices*) of its intention to redeem the Notes provided that no Enforcement Notice has been delivered; and

8.3.2 delivering to the Representative of the Noteholders, prior to the delivery of the above notice and not less than two Business Day before the Payment Date fixed for the redemption, a letter duly signed by the Issuer to the effect that it will have the necessary funds (free and clear of any Security Interest, lien, privilege, burden, encumbrance or other right of any third party) on such Payment Date to discharge all of its outstanding liabilities in respect of the Notes (or the Senior Notes and none or some only of the Junior Notes, if the Junior Noteholders consent) and any other payment required to be paid under the Post-Enforcement Priority of Payments under Condition 6.3 in priority to or *pari passu* with the Notes.

8.4 *Redemption for taxation*

If, at any time, the Issuer confirms to the Representative of the Noteholders that, on the next Payment Date, (i) the Issuer would be required to deduct or withhold (other than in respect of a Decree 239 Deduction (as defined below)) any amount from any payment of principal or interest on the Notes of any Class for or on account of any present or future taxes, duties, assessments or governmental charges by the Republic of Italy or any political sub-division thereof or any authority thereof or therein, or (ii) taxes, duties, assessments or governmental charges by the Republic of Italy or any political sub-division thereof or any authority thereof or therein would be imposed on the Portfolio (including on amounts payable to the Issuer in respect of the Receivables) and the Issuer certifies to the Representative of the Noteholders (by way of a certificate signed by the chairman of the board or the sole director of the Issuer) and produces evidence acceptable to the Representative of the Noteholders that the Issuer will have the necessary funds, free of any interest of any other person, to discharge all its outstanding liabilities in respect of the relevant Class of Notes and any amounts required under the relevant Conditions to be paid in priority to or *pari passu* with such Notes, in accordance with the Post-Enforcement Priority of Payments under Condition 6.3, then following receipt of a written notice from the Representative of the Noteholders authorising the redemption, the Issuer may, at its option, redeem on the next succeeding Payment Date the Notes (in whole but not in part, or in the case of the Junior Notes, such Notes in whole or in part with the Junior Noteholders’ consent) at their Principal Amount Outstanding together with accrued but unpaid interest up to and including the relevant Payment Date, having given not more than 60 days’ and not less than 30 days’ notice in writing to the Representative of the Noteholders and to the holders of such Notes, in accordance with Condition 16 (*Notices*).

8.5 *Principal Payments, Redemption Amounts and Principal Amount Outstanding*

On each Calculation Date, the Issuer shall procure that the Calculation Agent determines:

(i) the amount of the Issuer Available Funds available for payment of principal under the Notes;

(ii) the Principal Payment (if any) due on each Note on the next following Payment Date;

(iii) the Principal Amount Outstanding of each Note and on the Notes of each Class on the next following Payment Date (after deducting any Principal Payment due to be made on that Payment Date).

The Principal Payment in respect of each Note shall be a pro rata share of the aggregate amount determined in accordance with the provisions of Condition 6 (*Priority of Payments*) to be available for redemption of the Notes of the same Class of such Note on the relevant Payment Date (the "**Redemption Amount**"), and is calculated by reference to the ratio borne by the then Principal Amount Outstanding of such Note to the then Principal Amount Outstanding of all the Notes of the same Class (rounded down to the nearest cent), provided always that no such Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

Each determination by or on behalf of the Issuer of the Redemption Amount of each Class, the Principal Payment on each Note and the Principal Amount Outstanding of each Note shall in each case (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) be final and binding on all persons.

The Issuer will, no later than the Calculation Date immediately preceding the relevant Payment Date, cause each determination of a Principal Payment on each Note (if any) and Principal Amount Outstanding on each Note and on the Notes of each Class to be notified by the Calculation Agent to the Paying Agent. The Paying Agent will subsequently notify the Issuer, the Representative of the Noteholders, Monte Titoli, the Irish Stock Exchange and any other applicable stock exchange and (if so required by the rules of the relevant stock exchange) shall cause notice thereof to be published in accordance with Condition 16 (*Notices*). If no Principal Payment is due to be made on any Class of Notes on a Payment Date, a notice to this effect will be given by the Paying Agent, on behalf of the Issuer to the Noteholders of such Class in accordance with Condition 16 (*Notices*).

If no Redemption Amount of each Class, Principal Payment on each Note or Principal Amount Outstanding of each Note is determined by the Calculation Agent in accordance with the preceding provisions of this paragraph, such Redemption Amount, Principal Payment or, as the case may be, Principal Amount Outstanding, shall be determined by the Representative of Noteholders in accordance with the provisions of this Condition 8 (*Redemption, Purchase and Cancellation*) and each such determination or calculation shall be deemed to have been made by the Calculation Agent. It is understood that the Representative of the Noteholders shall not be responsible for any loss incurred by so acting in the absence of gross negligence (*colpa grave*) or wilful misconduct (dolo) on the part of the Representative of the Noteholders.

8.6 *Notice of Redemption*

Any such notice as is referred to in Condition 8.2 (*Mandatory redemption*), Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Redemption for Taxation*) shall be made pursuant to Condition 16 (*Notices*) in accordance with, in the case of mandatory redemption, Condition 8.5 (*Principal Payments, Redemption Amounts and Principal Amount Outstanding*) and, in the case of optional redemption or redemption for taxation reasons,

Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Redemption for Taxation*), with notice to the Irish Stock Exchange indicating the Principal Amount Outstanding of the relevant Class of Notes and all accrued but unpaid interest thereon up to and including the relevant Payment Date. Such notices shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8 (*Redemption, Purchase and Cancellation*).

8.7 *No purchase by Issuer*

The Issuer shall not purchase any of the Notes.

8.8 *Cancellation*

The Notes will be deemed to be discharged in full and any amount in respect of principal, interest or other amounts due and payable in respect of the Notes will (unless payment of any such amounts is improperly withheld or refused) be finally and definitively cancelled and waived on the Cancellation Date. Upon cancellation the Notes may not be resold or re-issued.

8.9 *Notice to the Rating Agencies*

Any redemption of the Notes in accordance with Condition 8.1 (Final Maturity Date), Condition 8.2 (*Mandatory redemption*), Condition 8.3 (*Optional Redemption*) and Condition 8.4 (*Redemption for Taxation)*, shall be notified by the Issuer to the Rating Agencies.

9. Payments

9.1 Payment of principal and interest 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 relevant Monte Titoli Account Holder and thereafter credited by such Monte Titoli Account Holder from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Senior Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, as the case may be.

9.2 Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

9.3 Noteholders will not be entitled to any interest or other payment in consequence of any delay after the due date in receiving any amount due as a result of the due date not being a Business Day in the place of payment to such Noteholder (or the relevant Monte Titoli Account Holder).

9.4 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent and to appoint another paying agent. The Issuer will cause at least 30 days' notice of any replacement of the Paying Agent to be given in accordance with Condition 16 (Notices).

9.5 The Issuer reserves the right, subject to the prior written approval of the Representative of the Noteholders, at any time to vary or terminate the appointment of the Paying Agent or Listing Agent and to appoint another Listing agent or Paying agent.

10. Taxation

10.1 All payments in respect of Notes will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature other than a Decree 239 Deduction or any other withholding or deduction required to be made by applicable law unless the Issuer, the Representative of the Noteholders or the Paying Agent (as the case may be) 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. None of the Issuer, the Representative of the Noteholders or the Paying Agent shall be obliged to pay any additional amount to any holder of Notes on account of such withholding or deduction.

10.2 Notwithstanding that the Representative of the Noteholders, the Issuer or the Paying Agent are required to make a Tax Deduction this shall not constitute an Enforcement Event.

11. Prescription

11.1 Claims against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect thereof.

11.2 In this Condition 11, the "**Relevant Date**", in respect of a Note, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the moneys payable in respect of all the Notes and accrued on or before that date has not been duly received by the Paying Agent or the Representative of the Noteholders on or prior to such date) the date on which notice that the full amount of such moneys has been received is duly given to the Noteholders in accordance with Condition 16 (*Notices*).

12. Enforcement Events

12.1 If any of the following events (each an "**Enforcement Event**") occur:

(a) *Non-payment of interest and principal*

On any Payment Date (i) Interest accrued on the Senior Notes in relation to the Interest Period ending on such Payment Date or (ii) principal due and payable on the Senior Notes, is not paid on the due date and such default is not remedied within a period of 3 (three) Business Days following the due date thereof, it being understood that the provision set forth under point (ii) above does not apply in the event that the failure to pay principal on the Senior Notes is due to the fact that the Quarterly Servicer Report is not being provided as and when due in accordance with the terms of the Master Servicing Agreement and the Calculation Agent has applied the amounts standing to the credit of the Accounts, other than Expenses Account and the Quota Capital Account, in order to make the payments under the Pre-Enforcement Interest Priority of Payments under items (i) to (iv) in accordance with the terms of the CAMPA; or

(b) *Breach of 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 specified in (a) above) which is, in the Representative of the Noteholders' reasonable opinion, materially prejudicial to the interests of the Noteholders and such default remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the breach to be remedied (except where, in the reasonable opinion of the Representative of the Noteholders, such default is not capable of remedy in which case no term of 30 days will be given); or

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

Any of the representations and warranties given by the Issuer under any of the Transaction Documents to which it is party, is, when made or deemed to be made, incorrect or erroneous in any material respect and such misrepresentation remains unremedied for 30 days after the Representative of the Noteholders has given written notice thereof to the Issuer requiring the breach to be remedied (except where, in the reasonable opinion of the Representative of the Noteholders, such misrepresentation is not capable of remedy in which case no 30 days' notice will be required); or

(d) *Insolvency of the Issuer:*

An Insolvency Event occurs in respect of the Issuer.

(e) *Unlawfulness*

It is or will become unlawful for the Issuer to perform or comply with any of its material obligations under or in respect of the Notes or any Transaction Document to which it is a party,

then, the Representative of the Noteholders:

(1) in the case of an Enforcement Event under (a) and (d) above, shall; and/or

(2) in the case of an Enforcement Event under (b) and (c) above, shall, if so directed by an Extraordinary Resolution of the Senior Noteholders; and/or

(3) in the case of an Enforcement Event under (e) above, may at its sole discretion or, if so directed by an Extraordinary Resolution of the Senior Noteholders, shall

serve a notice (an "**Enforcement Notice**") on the Issuer; such notice shall be in writing but may otherwise take any form deemed to be most appropriate by the Representative of the Noteholders (e.g., letter, facsimile, e-mail and a registered letter is not required) and shall be deemed to have been duly delivered on the day it is received by the Issuer.

Upon the service of an Enforcement Notice, the Notes shall become immediately due and repayable, in accordance with the Post-Enforcement Priority of Payments, at their Principal Amount Outstanding, together with accrued interest, without any further action or formality and, on each Payment Date, the Issuer Available Funds will be applied in accordance with the Post-Enforcement Priority of Payments.

13. Enforcement

13.1 At any time after an Enforcement Notice has been served, the Representative of the Noteholders may and shall, if so requested or authorised by an Extraordinary Resolution of

the Senior Noteholders or, upon the redemption in full of the Senior Notes, the Junior Noteholders, subject to the provisions of the Intercreditor Agreement, take such steps and/or institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes and payment of accrued interest thereon in accordance with the Priority of Payments set out in Condition 6.3 (*Post-Enforcement Priority of Payments*).

13.2 All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 12 (*Enforcement Events*) or this Condition 13 (*Enforcement*) by the Representative of the Noteholders shall (in the absence of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)) be binding on the Issuer and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders or the Issuer shall attach to the Representative of the Noteholders in connection with the exercise or non-exercise by it of its powers, duties and discretion hereunder.

13.3 The Representative of the Noteholders may take action pursuant the Conditions and the Rules of the Organisation of the Noteholders without having regard to the effect of such action on any individual Senior Noteholder or on any Other Issuer Creditor, provided that the Representative of the Noteholders shall not, and shall not be bound to, act at the request or direction of the Noteholders, other than the Most Senior Noteholders then outstanding unless:

(a) to do so would not, in its opinion, be materially prejudicial to the interests of the holders of the Most Senior Class of Notes; or

(b) (if the Representative of the Noteholders is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes.

13.4 Following the service of an Enforcement Notice, the Issuer may (subject to consent of the Representative of the Noteholders), or the Representative of the Noteholders may direct the Issuer to, dispose of the Portfolio if all the following conditions are satisfied:

(a) the Issuer or the Representative of the Noteholders has been so requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding;

(b) the Issuer or the Representative of the Noteholders has obtained a certificate issued by a reputable bank or financial institution stating that the purchase price for the Portfolio is sufficient to allow discharge in full of all amounts owing to the Senior Noteholders and amounts ranking in priority thereto or *pari passu* therewith (based upon that bank or financial institution's evaluation of the Portfolio);

(c) the relevant purchaser has obtained all the necessary approvals and authorisations for the purchase; and

(d) the relevant purchaser has produced evidence of its solvency by producing at least the following documents: (i) a solvency certificate issued by the directors, (ii) a solvency certificate issued by the competent register of enterprises, (iii) a solvency certificate issued by the relevant court or, in case of a non Italian purchaser, the documents customarily released by the relevant public authorities satisfactory to the Representative of the Noteholders.

13.5 No Noteholder shall be entitled to proceed directly against the Issuer unless the Representative of the Noteholders has become bound and fails to do so within a reasonable period and such failure shall be continuing.

13.6 The provisions of this Condition 13 (*Enforcement*) shall survive and shall not be extinguished by the redemption (in whole or in part) and/or cancellation of the Notes and waives to the greatest extent permitted by law any rights directly to enforce its rights against the Issuer.

14. Purchase Termination Events

Upon occurrence of any Purchase Termination Event the Calculation Agent shall deliver to the Issuer, the Originators, the Master Servicer and the Representative of the Noteholders a notice indicating that (i) the Purchase Termination Event has occurred; (ii) the Originators are not anymore allowed to sell the Receivables to the Issuer (which is not anymore allowed to purchase Receivables from the Originators); and (iii) the Revolving Period has elapsed (the "**Purchase Termination Event Notice**").

15. Appointment and removal of the Representative of the Noteholders

15.1 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.

15.2 Pursuant to the Rules of the Organisation of the Noteholders (attached hereto as Exhibit 1), for as long as any Note is outstanding, there shall at all times be a Representative of the Noteholders. The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Organisation of the Noteholders.

The appointment of the Representative of the Noteholders is made by the Noteholders subject to and in accordance with the Rules of the Organisation of the Noteholders, except for the initial Representative of the Noteholders who is appointed at the time of issue of the Notes pursuant to the Notes Subscription Agreements. Each Noteholder is deemed to accept such appointment.

15.3 Pursuant to the provisions of the Rules of the Organisation of the Noteholders, the Representative of the Noteholders can be removed by the Noteholders at any time, provided a successor Representative of the Noteholders is appointed which shall be:

(i) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch or through a branch situated in a European Union country; or

(ii) a company or financial institution registered under article 106 of the Consolidated banking Act; or

(iii) any other entity which may be permitted by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

15.4 The Rules of the Organisation of the Noteholders contain provisions governing, *inter alia*, the terms of appointment, indemnification and exoneration from responsibility (and relief

from responsibility) of the Representative of the Noteholders (including provisions relieving it from taking action unless indemnified to its satisfaction and providing for the Representative of the Noteholders to be indemnified in certain other circumstances) and provisions which govern the termination of the appointment of the Representative of the Noteholders and amendments to the terms of such appointment.

16. Notices

16.1 So long as the Senior Notes are held on behalf of the beneficial owners thereof by Monte Titoli S.p.A., notices to the Senior Noteholders may be given through the systems of Monte Titoli S.p.A. In addition, so long as the Senior Notes are listed on the Irish Stock Exchange, any notice regarding the Senior Notes of such Class to such Noteholders shall be deemed to have been duly given:

(i) on the website of the Irish Stock Exchange (www.ise.ie);

(ii) in any other manner as required by law and regulation applicable from time to time.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required as referred to above.

16.2 The Representative of the Noteholders may sanction some other method of giving notice to the Noteholders of the relevant Class if, in its opinion, such other method is reasonable having regard to market practices then prevailing and to the rules of the stock exchange on which the Notes of the relevant Class are listed and provided that notice of such other method is given to the Noteholders of the relevant Class in such manner as the Representative of the Noteholders shall require.

17. Limited Recourse and Non Petition

17.1 The Noteholders agree that all obligations of the Issuer to the Noteholders are limited recourse obligations of the Issuer. The Noteholders agree that they will have a claim only in respect of the Issuer Available Funds as at the relevant date and at all times only in accordance with the applicable Priority of Payments and will not have any claim, by operation of law or otherwise, against, or recourse to, the Issuer’s assets (other than the Issuer Available Funds) or its contributed capital or any other assets of the Issuer whatsoever. The Noteholders agree that all payments to be made by the Issuer to the Noteholders, whether under the Conditions or any Transaction Document, shall be made by the Issuer solely from the Issuer Available Funds. The Noteholders agree that it shall have no recourse against the Issuer’s assets (other than the Issuer Available Funds) or its contributed capital or against any incorporator, quotaholder, officer, director, employee or agent of the Issuer with respect to any of the covenants, agreements, representations or warranties of the Issuer contained in the Conditions and any Transaction Document or any other document related thereto, it being understood that such covenants, agreements, representations and warranties are enforceable only against the Issuer Available Funds; this provision is without prejudice for any right of any Noteholder pursuant to Article 2043 or 2395 of Italian Civil Code against any incorporator, quotaholder, officer, director, employee or agent of the Issuer for damages directly caused by fraud, wilful misconduct or gross negligence of any such subjects. For the purposes of this Condition the term “quotaholder”

means such quotaholder and any agent, employee, officer, director, incorporator of such quotaholder.

17.2 The Noteholders agree that they will not make any claim or bring any action in contravention of the provisions of this Condition. The Noteholders agree that any judgement obtained by it, the Noteholders in any action brought under the Conditions or any Transaction Document or any other document relating thereto shall by its terms constitute a lien on, and will be enforced only against, the Issuer Available Funds and not against any other assets or property or the contributed capital of the Issuer or of any incorporator, quotaholder, officer, director, employee or agent of the Issuer. To the extent that this Condition may be construed so as to bestow rights directly on the incorporators, quotaholder, officers, directors, employees or agents of the Issuer and the Noteholders acknowledge that each of said persons has expressed its intention to benefit thereby (and the corresponding obligations of the Noteholders have therefore become irrevocable *vis-à-vis said* persons) and Articles 1411, second paragraph and 1413 of the Italian Civil Code shall not apply.

17.3 The Noteholders covenant and agree that if they will receive payment in violation, or in contravention, of this Conditions, it shall pay the same over immediately to any party entitled thereto for satisfaction of the related payment obligations of the Issuer.

17.4 Until (a) the date falling one year and one day after the Final Maturity Date or, in case of early redemption in full of the Notes until the date falling 2 (two) years after the redemption in full of the Notes, and (b) until the date falling one year and one day after the date on which any notes (other than the Notes) issued or to be issued by the Issuer in the context of a Further Securitisation have been redeemed in full and cancelled, the Noteholders covenant and agree that (i) they will not institute against, or join any other person in instituting against, the Issuer any bankruptcy, insolvency or compulsory liquidation proceedings, or other proceedings under any bankruptcy or similar law, and (ii) they will not be entitled to proceed directly against the Issuer unless the Representative of the Noteholders, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

17.5 Each Noteholder waives any rights of set off between any amount payable by the Issuer for any reason to each of them, and any amount owed by each of them to the Issuer pursuant to the Conditions or any Transaction Document or otherwise, except as permitted under the Conditions or any Transaction Document.

17.6 The limited recourse nature of the obligations of the Issuer produces the effect of a contratto aleatorio and each Noteholder and Other Issuer Creditor accepts the consequences thereof, including but not limited to the provision of article 1469 of the Italian civil code.

18. Governing Law

18.1. The Conditions and the Notes, and any and any non-contractual obligations arising from them, are governed by Italian law.

18.2. The Transaction Documents, and any non-contractual obligations arising from them, are governed by Italian law.

18.3. The courts of Milan have exclusive competence for the resolution of any dispute that may

arise in relation to the Notes and the Conditions or their validity, interpretation or performance, and any and any non-contractual obligations arising from them.

19. Miscellaneous

The holding of a Note by any person constitutes the full acceptance by such person of all the provisions set out in, referred to and/or incorporated by reference in these Conditions including, without limitation, the mandate given to the Representative of the Noteholders under the Intercreditor Agreement and the other provisions set forth under the Transaction Documents.

EXHIBIT 1

RULES OF THE ORGANISATION OF THE NOTEHOLDERS

TITLE I

GENERAL PROVISIONS

Article 1

General

The Organisation of the Noteholders is created by the issue and by the subscription of the Notes, and shall remain in force and in effect until full repayment or cancellation of the Senior Notes and the Junior Notes. The contents of these Rules are considered included in each Note issued by the Issuer.

Article 2

Definitions

In these Rules, the following expressions have the following meanings:

"**Agent**" means the Paying Agent, in respect of the Notes;

"**Basic Terms Modification**" means:

(a) the modification of the date of maturity of the relevant Class of Notes;

(b) a modification which would have the effect of postponing any day for payment of interest thereon;

(c) a modification which would (i) have the effect of reducing or cancelling the amount of principal payable in respect of the relevant Class of Notes or the rate of interest applicable in respect of the relevant Class of Notes; or (ii) alter the method of calculation of any amounts due for payment in respect to the Notes of the relevant Class on redemption or maturity;

(d) a modification which would have the effect of altering the majority of votes required to pass a specific resolution or the quorum required at any meeting;

(e) a modification which would have the effect of altering the currency of payment of the relevant Class of Notes or any alteration of the date of priority of redemption of the relevant Class of Notes;

(f) a modification which would have the effect of altering the authorisation or consent by the Senior Noteholders to applications of funds as provided for in the Transaction Documents;

(g) the appointment and removal the Representative of the Noteholders; and

(h) an amendment of this definition;

"**Block Voting Instruction**" means, in relation to any Meeting, a document:

(a) certifying that certain specified Notes (the "**Blocked Notes**") have been blocked in an account with a clearing system or the depository, as the case may be, and will not be released until the conclusion of the Meeting;

(b) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the relevant Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of

48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(c) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(d) authorising a named individual or individuals to vote in respect of the Blocked Notes in accordance with such instructions;

"**Business**" means, in relation to any Meeting, the matters to be proposed to a vote of the Noteholders at the Meeting;

"**Chairman**" means, in relation to any Meeting, the individual who takes the chair in accordance with Article 9 of these Rules;

"**Class of Notes**" means the Senior Notes or the Junior Notes;

"**Board of Directors**" means the Board of Directors of the Issuer;

"**Extraordinary Resolution**" means a resolution of the Meeting of the Relevant Class Noteholders, duly convened and held in accordance with the provisions of these Rules;

"**Issuer**" means UBI SPV Group 2016S.r.l.;

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

"**Meeting**" means the meeting of the Noteholders (whether originally convened or resumed following an adjournment);

"**Notes**" and "**Noteholders**" shall mean:

(a) in connection with a Meeting of Senior Noteholders, Senior Notes and Senior Noteholders respectively;

(b) in connection with a Meeting of Junior Noteholders, Junior Notes and Junior Noteholders respectively;

"**Proxy**" means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction;

"**Relevant Class Noteholders**" means the Senior Noteholders or the Junior Noteholders, as the context may require;

"**Relevant Fraction**" means:

(a) or all business other than voting on an Extraordinary Resolution, one-twentieth of the Principal Amount Outstanding of the outstanding Notes in that class;

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, two-thirds of the Principal Amount Outstanding of the outstanding Notes in that class (in case of a meeting of a particular class of the Notes) or two thirds of the Principal Amount Outstanding of the outstanding Notes of such classes (in case of a joint meeting of more than one class of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each class of Noteholders), three-quarters of the Principal

Amount Outstanding of the outstanding Notes in that class;

provided, however, that,

in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(a) for all business other than voting on an Extraordinary Resolution relating to a Basic Terms Modification, more than one third of the Principal Amount Outstanding of the outstanding Notes in that class or, in case of a joint meeting of more than one class of Notes, classes; and

(b) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each class of Noteholders), more than 50% of the Principal Amount Outstanding of the outstanding Notes in that class;

"**Rules**" means these Rules of the Organisation of the Noteholders;

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

"**Specified Office**" means, in the case of the Senior Notes and the Junior Notes, with respect to the Agent, the office located at Via Carducci, 31, 20123 Milan, Italy or such other address that the Paying Agent may from time to time specify pursuant to the CAMPA.

"**Voter**" means, in relation to any Meeting, the holder of a Blocked Note;

"**Voting Certificate**" means, in relation to any Meeting, a certificate requested by the interested Noteholder and issued by the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, and dated, stating:

(a) that the Blocked Notes have been blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until the earlier of (i) the conclusion of the Meeting and (ii) the surrender of the certificate to the clearing system or the Monte Titoli Account Holder or the relevant custodian who issued the same;

(b) details of the Meeting concerned and the number of the Blocked Notes; and

(c) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting 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 such holders of the Notes;

"**24 hours**" means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the Meeting of the Relevant Class Noteholders is to be held and in each of the places where the Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

"**48 hours**" means 2 consecutive periods of 24 hours.

Article 3

Organisation purpose

Each holder of Senior Notes and Junior Notes is a member of the Organisation of Noteholders.

The purpose of the Organisation of Noteholders is to co-ordinate the exercise of the rights of the Noteholders and, more in general, the taking of any action for the protection of their interests.

In these Rules, any reference to Noteholders shall be considered as a reference as the case may be, to the Senior Noteholders and/or the Junior Noteholders.

TITLE II

THE MEETING OF NOTEHOLDERS

Article 4

General

Subject to Article 20 below, any resolution passed at a Meeting of the Relevant Class of Noteholders duly convened and held in accordance with these Rules shall be binding upon all the Noteholders of such class whether present 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 the Junior Noteholders and, in each case, all the relevant classes of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof; subject to as provided below, if any such resolution approves a modification to the Conditions of the relevant Class of Notes, such modification shall be deemed to be approved by all the Relevant classes of Noteholders.

Notice of the result of every vote on a resolution duly considered by the Noteholders shall be published, at the expense of the Issuer, in accordance with the Conditions and given to the Agent (with a copy to the Board of Directors and the Representative of the Noteholders) within 14 days of the conclusion of the Meeting.

Subject to the provisions of these Rules and the Conditions, joint meetings of the Senior Noteholders and the Junior Noteholders may be held to consider the same resolution and/or, as the case may be, the same Extraordinary Resolution and the provisions of these Rules shall apply *mutatis mutandis* thereto.

The following provisions shall apply where outstanding Notes belong to more than one class:

(i) business which in the opinion of the Representative of the Noteholders affects only one class of Notes shall be transacted at a separate Meeting of the Noteholders of such Notes;

(ii) business which in the opinion of the Representative of the Noteholders affects more than one class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one such class of Notes and the Noteholders of 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 Noteholders of all such classes of Notes as the Representative of the Noteholders shall determine at its absolute discretion;

(iii) business which in the opinion of the Representative of the Noteholders affects the Noteholders of more than one class of Notes and gives rise to an actual or potential conflict of interest between the Noteholders of one such class of Notes and the Noteholders of any other class of Notes shall be transacted at separate Meetings of the Noteholders of each such class;

(iv) the preceding paragraphs of these Rules shall be applied as if references to the Notes and the Noteholders were to the Notes of the relevant class of Notes and to the Noteholders of such Notes.

In this paragraph "**business**" includes (without limitation) the passing or rejection of any resolution.

Article 5

Issue of Voting Certificates and Block Voting Instructions

Noteholders may obtain a Voting Certificate from the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian, as the case may be, or require the Paying Agent to arrange for the issuance of a Block Voting Instruction by the relevant Monte Titoli Account Holder or the relevant custodian by arranging for their Notes to be blocked in an account with the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian at least 48 Hours before the time fixed for the Meeting of the holders of the Relevant Class(es) of Notes, providing to the Paying Agent, where appropriate, evidence that the Notes are so blocked. In the case of the Senior Notes or the Junior Notes, Noteholders may obtain such evidence by requesting their Monte Titoli Account Holders to release a certificate in accordance with Article 22 of Bank of Italy and CONSOB Rules governing central depositories, settlement services, guarantee systems and related management companies (adopted by The Bank of Italy and Consob on 22nd February 2008, as amended and supplemented). A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Blocked Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

Article 6

Validity of Block Voting Instructions

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Agent, or at some other place approved by the Representative of the Noteholders, at least 24 hours before the time fixed for the Meeting of the Relevant Class Noteholders and if not deposited before such deadline, the Block Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the Noteholders requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Representative of the Noteholders shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

Article 7

Convening of Meeting

The Board of Directors of the Issuer (the "**Board of Directors**") and/or the Representative of the Noteholders may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-twentieth of the Principal Amount Outstanding of the outstanding Notes.

Whenever the Board of Directors is about to convene any such Meeting, it shall immediately give notice in writing to the Representative of the Noteholders of the day, time and place thereof and of

the nature of the business to be transacted thereat. Every such Meeting shall be held at such place as the Representative of the Noteholders may designate or approve. Whenever the Board of Directors and/or the Representative of the Noteholders is about to convene any such Meeting, it shall immediately give notice to the Rating Agencies of the day, time and place thereof and of the nature of the business to be transacted thereat and, after the Meeting, of any resolution passed by the Noteholders.

Article 8

Notice

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting of the Relevant Class Noteholders is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Agent (with a copy to the Board of Directors and to the Representative of the Noteholders), and published in accordance with Condition 16 (Notices) of the Terms and Conditions of the relevant class of the Notes at least 15 days before the date of the meeting. The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes may be deposited with, or to the order of, the Agent for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting.

Article 9

Chairman of the Meeting

An individual (who may, but need not, be a Noteholder) nominated in writing by the Representative of the Noteholders may take the chair at any Meeting but: (i) if no such nomination is made, (ii) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting or (iii) the Meeting resolves not to approve the appointment made by the Representative of the Noteholders, those present shall elect one of themselves to take the chair failing which, the Board of Directors may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting. The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

Article 10

Quorum

The quorum at any Meeting shall be at least one or more Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes.

Article 11

Adjournment for want of quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and at such place as the Chairman determines; provided, however, that no Meeting may be adjourned more than once by resolution of Meeting that represents less than a Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment. Notice shall be published in accordance with Condition 16 (Notices) of the Terms and Conditions of the relevant class of the Notes not more than 8 days before the date of the meeting.

Article 12

Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, provided that no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

Article 13

Notice following adjournment

Article 7 shall apply to any Meeting which is to be resumed after adjournment save that:

(a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

(b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

Article 14

Participation

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Directors and other representatives of the Issuer and the Agent;

(c) the financial advisers to the Issuer;

(d) the legal counsel to the Issuer, the Representative of the Noteholders and the Agent;

(e) the Representative of the Noteholders; and

(f) such other person as may resolved by the Meeting.

Article 15

Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

Article 16

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 10 (ten) Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the Meeting of the

Relevant Class Noteholders for any other business as the Chairman directs.

Article 17

Votes

Every Voter shall have:

(i) on a show of hands, one vote; and

(ii) on a poll, one vote in respect of each Euro 100,000 in aggregate face amount of the outstanding Note(s) represented or held by him.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same manner.

Article 18

Vote by Proxies

Any vote by a Proxy in accordance with the relevant Block Voting Instruction shall be valid even if such Block Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Agent has not been notified in writing of such amendment or revocation not less than 24 hours before the time fixed for the Meeting of the Relevant Class Noteholders. Unless revoked, any appointment of a Proxy under a Block Voting Instruction in relation to a Meeting shall remain in force in relation to any Meeting resumed following an adjournment; except for any appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be reappointed under a Block Voting Instruction Proxy to vote at the Meeting when it is resumed.

Article 19

Exclusive Powers of the Meeting

The Meeting shall have exclusive powers:

(a) to approve any Basic Terms Modification;

(b) in the event that Article 28(b) hereof does not apply, to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(d) to authorise the Representative of the Noteholders to serve an Enforcement Notice, as a consequence of an Enforcement Event under Condition 12 of the Terms and Conditions of the SeniorNotes;

(e) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any act or omission which might otherwise constitute an Enforcement Event under the Notes;

(f) to authorise the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Written Resolution;

(g) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any claims on which a pledge or other security interest is created in favour of the Noteholders, otherwise than in accordance with the Transaction Documents;

(h) to appoint and remove the Representative of the Noteholders.

Article 20

Powers exercisable by Extraordinary Resolution

A Meeting of the Noteholders of any Class of Notes shall, in addition to the powers herein given, have the following powers exercisable by Extraordinary Resolution:

(i) power to sanction any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Rules, the Notes or otherwise;

(ii) power to sanction any scheme or proposal for the exchange or substitution or sale of any of the Notes of any Class of Notes for, or the conversion of any of the Class of Notes into, or the cancellation of any of the Class of Notes, in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or of any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(iii) power to assent to any alteration of the provisions contained in these Rules, the Notes of any Class of Notes, the Intercreditor Agreement, the CAMPA or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(iv) power to discharge or exonerate the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may be responsible under or in relation to these Rules, the Notes of any Class of Notes or any other Transaction Document;

(v) power to give any authority, direction or sanction which under the provisions of these Rules or the Notes of any Class of Notes, is required to be given by Extraordinary Resolution;

(vi) power to authorise and sanction the actions, in compliance with these Rules, of the Representative of the Noteholders under the terms of the Intel-creditor Agreement and any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders;

(vii) following the service of an Enforcement Notice, power to resolve on the sale of one or more Receivable(s) comprised in the Portfolios,

Provided that:

(i) no Extraordinary Resolution involving a Basic Terms Modification passed by the Junior Noteholders shall be effective unless it is sanctioned by an Extraordinary Resolution of the Senior Noteholders (to the extent that the Senior Notes are then outstanding);

(ii) no other Extraordinary Resolution of the Junior Noteholders shall be effective unless (A) the Representative of the Noteholders is of the opinion that it may not be materially prejudicial to the interests of the Senior Noteholders, (to the extent that the Senior Notes are then outstanding) or (B) (to the extent that the Representative of the Noteholders is not of that opinion) it is sanctioned by an Extraordinary Resolution of the Senior Noteholders, (to the extent that the Senior Notes are then outstanding).

Article 21

Challenge of Resolution

Each Noteholder who was absent and (or) dissenting can challenge Resolutions which are not passed in conformity under the provisions of these Rules.

Article 22

Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Article 23

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Article 24

Individual Actions and Remedies

Each Noteholder is deemed to have accepted and is bound by the limited recourse and non petition provisions of Condition 17 (Limited Recourse and Non Petition). Accordingly, the right of each Noteholder to bring individual actions or use other individual remedies to enforce his/her rights under the Notes or the Transaction Documents will be subject to a Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his/her rights under the Notes or the Transaction Documents will notify the Representative of the Noteholders of his/her intention;

(b) the Representative of the Noteholders will, without delay, call a Meeting in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting passes a resolution objecting to the enforcement of the individual action or remedy, the Noteholder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

(d) if the Meeting of Noteholders authorises such individual action or remedy, the Noteholder will not be prohibited from taking such individual action or remedy.

No Noteholder will be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents unless a Meeting has been held to resolve on such action or remedy in accordance with the provisions of this Article 24.

No Noteholder shall be permitted to take any individual action or remedy to enforce his/her rights under the Notes or the Transaction Documents in the event that such action or remedy would cause or result in a breach of Condition 17 (Limited Recourse and Non Petition).

Save as provided in this Article 24, only the Representative of the Noteholders may pursue the remedies available under the general law or the Transaction Documents to obtain payment of obligations or to enforce the Security and no Noteholder shall be entitled to proceed directly against the Issuer to obtain or enforce such remedies.

TITLE III

THE REPRESENTATIVE OF THE NOTEHOLDERS

Article 25

Appointment, Removal and Remuneration

The appointment of the Representative of the Noteholders takes place at the Meeting in accordance with the provisions of this Article 25, save as in respect of the appointment of the first Representative of the Noteholders that will be on the Issue Date.

The Representative of the Noteholders shall be:

(1) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through Italian branch or through a branch situated in a European Union country; or

(2) a company or financial institution registered under article 106 of the Consolidated Banking Act; or

(3) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

The Representative of the Noteholders shall be appointed until full redemption or cancellation of all the Notes and can be removed by the Meeting at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, the Representative of the Noteholders shall remain in office until acceptance of appointment by the substitute Representative of the Noteholders designated among the entities indicated in (1), (2) and (3) above, and the powers and authority of Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

Directors, auditors, employees of Issuer and those who fall within the conditions indicated in Article 2399 of the Italian Civil Code cannot be appointed Representative of the Noteholders, and, if

appointed, shall be automatically removed from the appointment.

The Issuer shall pay to the Representative of the Noteholders an annual fee for its services as Representative of the Noteholders as from the date hereof, such fee as agreed in a separate side letter, it being understood that the Representative of the Noteholders shall be entitled to receive additional fees for its services following any event of default and with respect to any other events which follow outside the scope of the Representative of the Noteholders daily activities. The above fees and remuneration shall accrue from day to day and shall be payable in accordance with the applicable Priority of Payments up to (and including) the date when the Notes have been repaid in full or cancelled in accordance with the Terms and Conditions of the Senior Notes.

Article 26

Duties and Powers

The Representative of the Noteholders is the legal representative of the Organisation of Noteholders and has the power to exercise the rights conferred to it pursuant to the Transaction Documents.

The Representative of the Noteholders shall not assume any obligation or responsibility in addition to those provided herein and in the Transaction Documents.

The Representative of the Noteholders is responsible for implementing the decisions of the Meeting of the Noteholders and for protecting their common interests vis-à-vis the Issuer. The Representative of the Noteholders has the right to attend Meetings of Noteholders (together with its advisers). The Representative of the Noteholders may convene a Meeting of Noteholders to obtain instructions from the Relevant Class Noteholders on action to be taken.

All actions taken by the Representative of the Noteholders in the execution and exercise of all its powers and authorities and of discretion vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers to be expedient and in the interests of the Noteholders, whether by power of attorney or otherwise, delegate to any person(s) all or any of the powers, authorities and discretion vested in it as aforesaid. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Representative of the Noteholders may think fit in the interests of the Noteholders *provided that:* (a) the Representative of the Noteholders shall use due care in the selection of the sub-agent, sub-contractor or representative, (b) the sub-agent, subcontractor or representative shall undertake to perform the obligations of the Representative of the Noteholders in respect of which it has been appointed and (c) any costs and expenses relating to such delegation shall be subject to the prior approval of the Issuer. The Representative of the Noteholders shall not, other than in the normal course of its business, be bound to supervise the proceedings and shall not in any way or to any extent be responsible for any loss, costs, expenses, damages or liabilities whatsoever (save for wilful default or gross negligence) occasioned in respect of any misconduct or default on the part of such delegate or sub-delegate. The Representative of the Noteholders shall as soon as reasonably practicable give notice to the Issuer and the Rating Agencies of the appointment of any delegate and the renewal, extension and termination of such appointment and shall procure that any delegate shall also as soon as reasonably practicable give notice to the Issuer of any sub-delegate.

The Representative of the Noteholders shall be authorised to represent the Organisation of Noteholders in judicial proceedings, including in proceedings involving the Issuer in court

supervised administration (*amministrazione straordinaria*), creditors' agreement (*concordato preventivo*), forced liquidation (*fallimento*) or compulsory administrative liquidation (*liquidazione coatta amministrativa*).

Article 27

Resignation of Representative of the Noteholders

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs, expenses, damage, liabilities whatsoever or actions occasioned in respect of such resignation. The resignation of the Representative of the Noteholders shall not become effective until the Meeting of Noteholders has appointed a new representative of the noteholders. If a new representative of the noteholders is not appointed by the Meeting of Noteholders sixty days after such notice of resignation, the resigning Representative of the Noteholders will be entitled to appoint its own successor, provided that any such successor shall satisfy with the conditions of Article 25 herein.

Article 28

Exoneration of the Representative of the Noteholders

The Representative of the Noteholders shall not assume any other obligations in addition to those expressly provided herein and in the Transaction Documents.

(a) Without limiting the generality of the foregoing, the Representative of the Noteholders:

(i) shall not be under obligation to take any steps to ascertain whether an Enforcement 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 of the other Transaction Documents has happened and, until it shall have actual knowledge or express notice to the contrary, the Representative of the Noteholders shall be entitled to assume that no Enforcement Event or any other event mentioned above has occurred;

(ii) shall not be under obligation to monitor or supervise the observance and performance by the Issuer or any of the other parties to the these Rules or the Transaction Documents of their obligations hereunder and thereunder and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each party to these Rules or any Transaction Document is observing and performing all the obligations on its part contained herein and therein;

(iii) shall not be under obligation to give notice to any person of the execution of these Rules or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(iv) shall not be responsible for or for investigating the legality, validity, effectiveness, enforceability, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or to request and/or obtain any legal opinion in connection therewith, 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 opinions (if any), searches, reports, certificates, valuations or investigations delivered or obtained by any party to the Transaction Documents or required to be delivered or obtained at any time in connection herewith; (c) the suitability, adequacy or sufficiency of any collection procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Portfolios; (d) any accounts, books, records or files maintained by the Issuer, the Servicer and the Agent or any other person in respect of the Portfolios;

(v) shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes or the distribution of any of such proceeds to the persons entitled thereto;

(vi) shall have no responsibility for the maintenance of any rating of the Senior Notes by the Rating Agencies or any other credit or rating agency or any other person;

(vii) shall not be responsible for or for investigating any matter which is the subject of, any recitals, statements, warranties or representations of any party other than the Representative of the Noteholders contained herein or any other Transaction Document;

(viii) shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Portfolios 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 or remedy or not;

(ix) shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

(x) shall not be responsible (save as otherwise provided in the Conditions) for making or verifying any determination or calculation in respect of the Notes, the Portfolio and any Transaction Document;

(xi) shall not be under any obligation to insure the Portfolios or any part thereof;

(xii) shall not be obliged to have regard to the consequences of any modification of these Rules or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(xiii) shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be under any obligation to disclose to any Noteholder, any Other Issuer Creditor or any other party any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules and no Noteholder, the

Noteholders, the Other Issuer Creditors or any other party shall be entitled to take any action to obtain from the Representative of the Noteholders any such information.

(b) The Representative of the Noteholders:

(i) may agree amendments or modifications to these Rules or to any of the Transaction Documents which in the opinion of the Representative of the Noteholders it is expedient to make or is to correct a manifest error or is of a formal, minor or technical nature. Any such modification shall be binding on the Noteholders and, unless the Representative of the Noteholders otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter;

(ii) may agree amendments or modifications to these Rules (other than in respect of a Basic Terms Modification or any provision in these Rules referred to in the definition of "Basic Terms Modification") or to the Transaction Documents which, in the opinion the Representative of the Noteholders, it may be proper to make provided that the Representative of the Noteholders is of the opinion that such modification will not be materially prejudicial to the interests of the Senior Noteholders, the Junior Noteholders;

(iii) may conclusively rely on the advice or a certificate or opinion of or any information obtained from any lawyer, accountant, banker, broker, credit or rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise and shall not, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, be responsible for any loss, expenses, damages or liabilities whatsoever occasioned by so acting. Any such advice, opinion or information may be sent or obtained by letter, telex, email, telegram, facsimile transmission or cable and, in the absence of fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting in reliance on any advice, opinion or information contained in or purported to be conveyed by any such letter, telex, email, telegram, facsimile transmission or cable notwithstanding any error contained therein or the non-authenticity of the same;

(iv) may call for and shall be at liberty to accept as evidence of any fact or matter, unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice to the contrary, a certificate duly signed by the Issuer, and the Representative of the Noteholders shall not be bound in any such case to call for further evidence or be responsible for any loss, expenses, damages or liabilities whatsoever that may be occasioned by the Representative of the Noteholders acting on such certificate;

(v) save as expressly otherwise provided herein, shall have absolute discretion as to the exercise, non exercise or refraining from exercise of any right, power and discretion vested in the Representative of the Noteholders by these Rules or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or inconveniences that may result from the exercise, non-

exercise or refraining from exercise thereof except insofar as the same are incurred as a result of its fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*);

(vi) shall be at liberty to hold or to leave in custody these Rules, the Transaction Documents and any other documents relating hereto in any part of the world with any bank officer or financial institution or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Representative of the Noteholders to be of good repute and the Representative of the Noteholders shall not be responsible for or required to insure against any loss incurred in connection with any such custody and may pay all sums required to be paid on account of or in respect of any such custody;

(vii) 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 is entitled to convene a Meeting of the Noteholders of any Class of Notes in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such discretion provided that nothing herein shall be construed so as to oblige the Representative of the Noteholders to convene such a Meeting. Prior to undertaking any action, the Representative of the Noteholders shall be entitled to request at the Meeting to be indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by taking such action;

(viii) in connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, the Representative of the Noteholders shall not be liable for acting upon any resolution purporting to have been passed at any Meeting of the Noteholders of the relevant Class of Notes in respect whereof minutes have been made and signed even though subsequent to its acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the Noteholders;

(ix) may call for and shall be at liberty to accept and place full reliance on and as sufficient evidence of the facts stated therein, a certificate or letter of confirmation certified as true and accurate and signed on behalf of any common depository as the Representative of the Noteholders considers appropriate, or any form of record made by any such depository to the effect that at any particular time or throughout any particular period, any particular person is, was, or will be, shown in its records as entitled to a particular number of Notes;

(x) may certify whether or not an Enforcement Event is in its opinion materially prejudicial to the interests of the Noteholders and any such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Creditors and any other relevant person;

(xi) may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of these Rules or contained in the Notes or any of

the other Transaction Documents is capable of remedy and, if the Representative of the Noteholders shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and any relevant person;

(xii) may assume without enquiry that no Notes are for the time being held by or for the benefit of the Issuer;

(xiii) shall be entitled to call for at the expenses of the Issuer and to conclusively rely upon a certificate or any letter of confirmation or explanation reasonably believed by it to be genuine, of any party to the Intercreditor Agreement or any Other Issuer Creditor or any rating agency in respect of every matter and circumstance for which a certificate is expressly provided for hereunder or any other Transaction Document or in respect of the rating of the Senior Notes and it shall not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do;

(xiv) may, in determining whether any event, matter or thing will not materially affect the interest of the Noteholders and the other Secured Creditors, have regard, along with any other relevant factors, to whether the Rating Agencies have confirmed that such event, matter or thing will not result in the withdrawal, reduction or entail any other adverse action with respect to the then current rating of any Class of Notes or otherwise give their consent;

(xv) if it deems it necessary, in order properly to exercise its rights or fulfil its obligations, to obtain the views of the Rating Agencies as to how a specific act would affect any outstanding rating of the Notes or any Class thereof, the Representative of the Noteholders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the Noteholders or the Representative of the Noteholders may seek and obtain such views itself at the cost of the Issuer;

(xvi) 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, it 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;

(xvii) shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the Noteholders and the other Issuer Creditors but if, in the 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;

(xviii) where the Representative is required to consider the interests of the Noteholders and, in its 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;

(xix) may refrain from taking any action or exercising any right, power, authority or discretion vested in it under the 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 liabilities which might be brought or made against or 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.

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 CONSOB and Bank of Italy Rules 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

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 any 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.

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 one of the parties to the Intercreditor Agreement, or by any Other Issuer Creditor, as to any matter or fact *prima facie* within the knowledge of such party or as to such party's opinion with respect to any matter and the Representative of the Noteholders shall not be required to seek additional evidence in respect of the relevant fact, matter or issue 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.

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.

Any consent or approval given by the Representative of the Noteholders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and notwithstanding anything to the contrary contained herein, or in other Transaction Document, such consent or approval may be given retrospectively.

No provision of these Rules shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers, if the Representative of the Noteholders shall have reasonable grounds for believing that it will not be reimbursed for any amounts, or that it will not be indemnified against any loss or liability, which it may incur as a result of such action.

Article 29

Security Documents

The Representative of the Noteholders shall be entitled to exercise all the rights granted by the Issuer in favour of the Noteholders and the Other Issuer Creditors under the Deed of Pledge. The beneficiaries of the Deed of Pledge are referred to herein as the "**Secured Noteholders**".

The Representative of the Noteholders, acting on behalf of the Secured Parties, may:

(a) appoint and entrust the Issuer to collect, on the Secured Parties' interest and on their behalf, any amounts deriving from the pledged claims and rights and may instruct, jointly with the Issuer, the relevant debtors of the pledged claims to make any payments to be made thereunder to an Account of the Issuer;

(b) acknowledge that the account(s) to which payments have been made in respect of the pledged claims shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code and agrees that such account(s) shall be operated in compliance with the provisions of the CAMPA and the Intercreditor Agreement. For such purposes and until an Enforcement Notice has been served, the Representative of the Noteholders, acting on behalf of the Secured Parties, may appoint and entrust the Issuer to operate the Expenses Account in accordance with the CAMPA;

(c) agree that all funds credited to the relevant Accounts from time to time shall be applied in accordance with the CAMPA and the Intercreditor Agreement and that available funds standing to the credit of the Investment Accounts may be used for investments in Eligible Investments;

(d) agree that cash deriving from time to time from the pledged claims and the amounts standing to the credit of the relevant Accounts shall be applied in and towards satisfaction not only of amounts due to the Secured Noteholders, but also of such amounts due and payable to any other parties that rank prior to the Secured Noteholders, according to the applicable Priority of Payments and, to the extent that all amounts due and payable to the Secured Noteholders have been paid in full, also towards satisfaction of amounts due to any other parties that rank below the Secured Noteholders. The Secured Noteholders irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the pledged claims and amounts standing to the credit of the Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the pledged claims under the Deed of Pledge except in accordance with the foregoing and the Intercreditor Agreement.

Article 30

Indemnity

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Notes Subscription Agreement to reimburse, pay or discharge (on a full indemnity basis) on demand, to the extent not already reimbursed, paid or discharged by any Noteholders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demand (including, without limitation, legal fees and any applicable value added tax or similar tax) properly incurred by or made against the Representative of the Noteholders or by any persons appointed by it to whom any power,

authority or discretion may be delegated by it, in relation to the preparation and execution of, the exercise or purported exercise of its powers and performance of its duties under, and in any other manner in relation to, these Rules or the Transaction Documents, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the Noteholders pursuant the Transaction Documents, or against the Issuer or any other person for enforcing any obligations hereunder, the Notes or the Transaction Documents, except insofar as the same are incurred because of the fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

TITLE IV

THE ORGANISATION OF NOTEHOLDERS UPON A SERVICE OF AN ENFORCEMENT NOTICE

Article 31

Powers

It is hereby acknowledged that, upon service of an Enforcement Notice, the Representative of the Noteholders shall, pursuant to the Mandate Agreement, be entitled, in its capacity as legal representative of the Organisation of the Noteholders, also in the interest and for the benefits of the Other Issuer Creditors, pursuant to Articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Portfolios pursuant to the Transaction Documents and in particular, to dispose of the Portfolios in accordance with Condition 13.4. 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, all and any of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In connection with any proposed sale of one or more Receivable(s) comprised in the Portfolios, the Representative of the Noteholders may, but shall not be obliged to, convene a Meeting of the Noteholders in accordance with the provisions set out in these Rules to resolve on the proposed sale.

TITLE V

ALTERNATIVE DISPUTES RESOLUTIONS

Article 32

These Rules are governed by, and will be construed in accordance with, the laws of Italy.

The courts of Milan have exclusive competence for the resolution of any dispute arising out of the present Rules, including those concerning its validity, interpretation, performance and termination.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian Law that are relevant to the transactions described in this Prospectus and of which prospective Noteholders should be aware. It is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus.

1. THE SECURITISATION LAW

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

It applies to securitisation transactions involving the "true" sale (by way of non-gratuitous assignment) of claims, where the sale is to a company created in accordance with Article 3 of the Securitisation Law (the "**SPV**") and all amounts paid by the assigned debtors in respect of the claims are to be used by the relevant company exclusively to meet its obligations under the notes issued to fund the purchase of such claims and all costs and expenses associated with the securitisation transaction. It should be noted that Law Decree No. 145 of 23 December 2013 ("*Interventi urgenti di avvio del piano "Destinazione Italia", per il contenimento delle tariffe elettriche e del gas, per la riduzione dei premi RC-auto, per l'internazionalizzazione, lo sviluppo e la digitalizzazione delle imprese, nonché misure per la realizzazione di opere pubbliche ed EXPO 2015*") converted with amendments into Law No. 9 of 21 February 2014 ("**Law 9/2014**"), and Italian Law Decree no. 91 of 24 June 2014 ("*Disposizioni urgenti per il settore agricolo, la tutela ambientale e l'efficientamento energetico dell'edilizia scolastica e universitaria, il rilancio e lo sviluppo delle imprese, il contenimento dei costi gravanti sulle tariffe elettriche, nonché per la definizione immediata di adempimenti derivanti dalla normative europea*") converted with amendments into Law No. 116 of 11 August 2014, ("**Law 116/2014**") introduce, *inter alios*, the following amendments to the Securitisation Law:

1. the assigned debtors in securitisation transactions shall not be entitled to exercise any set-off between the amounts due by them under the assigned claims and their claims arisen after the date of publication in the Official Gazette of the notice of transfer of the relevant portfolio or the date certain at law ("*data certa*") on which the relevant purchase price (even partial) has been paid;
2. payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law;
3. the assignment of receivables owed by public entities made under the Securitisation Law will now be subject only to the formalities contemplated by the Securitisation Law (*id est* the publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled) and no other formalities shall apply;
4. where the Notes issued by the SPV are subscribed by qualified investors, the underwriter can also be a sole investor;

5. if the servicer, the sub-servicer or the depositary bank, with which the accounts for the deposit of the collections received from the assigned debtors of securitisation transactions have been opened, becomes subject to insolvency proceedings, the amounts credited on such accounts will be immediately and fully returned to the SPV in accordance with the provisions of the relevant agreement and without the need for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan;

6. securitisation companies established under the Securitisation Law are allowed to grant direct financings to entities which are not individuals or so called micro-companies, subject to certain conditions; and

7. the segregation principle set out in the second paragraph of article 3 of the Securitisation Law is widened to include any right arising in favour of the securitisation company in the context of the relevant securitisation transaction, the relevant collections and the financial assets acquired with such collections.

2. THE ASSIGNMENT

The assignment of the claims under Law 130 is governed also by article 58, paragraphs 2, 3 and 4, of the Consolidated Banking Act. As a result, the securitised receivables must be identifiable as a pool (blocco) an the relevant assignment in favour of by way of publication of the relevant notice in the Official Gazette in respect of the assigned receivables and registration in the companies' register where the SPV is enrolled, so avoiding the need for notification to be served on each assigned debtor. Furthermore, the Bank of Italy could require further formalities.

Upon compliance with the formalities set forth by the Securitisation Law, the assignment becomes enforceable against:

(a) the assigned debtors and any creditors of the originator who have not, prior to the date of publication of the notice of assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, commenced enforcement proceedings in respect of the relevant claims;

(b) (i) the liquidator or any other bankruptcy officials of the assigned debtors (so that any payments made by an assigned debtor to the purchasing company may not be subject to any claw-back action according to article 67 of Italian Royal Decree No. 267 of 16 March 1942 (*Disciplina del fallimento, del concordato preventivo e della liquidazione coatta amministrativa*) (the "**Bankruptcy Law**"); and (ii) the liquidator of the originator (provided that the originator has not been subjected to insolvency proceeding prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication of the notice of assignment in the Official Gazette and the registration of the assignment in the register of companies where the assignee is enrolled.

The benefit of any privilege, guarantee or security interest guaranteeing or securing

repayment of the assigned claims will automatically be transferred to and perfected with the same priority in favour of the company which has purchased the claims, without the need for any formality or annotation.

As from the date of publication of the notice of the assignment in the Official Gazette and registration of the assignment in the register of companies where the assignee is enrolled, no legal action may be brought against the claims assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant claims and to meet the costs of the transaction.

Notice of the assignment of the Initial Portfolios pursuant to the Master Transfer Agreements has been published respectively (i) in the Official Gazette No. 82, Part II, of 12 July 2016 and (ii) filed for publication in the competent companies' register of the Issuer.

3. RING-FENCING OF THE ASSETS

By operation of Law 130, the claims relating to each securitisation transaction will, by operation of law, be segregated for all purposes from all other assets of the company which purchases the claims (including for the avoidance of doubt, any other portfolio purchased by the company pursuant to Law 130). In addition, the Securitisation Law (as amended by Law 9/2014) confirms that the securitised assets, which benefit from the segregation, expressly include, not only the claims towards the assigned debtors, but also any other monetary claims owed to the issuer in relation to the securitisation, and any cash-flows generated by the collection of the assigned receivables, including any eligible investments and financial assets purchased by the issuer for the purpose of the transaction.

It should, also noted that Law 9/2014 and Law 116/2014 set out new provisions concerning the segregation and clarifying the operation of the bank accounts that may be opened by the issuer with the servicer or other depositories for the collection of the sums paid by the assigned debtors and any other sums paid or otherwise due to the issuer in the context of the securitisation. In particular it is provided that:

1. the amounts paid by the assigned debtors and any other amount due to the issuer under the securitisation credited into the bank accounts opened by the issuer with: (a) the servicers; or (b) the third party depositary bank of securitisation transactions, may be utilized only to fulfil the obligations of the issuer against the noteholders and the other creditors under the securitisation and to pay the expenses to be borne in connection with the securitisation. Should any proceeding under Title IV of the Consolidated Banking Act, or any other insolvency procedure apply to the relevant servicer or third party depositary bank, the amounts credited on such accounts and the sums deposited during the course of the relevant insolvency procedure: (i) will not be subject to the suspension of payments; and (ii) will be immediately and fully returned to the issuer without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan; and

2. in respect of the accounts opened by the servicers and the sub-servicers with banks, and into which the amounts paid by the assigned debtors may be credited, the creditors of the relevant servicer or sub-servicer may exercise claims only in respect of the amounts credited on such accounts that exceed the amounts due to the relevant special purpose vehicle. Should any insolvency procedure apply to the relevant servicer or sub-servicer,

the amounts credited on such segregated accounts and the sums deposited during the course of the relevant insolvency procedure will be immediately and fully returned to the special purpose vehicle in accordance with the provisions of the relevant agreement and without the need to for the filing of any petition in the relevant insolvency proceeding and outside any distribution plan.

However, prospective Noteholders should be aware that, as at the date of this Prospectus, these provisions of the Securitisation Law (as introduced by Law 9/2014 and Law 116/2014) have not been tested in any case law nor specified in any further regulation.

4. CLAW-BACK OF THE SALE OF THE PORTFOLIOS

The sale of the Portfolios by any Originator to the Issuer may be clawed back by a receiver of the Originator under article 67, paragraphs 1(4) and 2 of the Bankruptcy Law but only in the event that the Originator was insolvent when the assignment was entered into and the assignment was executed within three months of the admission of the Originator to compulsory liquidation (*liquidazione coatta amministrativa*) pursuant to Title IV, Heading I, Section III of the Consolidated Banking Act or in cases where paragraph 1(1), 1(2) and 1(3) of article 67 of the Bankruptcy Law applies, within six months of the admission to compulsory liquidation. Under the Warranty and Indemnity Agreements and the Notes Subscription Agreements, each Originator has represented and warranted that it was solvent as of the date of the assignment of the Initial Receivables and on the Issue Date.

5. CLAW-BACK ACTION AGAINST THE PAYMENTS MADE TO COMPANIES INCORPORATED UNDER LAW 130

According to article 4 of Law 130, the payments made by an assigned debtor to the Issuer may not be subject to any claw-back action according to article 67 of the Bankruptcy Law.

All other payments made to the Issuer by any party under a Transaction Document in the six months or one year suspected period prior to the date on which such party has been declared bankrupt or has been admitted to the compulsory liquidation may be subject to claw-back action according to article 67 of the Bankruptcy Law.

6. INEFFECTIVENESS OF PREPAYMENTS BY BORROWERS

According to Article 4 of the Securitisation Law, as amended by Law 9/2014, the payments made by assigned debtors under securitised claims are not subject to the declaration of ineffectiveness pursuant to article 65 of the Bankruptcy Law.

7. RECENT MAIN CHANGES IN ITALIAN BANKRUPTCY, TAX AND CIVIL PROCEDURE LAW

The Italian Parliament has adopted the Law Decree No. 83 of 27 June 2015 (*Misure urgenti in materia, fallimentare, civile e processuale civile e di organizzazione e funzionamento dell'amministrazione giudiziaria*) converted into law by Law No. 132 of 6 August 2015 (the "**Decree No. 83**"), providing for some significant changes in Italian bankruptcy, tax and civil procedure law.

The main features of the reform implemented by Decree No. 83 are summarised herein below:

(a) the rules governing the deductibility for tax purposes by banks and financial

intermediaries of losses and write-off relating to receivables have been amended. Under the new rules both losses deriving from assignment of receivables and losses and write-off of receivables vis-à-vis customers (crediti verso la clientela) are entirely deductible in the fiscal year in which they are registered in the financial statements of the aforesaid companies. This provision has shortened the timeframe previously provided for deducting losses and write-off of receivables, which was equal to five fiscal years;

(b) debt enforcement proceedings have been accelerated and simplified, and judicial sales expedited;

(c) banks and financial intermediaries holding the majority of a company's overall debt can (subject to certain conditions) restructure its indebtedness, even in the face of a significant dissenting minority financial creditor;

(d) access to new financing has been simplified, enjoying super-priority, and the removal of claw back risk for bridging loans (including shareholder loans) for a company when proposing a pre-bankruptcy creditors arrangement or debt restructuring;

(e) creditors representing 10% of overall indebtedness are now entitled to present alternative proposals to those proposed by the debtor if the company's proposals do not satisfy at least 40% of non-preferred creditors in case of liquidation or 30% in an on-going scenario. Measures have been introduced which will likely lead to greater use of controlled auctions in prepack creditor arrangements involving business sales, favouring independent investor participation. Such sales may now be completed even before court certification of the approved creditor arrangement, prioritising business continuity;

(f) a specific discipline has been provided in relation to the consequences of the termination of financial leasing contract (please see the paragraph "Italian Law on Leasing" below for more details on this provision); and

(g) a number of measures have been introduced to enhance the speed and effectiveness of bankruptcy proceedings, including the imposition of deadlines for bankruptcy trustee activities with the real threat of removal for failure to comply and the facilitation of interim distributions to creditors.

These provisions of Decree No. 83 have not been tested in any case law nor specified in any further regulation.

Moreover, the Italian Government has recently adopted Law Decree No. 59 of 3 May 2016 (the, "**Decree No. 59**"), laying down "*Urgent Measures regarding Enforcement and Insolvency Procedures, including vis-à-vis investors in banks in liquidation*".

In particular, Decree No. 59 has introduced, *inter alia*, certain (i) measures aimed at increasing efficiency in asset expropriations and the protection tools for creditors with the introduction of flexible security interests, and (ii) procedural simplifications (by strengthening the use of online technologies) aimed at speeding up the insolvency procedures.

Decree No. 59 has been published on the Official Gazette on 3 May 2016 and converted into law with amendments by Law No. 119 on 30 June 2016 (published on the Official Gazette on 2 July 2016).

8. *MUTUI FONDIARI*

In addition to the general legislation commonly applicable to mortgage lending, mortgage loans which qualify as *mutui fondiari* are regulated by specific legislation which provides for a number of rights in favour of the mortgage lender that are not provided for by general legislation.

Agreements relating to *mutui fondiari* executed before 1 January 1994 are regulated by the Italian legislation on *credito fondiario* in force prior to that date, which permitted only credit institutions having special license to grant *mutui fondiari*. All other credit institutions were not permitted to conduct mortgage lending business. As of 1 January 1994, under the new legislative framework under the Consolidated Banking Act, all banks having a general banking license became qualified to enter into *mutui fondiari* agreements. The new legislation applies only to *mutui fondiari* agreements executed, and foreclosure proceedings commenced, on or after 1 January 1994.

With respect to the legislative framework under the Consolidated Banking Act, certain provisions under the *mutuo fondiario*'s legislation entitle the lender to commence or continue foreclosure proceedings also after the declaration of insolvency (*fallimento*) of the affected debtor, to receive repayment from the price paid for a mortgaged property at auction up to the price corresponding to the *mutui fondiari* debt directly from the purchaser (without having to await disbursement by the court) and to an assignment of any rentals earned by the mortgaged property, net of administration expenses and taxes.

With respect to the borrowers, such *mutuo fondiario*'s legislation provides that: (a) the borrower is entitled to a thirty calendar day grace period on payments of instalments; delays in payment of instalments of not over one hundred and eighty days may justify termination of the Loan Agreements only starting from the eighth (also non consecutive) unpaid instalment; and (b) each time the borrower has repaid one fifth of its original debt, it is entitled to a corresponding reduction of the amount covered by the mortgage; to the extent that a loan is secured by mortgages on more than one asset, the borrower is entitled to the release of one or more assets from the mortgage to the extent it is able to prove that the remaining assets would be a sufficient guarantee to ensure a loan pursuant to article 38 Consolidated Banking Act.

9. ORDINARY ENFORCEMENT PROCEEDINGS

A mortgage lender (whose debt is secured by a mortgage) may commence enforcement proceedings by seeking a court order or injunction for payment in the form of an enforcement order (*titolo esecutivo*) from the court in whose jurisdiction the mortgaged property is located. This court order or injunction must be served on the debtor.

If the mortgage loan was executed in the form of a public deed, a mortgage lender can serve a copy of the mortgage loan agreement, stamped by a notary public with an order for the execution thereof (*formula esecutiva*) directly on the debtor without the need to obtain an enforcement order (*titolo esecutivo*) from the court. After the service of the title, a writ of

execution (*atto di precetto*) is notified to the debtor together with either the enforcement order (*titolo esecutivo*) or the loan agreement, as the case may be.

After (10) ten days, but not later than (90) ninety days from the date on which notice of the writ of execution (*atto di precetto*) is served, the mortgage lender may request the attachment of the mortgaged property. The property will be attached by a court order, which must then be filed with the appropriate land registry (*Conservatoria dei Registri Immobiliari*). The court may, at the request of the mortgage lender, appoint a custodian to manage the mortgaged property in the interest of the mortgage lender.

The mortgage lender is required to search the land registry to ascertain the identity of the current owner of the property and must then serve notice of the request for attachment on the current owner, even if no transfer of the property from the original borrower or mortgagor to a third party purchaser has been previously notified to the mortgage lender. Not earlier than ten days and not later than ninety days after serving the attachment order, the mortgage lender may request the court to sell the mortgaged property. The court may delay its decision in respect of the mortgage lender's request in order to hear any challenge by the debtor to the attachment.

Technical delays may be caused by the need to append to the mortgage lender's request for attachment copies of the relevant mortgage and cadastral (*i.e.* land registry) certificates (*certificati catastali*), which usually take some time to obtain. Law No. 302 of 3 August 1998 ("Norme in tema di espropriazione forzata e di atti affidabili ai notai") (the "Law No. 302") should reduce the duration of the foreclosure proceedings by allowing the mortgage lender to substitute such cadastral certificates with certificates obtained from public notaries and by allowing public notaries to conduct various activities which were before exclusively within the powers of the courts.

If the court decides to proceed with an auction (*vendita con incanto*) of the mortgaged property, it will usually appoint an expert to estimate the property and, on the basis of the expert's evaluation, the court shall determine the minimum bid price for the property at the auction.

The bidders interested in having the mortgaged property assigned to themselves (or to a third party) must issue a specific motion with the Court within 10 days before the day fixed by the Judge for the auction. If an auction fails to result in the sale of the property, the Judge shall assign the property to the bidder, fixing the term for the payment of the price.

If the auction fails to result in the sale of the property and no motion for assignment is filed by the bidders, the court will arrange new auctions with lower minimum bid prices. In particular, if a third auction fails to result in the sale of the property and if it is not ordered the judicial administration of the goods, the court will arrange a new auction at a base price lower than the previous limit of up to a quarter, and, in any case (if also after the fourth sale the property has still not been sold), up to half of the value of the base price.

The sale proceeds, after deduction of the expenses of the enforcement proceedings and any expenses for the deregistration of the mortgages, will be applied in satisfaction of the claims of the mortgage lender in priority to the claims of any other creditor of the debtor (except for the claims for taxes due in relation to the mortgaged property and for which the collector of taxes participates in the enforcement proceedings).

Upon payment in full of the purchase price by the purchaser within the specified time period, title to the property will be transferred after the court issues an official decree ordering the transfer. In the event that proceedings have been commenced by creditors other than the mortgage lender, the mortgage lender will have priority over such other creditors in having recourse to the assets of the borrower during such proceedings, such recourse being limited to the value of the mortgaged property.

The average length of enforcement proceedings from the court order or injunction of payment to the final sharing out is between six and seven years. In the medium-sized central and northern Italian cities, it can be significantly less whereas in major cities or in southern Italy, the duration of the procedure can significantly exceed the average. Law No. 302 has been passed with the aim of reducing the duration of enforcement proceedings.

10. *MUTUI FONDIARI* ENFORCEMENT PROCEEDINGS

The Receivables include *inter alia* mortgage loans qualifying as *mutui fondiari.* Enforcement proceedings in respect of *mutui fondiari* commenced after 1 January 1994 are currently regulated by article 38 *et seq.* of the Consolidated Banking Act in which several exceptions to the rules applying to enforcement proceedings in general are provided for. In particular, there is no requirement to serve a copy of the loan agreement directly on the borrower and the mortgage lender of mutui fondiari is entitled to commence or continue enforcement proceedings after the debtor is declared insolvent or insolvency proceedings have been commenced.

Moreover, the custodian appointed to manage the mortgaged property in the interest of the *fondiario* lender pays directly to the lender the revenues recovered on the mortgaged property (net of administration expenses and taxes). After the sale of the mortgaged property, the court orders the purchaser (or the assignee in the case of an assignment) to pay that part of the price corresponding to the *mutui fondiari* lender's debt directly to the lender.

Pursuant to article 58 of the Consolidated Banking Act, as amended by Article 12 of Decree No. 342 of 4 August 1999 (the "**Decree**"), the Issuer will be entitled to benefit from such procedural advantages which apply in favour of a lender of a *mutuo fondiario* loan.

Enforcement proceedings for mutui fondiari commenced on or before 31 December 1993 are regulated by the Royal Decree No. 646 of 16 July 1905, which confers on the *mutuo fondiario* lender rights and privileges that are not provided for by the Consolidated Banking Act with respect to enforcement proceedings on mutui fondiari commenced on or after 1 January 1994. Such additional rights and privileges include the right of the bank to commence enforcement proceedings against the borrower even after the real estate has been sold to a third party who has taken the place of the borrower as debtor under the *mutuo fondiario* provided that the name of such third party has not been notified to the lender. Further rights include the right of the bank to apply for the real estate to be valued by the court after commencement of enforcement proceedings, at the value indicated in the *mutuo fondiario* agreement without having to have a further expert appraisal.

11. PRIORITY OF INTEREST CLAIMS

Pursuant to article 2855 of the Italian Civil Code, the claims of a mortgage lender in respect of interest may be satisfied in priority to the claims of all other unsecured creditors in an

amount equal to the aggregate of (i) the interest accrued at the contractual rate in the calendar year in which the initial stage of the enforcement proceedings are taken and in the two preceding calendar years; and (ii) the interest accrued at the legal rate from the end of the calendar year in which the initial stage of the enforcement proceeding is commenced to the date on which the mortgaged property is sold. Any amount recovered in excess of this will be applied to satisfy the claims of any other creditor participating in the enforcement proceedings. The mortgage lender will be entitled to participate in the distribution of any such excess as an unsecured creditor. The balance, if any, will then be paid to the debtor.

12. ARTICLE 120 TER OF THE CONSOLIDATED BANKING ACT

Article 120 ter of the Consolidated Banking Act provides that any provision imposing a prepayment penalty in case of early redemption of mortgage loans is null and void with respect to mortgage loan agreements entered into, with an individual as borrower, for the purpose of purchasing or refurbishing real estate properties destined to residential purposes or to carry out the borrower's own professional and economic activity.

The Italian banking association ("**ABI**") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the amount outstanding of the loans (the "**Substitutive Prepayment Penalty**"). containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50% and should be further reduced to (a) 0.20% in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50%, and should be further reduced to: (a) 0.20%, in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90% if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50% if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20%, in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "***Clausola di Salvaguardia***") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the *Clausola di Salvaguardia* provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20%; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25% if the agreed amount of the prepayment penalty was equal or higher than 1.25%; or (y) 0.15%, if the agreed amount of the

prepayment penalty was lower than 1.25%.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

13. ARTICLE 120 QUATER OF THE CONSOLIDATED BANKING ACT

Article 120-quater of the Consolidated Banking Act provides that any borrower may at any time prepay the relevant loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to article 1202 of the Italian civil code ("*surrogato per volontà del debitore*") in the rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation ("*atto di surrogazione*") to be made in the form of a public deed ("*atto pubblico*") or of a deed certified by a notary public with respect to the signature ("*scrittura privata autenticata*") without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within thirty days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1% of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

14. CANCELLATION OF MORTGAGES

Art. 40-bis of the Consolidated Banking Act and Law decree No. 7 of 31 January 2007 (the "**Bersani Decree**") as converted into law by Law No. 40 of 2 April 2007, as applicable, set out certain provisions relating to mortgage loans which include, *inter alia*, simplified procedures meant to allow a more prompt cancellation of mortgages securing loans granted by banks or financial intermediaries in the event of a documented repayment in full by the debtors of the amounts due under the loans. While such provisions do not impact on the monetary rights of the lenders under the loans (lenders retain the right to oppose the cancellation of a mortgage), the impact on the servicing procedures in relation to the applicable loan agreements cannot be entirely assessed at this time.

15. INSOLVENCY PROCEEDINGS

Insolvency proceedings (procedure di insolvenza) conducted under Italian law may take the form of, inter alia, a bankruptcy proceeding (fallimento), a composition agreement with creditors under Article 160 and following of the Bankruptcy Law (concordato preventivo) or a debts restructuring agreement under Article 182-bis of the Bankruptcy Law (accordo di ristrutturazione dei debiti). Insolvency proceedings are only applicable to businesses (imprese) either run by companies, partnerships or by individuals. An individual who is not a sole entrepreneur or an unlimited partner in a partnership is not subject to insolvency.

A debtor can be declared bankrupt (fallito) and subject to fallimento (at its own initiative, or at the initiative of any of its creditors or, in certain cases, the public prosecutor) if it is not able to fulfil its obligations in a timely manner. If a bankruptcy proceeding is commenced, except for contrary provisions of the law, from the day of declaration of bankruptcy, no

individual executory and precautionary action, even if relating to receivables fallen due during the bankruptcy proceeding, may be commenced or pursued against assets included in the bankruptcy proceeding. The debtor loses control over all of its assets and of the management of its business, which is taken over by a court appointed receiver (curatore fallimentare). Once judgment has been made by the court and the creditors' claims have been approved, the sale of the debtor's property is conducted in accordance with a liquidation plan (approved by the delegated judge and the creditors' committee) which may provide for the dismissal of the whole business or single business units, even through competitive procedures.

A qualifying insolvent debtor may avoid being subject to a bankruptcy proceeding (fallimento) by proposing to its creditors a composition agreement pursuant to Article 160 and following of the Bankruptcy Law (concordato preventivo) which is a restructuring proceeding involving an arrangement by a debtor in a state of crisis or state of insolvency with its creditors, subject to court supervision, the aim of which is to restructure the business and thus avoid a declaration of bankruptcy of such debtor. Such proposal shall based on a plan describing proposed actions and activities to be performed in order to accomplish the financial restructuring of debtor's business and to satisfy its creditors, which may provide for, among other things: (i) sales of assets, the assumption of debts or other extraordinary operations, such as the conversion of debt into equity, bonds, convertible bonds or other securities; (ii) the transfer of the business as a going concern to another entity (assuntore); (iii) the division of the creditors into separate classes consistent with their specific legal and economic characteristics; and (iv) different treatment for creditors belonging to different classes. In any case, the proposed composition agreement pursuant to Article 160 and following of the Bankruptcy Law must ensure the payment of at least twenty percent of the amount of unsecured credits.

Article 161 of the Bankruptcy Law, as amended from time to time, provides that a debtor in a state of crisis or state of insolvency may file a petition before the competent court containing a request in advance for a composition agreement (domanda di concordato anticipata). Such request may contain only the annual financial statements for the last three financial years and the list of creditors' name with indication of the relevant credits. The debtor shall subsequently file the above mentioned plan, within the date set by the competent court. Together with the motivated decree setting such date, the competent court may nominate a court-appointed officeholder, following the provision of Article 161 paragraph 6, of the Bankruptcy Law that, pursuant to Article 170, paragraph 2 of the Bankruptcy Law, may examine the financial statements of the debtor.

Law Decree No. 83 of 27 June 2015, as converted into Law No. 132 of 6 August 2015 ("Decree 83"), has amended the discipline of the Bankruptcy Law and, inter alios, some aspects regarding:

(i) the composition agreement (concordato preventivo); and

(ii) the debts restructuring agreement (accordo di ristrutturazione dei debiti).

In relation to the composition agreement, pursuant to the new Article 163-bis, when the plan of the composition provides for an offer to purchase, the court shall issue a decree in order to start a competitive procedure (procedimento competitivo) by searching for new prospective

buyers. Such decree shall also indicate and describe the procedure for submitting irrevocable offers and ensure the comparability between them. At the hearing set for the exam of the offers, these are published. In the presence of different offers better than the proposal of the debtor, the court provides for a competition between them. As a consequence, the debtor shall amend the proposal of composition agreement in compliance with the result of the competition.

In addition, the Decree 83 has amended Article 163 of the Bankruptcy Law in order to allow the creditors to offer alternative proposals of composition agreement from that offered by the insolvent debtor. For this purpose, the new proposal must be formulated by creditors representing at least the 10% of all the claims, provided that such request will not be taken into account when the offer of the debtor ensure the payment of at least 30% of the unsecured claims.

From the date on which the petition for a composition agreement with creditors or the petition containing a request in advance for a composition agreement (domanda di concordato anticipata) is filed with the competent companies' register, an "automatic stay" period is triggered, during which all creditors are prevented from recovering their debt or foreclosing on the debtor's assets. The temporary "automatic stay" is effective until the date of final ratification (decreto di omologazione) of the composition agreement with creditors. Following the filing of the petition before the competent court, the relevant court evaluates whether conditions for admission to such proceeding are met. Should the court decide that the petition does not satisfy the requirements set out by law, the debtor's petition is rejected and if the debtor is in a state of insolvency it may be declared bankrupt (fallito). If the conditions for admission are met, the relevant court will, inter alia, appoint the court-appointed officeholder (if it was not appointed by the competent court pursuant to Article 161, paragraph 6, of the Bankruptcy Law) who will notify each creditor of the date of the creditor's meeting to vote on the plan proposed by the debtor. The composition agreement with creditors is approved with the affirmative vote of creditors representing the majority of credits admitted to vote. If there are different classes of creditors, the composition agreement with creditors is approved if the majority is reached also in the major number of classes. If creditors approve the composition agreement, the designated judge, if all procedures have taken place regularly and in the absence of oppositions (or once possible oppositions have been dealt with and resolved), will ratify that approval.

Pursuant to Article 182-bis of the Bankruptcy Law, a debtor which is experiencing a state of crisis may require the ratification (omologazione) of a debts restructuring agreement (accordo di ristrutturazione dei debiti) entered into between it and its creditors representing at least 60 per cent. of the credits owed by it, by filing with the competent court the required corporate documentation and a certification of an expert - having certain characteristics - confirming (i) the feasibility of the debts restructuring agreement and (ii) its capability of procuring the integral payment of those creditors which are not a party to such debts restructuring agreement. The Debts Restructuring Agreement must be published in the debtor's companies' register and shall be effective as of the date of its publication. For a period of 60 days from the date of its publication, the debts restructuring agreement shall determine an "automatic stay" period pursuant to which any creditor having a title against such debtor arisen in advance to the date of publication of the debts restructuring agreement,

will not be allowed to commence or continue any enforcement or precautionary action on the assets of the debtor. If the debts restructuring agreement complies with all the requirement set out by law and it is feasible to aim its purposes, the court shall issue a decree (decreto di omologazione) validating such debts restructuring agreement.

Law No. 3 of 27 January 2012 provides that consumers and other entities which cannot be subject to Insolvency Proceedings (Other Entities) may benefit from a special proceeding for the reconstructuring of their debts. Law No. 3 of 27 January 2012 provides that the Other Entities may file a recovery plan for the restructuring of their debts and the payment of the creditors with a special authority and with the competent court and that in the case of approval of the plan, it will become binding on all the creditors of the Other Entity.

TAXATION IN THE REPUBLIC OF ITALY

The following is a general description of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Senior Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to your decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Notes, some of which may be subject to special rules.

This description is based upon tax laws and practice of Italy in effect on the date of this Prospectus which are however subject to a potential retroactive change. Prospective noteholders should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

1. TAX TREATMENT OF NOTES

Under the current legislation, pursuant to the provision of Article 6, paragraph 1, of Law 130, payments of interest and other proceeds in respect of the Senior Notes (hereinafter collectively referred to as "**Interest**") are subject to the fiscal regime set forth by Legislative Decree No. 239 of 1 April 1996, as amended and supplemented ("**Decree No. 239**"). The provisions of Decree No. 239 only apply to Notes issued by the Issuer which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**").

Italian resident Noteholders

Where an Italian resident Noteholder is:

(a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see under "*Capital gains tax*" below);

(b) a non-commercial partnership;

(c) a non-commercial private or public institution; or

(d) an investor exempt from Italian corporate income taxation,

Interest accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholderdes described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the taxation on income due.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. They must, however, be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP (the regional tax on productive activities).

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, SICAV (an investment company with variable capital), or a SICAF (investment company with fixed capital) (the "**Fund**"), and the Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*. They must, however, be included in the management results of the Fund accrued at the end of each tax period. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. may apply to income of the Fund derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares.

Under the current regime provided by Law Decree no. 351 of 25 September 2001 converted into law with amendments by Law no. 410 of 23 November 2001 ("**Decree No. 351**"), Interest accrued on the Notes and received by Italian real estate funds created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and Article 14 bis of Italian Law No. 86 of 25 January 1994 or a SICAF to which the provisions of Decree No. 351 apply ("**Real Estate SICAF**"), is subject neither to substitute tax nor to any other income tax in the hands of the real estate fund or Real Estate SICAF. The income of the real estate fund or Real Estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but they must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. annual substitute tax.

In addition, as of 1 January 2015, Italian pension fund benefits from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that the pension fund invests in certain medium long term financial assets as identified with the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary, and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying interest to a Noteholder or, absent that, by the Issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is:

(a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as currently listed in the Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or in a decree to be issued pursuant to Article 11(4)(c) of Decree No. 239, as amended by Legislative Decree no. 147 of 14 September 2015, (the "**White List States**"); or

(b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or

(c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or

(d) an "institutional investor", whether or not subject to tax, which is established in a White List States.

In order to ensure gross payment, non-Italian resident Noteholder must be the beneficial owner of the payments of Interest and must:

(a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; and

(b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. This statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

Failure of a non-resident Noteholder to timely comply with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of imposta sostitutiva on Interests payments to such non-resident Noteholder.

Noteholders who are subject to the substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant Noteholder.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company, a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected, any capital gain realised by such Noteholder from the sale or

redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent. Noteholder may set off any losses with their gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident individual 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 tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as converted with amendments by Law 23 June 2014, No. 89 ("**Law No. 89**"), capital losses realized up to June 30, 2014 may be offset against capital gains realized after that date with the following limitations: (i) for an amount equal to 48.08%, for capital losses realized up to December 31, 2011; and (ii) for an amount equal to 76.92%, for capital losses realized from January 1, 2012 to June 30, 2014.

(b) As an alternative to the tax declaration regime, Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato regime*). Such separate taxation of capital gains is allowed subject to:

    (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and

    (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder.

    The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, which may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Pursuant to Law No. 89, capital losses realized up to June 30, 2014 may be offset against capital gains realized after that date with the following limitations: (i) for an amount equal to 48.08%, for capital losses realized up to December 31, 2011; and (ii) for an amount equal to 76.92%, for capital losses accrued from January 1, 2012 to June 30, 2014. Under the *risparmio amministrato* regime, the Noteholder are not required to declare the capital gains in the annual tax return.

(c) In the "*risparmio gestito*" regime, any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets (including the Notes) to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at the year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Pursuant to Law No. 89, investment portfolio losses accrued up to June 30, 2014 may be offset against capital gains realized after that date with the following limitations: (i) for an amount equal to 48.08%, for investment portfolio losses accrued up to December 31, 2011; and (ii) for an amount equal to 76.92%, for investment portfolio losses accrued from January 1, 2012 to June 30, 2014. The Noteholderare not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed in the hands of the Fund. A withholding tax of 26 per cent. is levied, in certain circumstances, to distribution made by the Funds in favour of certain categories of unitholders or shareholders.

Italian real estate funds created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and Article 14 bis of Italian Law No. 86 of 25 January 1994 and Italian Real Estate SICAFs will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or SICAFs. However, a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders/shareholders of the real investment fund or the Italian Real Estate SICAF

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. In addition, as of 1 January 2015, Italian pension fund benefits from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that the pension fund invests in certain medium long term financial assets as identified with the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.

Capital gains realised by non-Italian resident Noteholder from the sale or redemption of Notes issued by an Italian resident issuer and traded on regulated markets are not subject to the *imposta sostitutiva*.

Capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of the Notes issued by an Italian resident issuer not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary is:

(a) resident in a White List States as defined above;

(b) an international entity or body set up in accordance with international agreements which have entered into force in Italy;

(c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or

(d) an "institutional investor", whether or not subject to tax, which is established in a White List States.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes issued by an Italian resident issuer and not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, Noteholder may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

2. INHERITANCE AND GIFT TAXES

Transfers of any valuable asset (including the Notes) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding Euro 1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding Euro 100,000; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the heir/heiress and/or the donee is a person with a severe disability pursuant to Law No. 104 of February 5, 1992, inheritance tax or gift tax is applied on the amount of the value of the inheritance or gift that exceeds Euro 1,500,000.

The transfer of the Notes by donation is subject to gift tax at the same rates as in case of inheritance.

3. EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

On 3 June 2003, the Council of the European Union adopted the EU Directive No. 2003/48/EC regarding the taxation of savings income (the "European Savings Directive"). According to the European Savings Directive, each member State of the European Union (a "Member State") is required to provide to the Tax Authorities of other States of the European Union details of the interest payments by a person within its jurisdiction to individuals resident in that other State. However, for a transitional period, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%.

In any case, the transitional period is to terminate at the end of the first full tax year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of

information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for an individual resident or certain limited types of entity established in one of those territories.

However, on 10 November 2015, the Council of the European Union approved the Council Directive 2015/2060/EU (published in the Official Journal of the EU on 18 November 2015) which has repealed the EU Savings Directive with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States. The repeal of the Savings Directive is needed in order to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive No. 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive No. 2014/107/EU) and to save costs both for tax authorities and economic operators.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

4. TRANSFER TAX

No transfer tax is due on the transfer of the Notes. Contracts relating to the transfer of securities are subject to a € 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in the case of voluntary registration.

5. STAMP DUTY

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of October 26, 1972 (the "**Decree No. 642**"), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed Euro 14,000.00 if the Noteholder is not an individual.

The stamp duty applies both to Italian resident and non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

6. WEALTH TAX ON SECURITIES DEPOSITED ABROAD

According to the provisions set forth by Law No. 214 of December 22, 2011, as amended and supplemented, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due). Financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration

agreement. In this case, the above mentioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does apply.

7. TAX MONITORING

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the Notes) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to Notes deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the Notes have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

SUBSCRIPTION AND SALE

Pursuant to the Senior Notes Subscription Agreement entered into on or prior the Issue Date, the Initial Senior Notes Subscribers will agree to subscribe and pay the Issuer for the Senior Notes at the issue price of 100% of the principal amount of the Senior Notes subject to the terms and conditions specified therein, *pro rata* to their respective underwriting commitments (as described below). In particular, according to the Senior Notes Subscription Agreement:

(i) UBI will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 312,300,000;

(ii) BPA will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 171,800,000;

(iii) BPCI will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 367,400,000;

(iv) BdB will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 261,900,000;

(v) BPB will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 670,300,000;

(vi) Carime will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 139,800,000;

(vii) BRE will agree to subscribe and pay for a portion of Senior Notes having a principal amount upon issue equal to Euro 162,100,000.

In addition, pursuant to the Senior Notes Subscription Agreement, the Initial Senior Notes Subscribers will agree to appoint the Representative of the Noteholders to act as the representative of the Noteholders.

Pursuant to the Junior Notes Subscription Agreement entered into on or prior the Issue Date, each Initial Junior Notes Subscriber will agree to subscribe and pay the Issuer for the respective Relevant Class of Junior Notes at the issue price of 100% of the principal amount of such Junior Notes subject to the terms and conditions specified therein. In particular, according to the Junior Notes Subscription Agreement:

(i) UBI will agree to subscribe and pay for the Class B1 Notes having a principal amount upon issue equal to Euro 113,800,000;

(ii) BPA will agree to subscribe and pay for the Class B2 Notes having a principal amount upon issue equal to Euro 62,700,000;

(iii) BPCI will agree to subscribe and pay for the Class B3 Notes having a principal amount upon issue equal to Euro 133,900,000;

(iv) BdB will agree to subscribe and pay for the Class B4 Notes having a principal amount upon issue equal to Euro 95,400,000;

(v) BPB will agree to subscribe and pay for the Class B5 Notes having a principal amount upon issue equal to Euro 244,400,000;

(vi) Carime will agree to subscribe and pay for the Class B6 Notes having a principal amount upon issue equal to Euro 51,000,000;

(vii) BRE will agree to subscribe and pay for the Class B7 Notes having a principal amount upon issue equal to Euro 59,100,000;

In addition, pursuant to the Junior Notes Subscription Agreement, the Initial Junior Notes Subscribers will agree to appoint the Representative of the Noteholders to act as the representative of the Noteholders.

The Subscription Agreements will be subject to a number of conditions and may be terminated in certain circumstances.

GENERAL

The purchase, offer, sale and delivery of the Notes shall be made in compliance with all applicable laws and regulations in each jurisdiction in which the Notes are purchased, offered, sold or delivered. Furthermore, there will not be, directly or indirectly, offer, sell or deliver any Notes or distribution or publication of any prospectus (including this Prospectus), form of application, advertisement or other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, no action will be taken to obtain permission for public offering of the Notes in any country where action would be required for such purpose.

1. **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**"), each of the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers has represented, warranted and undertaken to the Issuer with respect to, respectively, the Senior Notes and the Junior Notes, 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 Notes to the public in that Relevant Member State other than on the basis of an approved prospectus in conformity with the Prospectus Directive or:

(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 100 or, if the Relevant Member State has implemented the relevant provision of the Amending Prospectus Directive, 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

amendments thereto, including the Amending Prospectus Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "*Amending Prospectus Directive*" means Directive 2010/73/EU.

2. UNITED STATES

Each of the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers has acknowledged with reference to, the Senior Notes and the Junior Notes, respectively, that the Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act"**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws

Each of the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers has agreed with rerefence to the Senior Notes and the Junior Notes, respectively, that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the benefit of, U.S. persons.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

3. UNITED KINGDOM

Each of the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers has represented, warranted and undertaked to the Issuer with reference to the Senior Notes and the Junior Notes, respectively, that:

3.1 Financial promotion

It has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of section 21 of 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

3.2 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.

4. ITALY

4.1 No offer to public

Each of the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers has represented and agreed with reference to the Senior Notes and the Junior Notes, respectively, that the offering of the Notes has not been registered with *Commissione Nazionale per le*

Società e la Borsa ("**CONSOB**") (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, no Notes have been or may be offered, sold or delivered, nor may copies of the Prospectus or any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to "qualified investors" ("*investitori qualificati*") as referred to in article 100 of the Financial Laws Consolidation Act and article 34-*ter*, paragraph 1, letter (b) of the CONSOB regulation No. 11971 of 14 May 1999 (as amended and integrated from time to time, "**CONSOB Regulation**") or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under article 100 of the Financial Laws Consolidation Act and article 34-*ter*, first paragraph, of the CONSOB Regulation;

provided that, in any case, the offer or sale of the Notes in Italy shall be effected in accordance with all relevant Italian securities, tax and other applicable laws and regulations.

4.2 **Offer to "professional investors"**

Each of the Initial Senior Notes Subscribers and the Initial Junior Notes Subscribers has represented and agreed with respect to the Senior Notes and the Junior Notes, respectively, that any offer sale or delivery of the Notes in the Republic of Italy or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) and (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, CONSOB Regulation No. 16190 of 29 October 2007 and the Consolidated Banking Act, as amended;

(ii) in compliance with article 129 of the Consolidated Banking Act and with the implementing instructions of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request post-offering information on the offering or issue of securities in the Republic of Italy; and

(iii) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

In accordance with article 100-bis of the Consolidated Financial Act, where no exemption under paragraph 4.1, letter (a) or (b) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Consolidated Financial Act and the CONSOB Regulation. Failure to comply with such rules may result, *inter alia*, in the sale of the Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

GENERAL INFORMATION

1. Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Italy in connection with the issue and performance of the Notes. The issue of the Notes was authorised by the Issuer through the resolution of the board of directors passed on 7 June 2016 and the resolution of the meeting of the Quotaholders passed on 7 June 2016.

2. Listing and Admission to Trading

Application has been made to the Irish Stock Exchange for the Senior Notes to be listed on the Official List and to be admitted to trading on its regulated market.

3. Funds available to the Issuer

The source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections made in respect of the Portfolios and in the Receivables thereunder.

4. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer.

5. No borrowing or indebtedness

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, charges or given any guarantees.

6. Clearing of the Notes

The Notes have been accepted for clearance through Monte Titoli as follows:

	ISIN	**Common Code**
Senior Notes	IT0005209967	146211470
Class B1 Notes	IT0005209983	146324215
Class B2 Notes	IT0005209975	146324231
Class B3 Notes	IT0005209991	146324614
Class B4 Notes	IT0005210007	146324304
Class B5 Notes	IT0005210015	146325521
Class B6 Notes	IT0005210130	146325955

Class B7 Notes	IT0005210148	146326293

7. Expenses

The estimated total expenses in relation to the admission to trading will be Euro 10,000. The Issuer estimates that its aggregate ongoing expenses in relation to the Transaction amount to approximately Euro 65,000 per annum (excluding servicing fees and VAT).

8. Documents Available for inspection

Copies of the Transaction Documents and the deed of incorporation and the articles of association of the Issuer are available in electronic format for inspection during normal business hours at the office for the time being of the Representative of the Noteholders, being, as at the Issue Date, Zenith Service S.p.A.

9. Financial Statements

The Issuer has been incorporated on 6 May 2016 and it closed the first financial year on 31 December 2016. As of the date of this Prospectus no audited financial statements have been produced. When produced, the Issuer's financial statements will be made available in electronic format for inspection during normal business hours at the office of the Representative of the Noteholders. The Issuer prepares annual financial statements for financial years ending on 31 December of each year. No interim financial statements will be produced by the Issuer.

10. Material Contracts

The Issuer has not entered into any contracts since its date of incorporation outside the ordinary course of business that have been or may be reasonably expected to be material to its ability to meet its obligations to Noteholders.

11. Post-issuance information

After the date of issue of Notes, the Calculation Agent shall on each Investors' Report Date, issue the Investor's Report, which will contain information relating to the Portfolios with reference to the immediately preceding Collection Period as well as the then prevailing Interest Period (if applicable). The Investors' Report will include the information required by article 409 of the CRR and chapter 3, section 5 of the AIFMR contained in the Quarterly Servicer 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 Master Servicer in the Quarterly Servicer Report. The Investors' Report will be generally made available to the Noteholders and prospective investors on Calculation Agent's website, currently being: https://www.ubibanca.it/pagine/cartolarizzazioni-UBI-Banca.aspx. The Issuer will not update or review the information and data contained in the Prospectus and will not inform prospective investors of facts and events known to have occurred after the Issue Date.

GLOSSARY

"**3 Months EURIBOR**" means, on the reference date, the 3 months Euro Interbank Offered Rate for Euro denominated deposits determined by the Euribor Committee as of 11:00 (Brussels time) of each Business Day and published on the Reuters Screen EURIBOR03.

"**Acceptance of a Subsequent Portfolio**" means the document providing the acceptance from the Issuer of any Transfer Offer, in accordance with Clause 6.3 of the Master Transfer Agreements.

"**Accounts**" means each of the Interest Collection Accounts, the Principal Collection Accounts, the Expenses Account, the Payment Account, the Operation Accounts, the Investment Account, the Securities Account, the Cash Reserve Account, the Quota Capital Account or such other accounts opened, or to be opened, in the name of the Issuer with the Account Bank or any other Eligible Institution.

"**Account Bank**" means UBI or any other entity acting as account bank pursuant to CAMPA.

"**Accrued Interests**" means, as at any date, with reference to any Receivable, the sum of (i) the amount of the interests due and not yet paid in respect of such Receivable and (ii) the amount accrued and not yet due in respect of such Receivable under the relevant Loan Agreement.

"**Additional Return**" means the Pre-Enforcement Junior Notes Additional Return e the Post-Enforcement Junior Notes Additional Return, as the case maybe.

"**Agents**" means the Paying Agent , the Calculation Agent, the Account Bank, the Back-Up Servicer Facilitator and the Cash Manager, and "Agent" means each of them.

"**Aggregate Portfolio**" means the aggregate portfolio composed by all Receivables purchased, or to be purchased, by the Issuer from the Originators in accordance with the Master Transfer Agreements and equal to the aggregate of each Portfolio.

"**Aggregate Portfolio Breach of Ratio**" means, with reference to any Calculation Date and the Aggregate Portfolio, any of the following:

(i) the Cumulative Default Ratio exceeds the Aggregate Portfolio Default Trigger;

(ii) the Delinquency Ratio exceeds the Aggregate Portfolio Delinquency Trigger for two consecutive Payment Dates;

(iii) an Uncured Principal Deficiency Amount occurs.

"**Aggregate Portfolio Default Trigger**" means:

(i) in respect of any Calculation Date falling before and including the Calculation Date falling in October 2017: 2%; or

(ii) in respect of any Calculation Date falling from the Calculation Date falling in October 2017 (excluded) to the Calculation Date falling in October 2018 (included): 4%; or

(iii) in respect of any Calculation Date falling thereafter up to the end of the Revolving Period: 6% .

"**Aggregate Portfolio Delinquency Trigger**" means, in respect of any relevant Calculation Date: (i) if the Outstanding Principal of the Performing Receivables included in the Aggregate Portfolio as at the immediately preceding Collection Date is higher than 50% of the aggregate of the Outstanding Principal of each Initial Portfolio and each Subsequent Portfolio as at the relevant Cut-Off Date (excluded), 6%; or (ii) otherwise, 7.5%.

“**Amortisation Period**” means the period which will commence on the Payment Date immediately following the Revolving Period Termination Date (included), and will end on the Cancellation Date.

“**Ancillary Guarantee**” means any guarantee, real or personal, other than the Mortgages, granted to the Originator to guarantee the payment of Receivables, including the Personal Guarantees.

“**Applicable Rate**” means, on any given day, the rate of interest applicable from time to time to a Loan.

“**Asset**” means any Real Estate Assets and any registered and unregistered movable properties which is the object of any Guarantee.

“**Authorised Person**” means any person who is designated in writing by the Issuer from time to time to give Instructions to any of the other Parties to the Transaction Documents under the terms of the Transaction Documents.

“**Back-Up Servicer Facilitator**” means Zenith Service S.p.A. acting as back-up servicer facilitator pursuant to the provisions of the Master Servicing Agreement.

“**Bankruptcy Law**” means the Royal Decree no. 267 of 16 March 1942, as amended and supplemented from time to time.

"**BdB**" means Banco di Brescia S.p.A., a bank with sole shareholder incorporated under the laws of Italy with its registered office at Corso Martiri della Libertà, 13, Brescia, fiscal code and enrolment in the companies register of Brescia number 03480180177, enrolled under number 5393 with the register of banks held by the Bank of Italy in accordance with article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BdB Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BdB, IBAN: IT38C0311111299000000089712, or such other substitute account as may be opened in accordance with the CAMPA.

“BdB Operation Account” means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT33J0311111299000000089724, operating in accordance with the CAMPA.

"**BdB Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BdB to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BdB Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BdB, IBAN: IT15D0311111299000000089713, or such other substitute account as may be opened in accordance with the CAMPA.

“**Block Voting Instruction**” means, in relation to any Meeting, a document:

(i) certifying that certain specified Notes (the “**Blocked Notes**”) have been blocked in an account with a clearing system or the depository, as the case may be, and will not be released until the conclusion of the Meeting;

(ii) certifying that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the relevant Agent that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48

hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

(iii) listing the total number of the Blocked Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and

(iv) authorising a named individual or individuals to vote in respect of the Blocked Notes in accordance with such instructions.

"**BoI Regulations**" means the supervisory instructions the "*Disposizioni di Vigilanza per le Banche*" (Circolare No. 285 of 17 December 2013) issued by the Bank of Italy, as amended and supplemented from time to time.

"**Borrower**" means each beneficiary of the loan granted by any Originator under the Loan Agreements.

"**BPA**" means Banca Popolare di Ancona S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Don A. Battistoni, 4, 60035 Jesi (AN), Italy, fiscal code and enrolment with the companies register of Ancona number 00078240421, enrolled under number 301 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BPA Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BPA, IBAN: IT89E0311111299000000089714, or such other substitute account as may be opened in accordance with the CAMPA.

"BPA Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT10K0311111299000000089725, operating in accordance with the CAMPA.

"**BPA Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BPA to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BPA Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BPA, IBAN: IT66F0311111299000000089715, or such other substitute account as may be opened in accordance with the CAMPA.

"**BPB**" means Banca Popolare di Bergamo S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Piazza Vittorio Veneto, 8, 24122, Bergamo, Italy, fiscal code and enrolment with the companies register of Bergamo, number 03034840169, enrolled under number 5561 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BPB Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BPB, IBAN: IT43G0311111299000000089716, or such other substitute account as may be opened in accordance with the CAMPA.

"BPB Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT84L0311111299000000089726, operating in accordance with the CAMPA.

"**BPB Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BPB to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BPB Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BPB, IBAN: IT20H0311111299000000089717, or such other substitute account as may be opened in accordance with the CAMPA.

"**BPCI**" Banca Popolare Commercio e Industria S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Via Monte di Pietà 7, 20121 Milano, Italy, fiscal code and enrolment with the companies register of Milan number 03910420961, enrolled under number 5560 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BPCI Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BPCI, IBAN: IT94I0311111299000000089718, or such other substitute account as may be opened in accordance with the CAMPA.

"BPCI Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT61M0311111299000000089727, operating in accordance with the CAMPA.

"**BPCI Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BPCI to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BPCI Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BPCI, IBAN: IT71J0311111299000000089719, or such other substitute account as may be opened in accordance with the CAMPA.

"**BRE**" means Banca Regionale Europea S.p.A., a bank incorporated under the laws of the Republic of Italy, with its registered office at Via Roma, 13, Cuneo, Italy, fiscal code and enrolment in the companies register of Cuneo number 01127760047, registered under number 5240.70 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**BRE Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by BRE, IBAN: IT28F0311111299000000089720, or such other substitute account as may be opened in accordance with the CAMPA.

"BRE Operation Account" means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT38N0311111299000000089728, operating in accordance with the CAMPA.

"**BRE Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by BRE to the Issuer pursuant to the relevant Master Transfer Agreement.

"**BRE Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by BRE, IBAN: IT05G0311111299000000089721, or such other substitute

account as may be opened in accordance with the CAMPA.

"**Business Day**" means any day (other than a Saturday or Sunday) on which banks are generally open for business in Milan, London and Dublin and on which the Trans-European Automated Real Time Gross Transfer System (TARGET2) (or any successor thereto) is open.

"**Calculation Agent**" means UBI in its capacity as calculation agent under the CAMPA and any successor thereof appointed in accordance with the CAMPA.

"**Calculation Date**" means the Business Day which falls on the 4th Business Day immediately preceding a Payment Date.

"**CAMPA**" means the cash allocation, management and payments agreement entered into on or about the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Account Bank and the Cash Manager.

"**Cancellation Date**" means the earlier of:

(a) the date on which the Notes have been redeemed in full;

(b) the Final Maturity Date;

(c) the later of the date on which (i) the Representative of the Noteholders, upon notice from the Master Servicer, has certified to the Issuer that all the Collections due in respect of all the Receivables comprised in the Aggregate Portfolio have been received or recovered and that all judicial enforcement procedures in respect of the Aggregate Portfolio have been exhausted; and (ii) the last of those Collections are applied in accordance with the applicable Priority of Payments; and

(d) the date on which all the Receivables comprised in the Aggregate Portfolio have been sold and the relevant Issuer Available Funds have been received and applied in accordance with the applicable Priority of Payments.

"**Carime**" means Banca Carime S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Crati, 87100 Cosenza, Italy, fiscal code and enrolment with the companies register of Cosenza number 13336590156, enrolled under number 5562 with the register of banks held by the Bank of Italy pursuant to article 13 of the Consolidated Banking Act and part of the Gruppo Bancario Unione di Banche Italiane.

"**Carime Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by Carime, IBAN: IT79H0311111299000000089722 or such other substitute account as may be opened in accordance with the CAMPA.

"Carime Operation Account"means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT15O0311111299000000089729, operating in accordance with the CAMPA.

"**Carime Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by Carime to the Issuer pursuant to the relevant Master Transfer Agreement.

"**Carime Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by Carime, IBAN: IT56I0311111299000000089723 or such other substitute

account as may be opened in accordance with the CAMPA.

"**Cash Collateral**" means, with reference to any Quarterly Servicer Report Date, the aggregate (without double counting) of (i) the Principal Collections of the Portfolio credited into the Principal Collection Accounts in respect of the immediately preceding Collection Period, (ii) the proceeds in respect of principal arising from the disposal by the Issuer of the Receivables with reference to the immediately preceding Collection Period and (iii) the Relevant Collateral Integration Amounts credited into the Principal Collection Accounts on the immediately preceding Payment Date.

"**Cash Manager**" means UBI in its capacity as cash manager under the CAMPA and any successor thereof appointed in accordance with the CAMPA.

"**Cash Manager Report Date**" means the Business Day which falls on the 5th Business Days immediately preceding a Calculation Date.

"**Cash Reserve"** means the reserve fund established by the Issuer on the Issue Date out of a portion of the proceeds arising from the payment of the Issuer Price of the Junior Notes and managed in accordance with the provisions of the Transaction Documents.

"**Cash Reserve Account**" means the account opened with the Account Bank with IBAN IT90O0311111299000000089737, in the name of the Issuer, operating in accordance with the CAMPA.

"**Cash Trapping Condition**" means, with reference to any Calculation Date, the event which occurs when the Cumulative Default Ratio exceeds 9%.

"**Clearstream**" means Clearstream Banking, S.A., a company incorporated under the laws of the Grand Duchy of Luxembourg providing domestic and cross-border clearing and settlement services.

"**Collateral Integration Amount**" means, in relation to any Payment Date during the Revolving Period, an amount equal to the Issuer Principal Available Funds after all payments from *First* to *Third* of the Pre-Enforcement Principal Priority of Payments during the Revolving Period as set out in Condition 6.1(B) have been made in accordance with such Priority of Payments.

"**Collection Accounts**" means the Interest Collection Accounts and the Principal Collection Accounts.

"**Collection Date**" means the last day of each Collection Period. The first Collection Date immediately following the Transfer Date of the Initial Portfolios will be 31 August 2016.

"**Collection Period**" means each quarterly period starting from the first calendar day (including) of March, June, September and December of each calendar year and ending on (and including) the last calendar day of May, August, November and February of each calendar year. The first Collection Period shall start on the Cut-Off Date with reference to the Initial Portfolio (included) and shall end on 31 August 2016 (included).

"**Collection Policy**" means the collection policies set out in Annex "A" to the Master Servicing Agreement.

"**Collections**" means the amounts received or recovered by the Master Servicer or the Sub-Servicers, in respect of the Receivables comprised in the Aggregate Portfolio.

"**Condition**" means any of the conditions set out in this Terms and Conditions of the Notes.

"**Consolidated Banking Act**" means Italian Legislative Decree No. 385 of 1 September 1993, as

amended and supplemented from time to time.

"**Consolidated Financial Act**" means the Legislative Decree No. 58 of 24 February, 1998, as amended and supplemented from time to time.

"**Common Criteria**" means the common criteria set out in Annex A, Section I to each Master Transfer Agreement.

"Corporate Services Agreement" means the corporate services agreement entered into on 30 June 2016 between the Issuer and the Corporate Servicer.

"Corporate Servicer" means TMF Management Italy S.r.l. in quality of corporate servicer under the Corporate Services Agreement.

"**Criteria**" means collectively the Common Criteria and the Specific Criteria.

"**Cumulative Default Ratio**" means, with reference to any Calculation Date the ratio between:

(i) the aggregate of the Outstanding Principal of the Receivables of the Aggregate Portfolio or the Portfolio assigned by each Originator, as the case may be, classified as Defaulted Receivables during all the Collections Periods preceding such Calculation Date, calculated as at the Collection Date immediately following the date on which such Receivables have been classified as Defaulted Receivables ; and

(ii) the aggregate of (a) the Purchase Price of the Initial Portfolios or, as the case maybe, each Initial Portfolio and (b) the sum of all the Purchase Price of any Subsequent Portfolio transferred to the Issuer by the Originators, or, as the case maybe, each Originator before 3 months preceding such Calculation Date,

provided that the Receivables repurchased by the Originator pursuant to Clause 14 (*Opzione di Riacquisto Parziale*) of the Master Transfer Agreements (but only to the extent not yet classified as Defaulted Receivables) will be excluded from the computation of such ratio.

"**Cut-Off Date**" means (i) with reference to each Initial Portfolio, 13 June 2016 and (ii) with reference to any Subsequent Portfolio the date designated as such as indicated in the relevant Transfer Offer.

"**DBRS**" means DBRS Ratings Limited.

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

DBRS	Moody's	S&P	Fitch
AAA	Aaa	AAA	AAA
AA(high)	Aa1	AA+	AA+
AA	Aa2	AA	AA
AA(low)	Aa3	AA-	AA-
A(high)	A1	A+	A+

A	A2	A	A
A(low)	A3	A-	A-
BBB(high)	Baa1	BBB+	BBB+
BBB	Baa2	BBB	BBB
BBB(low)	Baa3	BBB-	BBB-
BB(high)	Ba1	BB+	BB+
BB	Ba2	BB	BB
BB(low)	Ba3	BB-	BB-
B(high)	B1	B+	B+
B	B2	B	B
B(low)	B3	B-	B-
CCC(high)	Caa1	CCC+	CCC+
CCC	Caa2	CCC	CCC
CCC(low)	Caa3	CCC-	CCC-
CC	Ca	CC	CC
C	C	D	D

"**DBRS Minimum Rating**" means:

(a) if a public long term rating by Fitch Ratings Limited ("**Fitch**"), a public long term rating by Moody's and a public long term rating by Standard & Poor's Ratings Services ("**S&P**") in respect of the Eligible Investment or the Eligible Institution are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such public long term ratings from such rating agencies (provided that (i) if such public long term rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below, and (ii) if more than one public long term rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such public long term ratings shall be so disregarded);

(b) if the DBRS Minimum Rating cannot be determined under paragraph (a) above, but public long term ratings by any two of Fitch, Moody's and S&P are available at such date, the DBRS

Equivalent Rating of the lower such public long term rating (provided that if such public long term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below);

(c) if the DBRS Minimum Rating cannot be determined under paragraphs (a) and (b) above, but public long term ratings by any one of Fitch, Moody's and S&P are available at such date, then the DBRS Equivalent Rating will be such public long term rating (provided that if such public long term tating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

"**Debtor**" means any person in its capacity as Borrower under a Loan Agreement originated by, and included in the Portfolio assigned by each Originator.

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

"**Decree 239 Deduction**" means any withholding or deduction for or on account of "*imposta sostitutiva*" under Italian Legislative Decree No. 239.

"**Deed of Pledge**" means the deed of pledge governed by Italian law entered into on or about the Issue Date between the Issuer, the Other Issuer Creditors and the Noteholders, acting through the Representative of the Noteholders.

"**Defaulted Receivables**" means the Receivables which have been classified as "*sofferenze*" ("bad loans") or "*inadempienze probabili* ("*unlikely to pay*") pursuant to the Bank of Italy Circular no. 272 of 30 July 2008 on the "*Matrice dei Conti*", as subsequently amended and supplemented and the Collection Policy.

"**Delinquency Ratio**" means, with reference to any Calculation Date and with respect to the Aggregate Portfolio or the Portfolio assigned by each Originator, as the case may be, the ratio between:

(i) the Delinquent Amounts as of the last day of the Collection Period immediately preceding the relevant Calculation Date; and

(ii) the Outstanding Principal of all Receivables that are not classified as Defaulted Receivables as of the last day of the Collection Period immediately preceding the relevant Calculation Date.

"**Delinquent Amount**" means, as at any date, the Outstanding Principal of all the Receivables that are classified as Delinquent Receivables as at such date.

"**Delinquent Receivables**" means the Receivables in relation to which certain amounts are due but not paid by the relevant Borrower (*importi scaduti e/o sconfinanti*) for at least 90 (ninety) days after the relevant due date but which have not been classified as Defaulted Receivables.

"**Document of Proof of the Receivable**" any Loan Agreement and deeds of Guarantees from which a Receivable included in the Initial Portfolio or in the Subsequent Portfolios derives.

"**Dodd-Frank Act**" means the Dodd-Frank Wall Street Reform and Consumer Protection Act.

"**Eligible Institution**" means any depository institution organised under the laws of any State which is a member of the European Union or of the United States (1) whose long-term unsecured,

unsubordinated and unguaranteed debt obligations or (2) whose obligations under the Transaction Documents to which it is a party are guaranteed (on the basis of an unconditional, irrevocable, independent first-demand guarantee and provided that such guarantee complies with the applicable Rating Agencies criteria) by a depository institution organised under the laws of any State which is a member of the European Union or of the United States whose long-term unsecured, unsubordinated and unguaranteed debt obligations have at least the following ratings:

1. "Baa3" by Moody's, provided that all references to a rating by Moody's to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such depository institution shall be deemed to be referred to the deposit rating of that entity; and
2. "BBB (low)" by DBRS, *provided that* a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of a depository institution which does not have a private rating nor a public rating from DBRS, then for DBRS the Eligible Institution will mean a depository institution which has the DBRS Minimum Rating or which is otherwise deemed by DBRS as an Eligible Institution in accordance with DBRS criteria.

"**Eligible Investments**" means

(a) euro-denominated senior unsubordinated debt financial instruments (but excluding, for the avoidance of doubt, credit linked notes), commercial papers, certificate of deposits or

(b) account or deposit with a maturity date falling not later than the next succeeding Eligible Investments Maturity Date,

(c) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount); and (iv) if the counterparty of the Issuer under the relevant repurchase transaction ceases to be an Eligible Institution, such investment shall be transferred to another Eligible Institution at no costs and no loss for the Issuer;

provided that, in all cases: (i) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the next following Eligible Investments Maturity Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount), and (iii) the debt securities or other debt instruments or, in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(x) with respect to Moody's ratings, either: (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, "P-3" by Moody's in respect of short-term debt, with regard to investments having a maturity less or

equal to one month ; (ii) “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, “P-3” by Moody’s in respect of short-term debt, with regard to investments having a maturity higher than one month and less than or equal to three months or (iii) such other rating as acceptable to Moody’s from time to time; and

(y) with respect to DBRS ratings, either: (i) “R-2(low)” 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 or equal to 30 days; or (ii) “R-1(low)” by DBRS in respect of short-term debt or “A (low)” in respect of long-term debt, with regard to investments having a maturity higher than 30 days and less than or equal to 90 days; or (iii) such other rating as acceptable to DBRS from time to time; *provided that* a rating by DBRS is (a) the public rating assigned by DBRS or, if there is no public DBRS rating, (b) the private rating assigned by DBRS. In the event of debt securities or other debt instruments issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution which does not have a private rating nor a public rating from DBRS, then the minimum rating requirements of the relevant debt instrument for DBRS will be defined having reference to the DBRS Minimum Rating;

provided further that, in any event, none of the Eligible Investments set out above may consist, in whole or in part, actually or potentially, of (i) credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives nor may any amount available to the Issuer in the context of the Securitisation otherwise be invested in any such instruments at any time, or (ii) asset-backed securities, irrespective of their subordination, status or ranking, or (iii) swaps, other derivatives instruments, or synthetic securities or any other instrument from time to time specified in the European Central Bank monetary policy regulations applicable from time to time.

“**Eligible Investments Maturity Date**” means in relation to Eligible Investments made in respect of any Collection Period the day falling the 4th Business Day prior to the Payment Date immediately following the relevant Collection Period.

“**Enforcement Event**” has the meaning ascribed to it in Condition 12.

“**Enforcement Notice**” has the meaning ascribed to it in Condition 12.

“**EU Insolvency Regulation**” means the Council Regulation (EC) No. 1346/2000 of 29 May 2000 on insolvency proceedings, as amended and supplemented from time to time.

"**EURIBOR**" means:

(a) prior to the delivery of an Enforcement Notice, the 3 Months EURIBOR (except in respect of the Initial Interest Period, where the 2 months Euro Interbank Offered Rate for Euro denominated deposits which appears on the display page designated EURIBOR 01 on Reuters will be substituted); or

(b) following the delivery of an Enforcement Notice, the Euro-Zone Inter-bank offered rate for Euro deposits applicable to any period in respect of which interest on the Notes is required to be determined which appears on a Reuters display page nominated and notified by the Representative of the Noteholders for such purpose or, if necessary, the relevant linear interpolation, as indicated by the Representative of the Noteholders; or

(c) in the case of (a) and (b), 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

(d) in the case of (a) and (b), 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 (a) to (d) above being the "**Screen Rate**" or, in the case of the Initial Interest Period, the "**Additional Screen Rate**") at or about 11:00 a.m. (Brussels time) on the Interest Determination Date; and

(e) if the Screen Rate (or, in the case of the Initial Interest Period, the Additional Screen Rate) is unavailable at such time for Euro deposits for the relevant period, then the rate for any relevant period shall be:

(i) the arithmetic mean (rounded to four decimal places with the mid-point rounded up) of the rates notified to the Paying Agent at its request by each of the Reference Banks as the rate at which deposits in Euro for the relevant period in a representative amount are offered by that Reference Bank to leading banks in the Euro-Zone Inter-bank market at or about 11.00 a.m. (Brussels time) on the Interest Determination Date; or

(ii) if only two of the Reference Banks provide such offered quotations to the Paying Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Bank providing such quotations; or

(iii) if only one or none of the Reference Banks provides the Paying Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of subparagraphs (a) or (b) above shall have applied.

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

"**Euro-zone**" means the region comprised of member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992);

"**Execution Date**" means, in relation to each Loan Agreement, the original date of execution of the Loan Agreement, regardless of any potential taking over of a debt, or reorganisation or splitting of the loan which has occurred afterwards such date.

"**Expenses**" means any 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 any other documented costs and expenses required to be paid in order to preserve the existence of the Issuer or to maintain it in good standing, or to comply with applicable legislation.

"**Expenses Account**" means the account opened with the Account Bank with IBAN IT34I0311111299000000089731, in the name of the Issuer, operating in accordance with the CAMPA.

"**Extraordinary Resolution**" means a resolution of the meeting of the relevant class Noteholders, duly convened and held in accordance with the provisions of the Rules of the Organisation of

Noteholders;

"**Final Maturity Date**" has the meaning ascribed to it in Condition 8.

"**Final Release Date**" means the earlier between (i) the Payment Date on which the Senior Notes can be redeemed in full; and (ii) the Final Maturity Date.

"**First Payment Date**" has the meaning ascribed to it in Condition 7.1.

"**Formalities**" means with regard to each Portfolio, jointly (i) the publication of the notice of the assignment of the relevant Initial Portfolio or Subsequent Portfolio, as the case may be, in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) and (ii) the deposit of the request of registration of such notice with the competent companies' register.

"**FSMA**" means the Financial Services and Markets Act 2000.

"**Further Notes**" has the meaning ascribed to such term in clause of the Intercreditor Agreement.

"**Further Securities**" has the meaning ascribed to such term in Clause 13 of the Intercreditor Agreement.

"**Further Securitisation**" means any further securitisation transaction which may be carried out by the Issuer pursuant to the Securitisation Law and in accordance with Condition 5.10 (*Covenants - Further Securitisations*).

"**Guarantee**" means any personal or real guarantee (including the Mortgages and the Ancillary Guarantee) granted by a Borrower, a Guarantor or any other person in relation to the Receivables for the purpose of granting (a) the payment of the Receivables and (b) the fulfillment of the obligations under the Loan Agreements.

"**Guarantor**" means any subject and any successor or assigns, other than a Borrower, that has granted a personal or real guarantee in favour of the Originator for the purpose of granting the payment of the Receivables.

"**Individual Price**" means the amount due for the transfer of each of the Receivables as set out in each Master Transfer Agreement.

"Initial Cash Reserve Amount" means Euro 83,424,000.

"**Initial Interest Period**" has the meaning ascribed to it in Condition 7.1.

"**Initial Junior Notes Subscriber**" means each Originator as initial Junior Notes Subscriber.

"**Initial Portfolio**" means the aggregate of the Initial Receivables transferred by the Originators or, as the case maybe, by each Originator to the Issuer, pursuant the relevant Master Transfer Agreement at the Transfer Date falling on 30 June 2016.

"**Initial Receivables**" means the Receivables included in the Initial Portfolio.

"**Initial Senior Notes Subscriber**" means each Originator as initial Senior Notes Subscriber.

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

(i) such company or corporation has become subject to any applicable bankruptcy, liquidation, administration, insolvency, composition with creditors or insolvent reorganisation (including, without limitation, *fallimento*, *liquidazione coatta amministrativa*, *concordato preventivo*, *accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing

the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or any procedure having a similar effect, unless in the opinion of the Representative of the Noteholders (who may rely on the advice of legal advisers selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) 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 rely on the advice of legal advisers selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) such company or corporation takes any action for a re-adjustment of 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 case of the Issuer, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments (other than, in respect of the Issuer, the issuance of a resolution pursuant to article 74 of the Consolidated Banking Act); or

(iv) 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 in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganisation or reconstruction, the terms of which have been previously approved in writing by the Representative of the Noteholders); or

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

"**Insolvency Proceeding**" means any applicable bankruptcy, liquidation, administration, insolvency, composition or insolvent reorganisation (including, without limitation, "*fallimento*", "*liquidazione coatta amministrativa*", "*concordato preventivo*", "*concordato fallimentare*", "*amministrazione straordinaria*", "*amministrazione straordinaria delle grandi imprese in stato di insolvenza*" and "*accordi di ristrutturazione*" each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy.

"**Instalment**" means, with reference to any instalment to be paid by a Debtor, any amount due as, Principal Component and Interest Component, in accordance with the relevant Loan Agreement.

"**Instructions**" means any written notices, directions or instructions received by any Party to the Transaction Documents in accordance with the relevant Transaction Documents from an Authorised Person or from a person reasonably believed by such Party to be an Authorised Person.

"**Intercreditor Agreement**" means the intercreditor agreement entered into on or about the Issue Date between the Issuer, the Originators, the Representative of the Noteholders (acting for itself and

on behalf of the Noteholders) and the Other Issuer Creditors.

“**Interest Amount Arrear**s” has the meaning ascribed to it in Condition 7.

"**Interest Collection Accounts**" means collectively, the BdB Interest Collection Account, the BRE Interest Collection Account, the BPA Interest Collection Account, the BPB Interest Collection Account, the BPCI Interest Collection Account, the Carime Interest Collection Account and the UBI Interest Collection Account and, each of them, an “**Interest Collection Account**”.

“**Interest Collections**” means the amounts received by the Master Servicer or the Sub-Servicers, as payments of the Receivables, other than Principal Collections.

“**Interest Component**” means the interest component of the Instalments, the relevant expenses (including expenses on overdue Instalments) and the interest amount of any other payment due by a Debtor under the respective Loan Agreement.

“**Interest Component of the Purchase Price**” means, in relation to each Initial Portfolio and any Subsequent Portfolio, as the case maybe, the Accrued Interest of the Receivables of such Initial Portfolio or Subsequent Portfolio, as the case maybe, as at the relevant Cut-Off Date (excluded).

“**Interest Determination Date**” means the second Business Day before each Payment Date, save in respect to the Initial Interest Period, in relation to which the Interest Determination Date is the second Business Day before the Issue Date.

“**Interest Payment Amount**” has the meaning ascribed to it in Condition 7.3.

“**Interest Period**” has the meaning ascribed to it in Condition 7.1.

“**Investment Account**” means the account opened with the Account Bank with IBAN IT16N0311111299000000089736, in the name of the Issuer, operating in accordance with the CAMPA.

“**Investment Letter**” means the investment letter that can be entered into, in accordance with the CAMPA, by the Issuer and the Cash Manager, as amended and supplemented from time to time.

“**Investors Report Date**” means, which reference to each Interest Period, the 3rd Business Day after the Payment Date falling at the end of the relevant Interest Period.

“**Irish Stock Exchange**” means the Irish stock exchange on which application has been made for the Senior Notes to be listed to the official list and to be admitted to trading on its Regulated Market.

“**Issue Date**” means the date on which the Notes will be issued.

“**Issue Price**” means, with reference to the Senior Notes, 100% of the Senior Notes Nominal Amount and with reference to the Junior Notes, 100% of the Junior Notes Nominal Amount.

“**Issuer**” means UBI SPV Group 2016 S.r.l., in his capacity as issuer of the Notes.

“**Issuer Available Funds**” means the aggregate of the Issuer Interest Available Funds and the Issuer Principal Available Funds.

“**Issuer Interest Available Funds”** means in respect of any Payment Date the aggregate amounts of:

(i) all Interest Collections paid into the Interest Collection Accounts in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) up to the Final Release Date (excluded), the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments);

(iii) all amounts of interest accrued and available on each of the Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments in respect of the preceding Collection Period;

(iv) any Recoveries collected in respect of the immediately preceding Collection Period;

(v) any other amount received under the Transaction Documents, except for amounts which relate to principal, in respect of the preceding Collection Period;

(vi) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account;

(vii) the interest proceeds arising from the disposal of the Receivables in respect of the immediately preceding Collection Period;

(viii) without double counting, the amount to be allocated on the relevant Payment Date in accordance with item *Sixth* of the Principal Priority of Payments set out in Condition 6.2(B).

"**Issuer Principal Available Funds**" means in respect of any Payment Date the aggregate amount of:

(i) all Principal Collections (excluding any Recoveries) paid into the Principal Collection Accounts in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) any Principal Allocation Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments;

(iii) any Principal Deficiency Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments;

(iv) on the Final Release Date, the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments);

(v) any Relevant Collateral Integration Amount allocated into the Principal Collection Accounts on the immediately preceding Payment Date;

(vi) the principal proceeds arising from the disposal of the Receivables in respect of the immediately preceding Collection Period;

(vii) any amount credited (and not used) in the Payment Account on the previous Payment Date under the Pre-Enforcement Principal Priority of Payments during the Revolving Period and the Pre-Enforcement Principal Priority of Payments during the Amortisation Period, to the extent not allocated to the Issuer Interest Available Funds.

"**Issuer Security**" means, collectively, any and all Security Interest created under the Deed of Pledge.

"**Issuer's Rights**" mean the Issuer's rights and remedies under the Transaction Documents.

"**Junior Noteholders**" means the holders of the Junior Notes from time to time.

"**Junior Notes**" means the junior notes issued by the Issuer in the context of the Securitisation.

"**Junior Notes Nominal Amount**" means, with reference to Class B1 Notes, Euro 113,800,000; with reference to Class B2 Notes, Euro 62,700,000; with reference to Class B3 Notes, Euro 133,900,000; with reference to Class B4 Notes, Euro 95,400,000; with reference to Class B5 Notes, Euro 244,400,000; with reference to Class B6 Notes, Euro 51,000,000 and, with reference to Class B7 Notes, Euro 59,100,000.

"Junior Notes Principal Amount" means, with reference to any Payment Date and in respect of any Relevant Class of Junior Notes, the amount of the Issuer Principal Available Funds remaining after application towards payments of items (i) to (iv) of the Pre-Enforcement Principal Priority of Payment set forth under Condition 6.2 (B) or item (i) to (viii) of the Post-Enforcement Priority of Payments, as the case maybe, on such Payment Date, pro-rata based on the Relevant Proportion.

"**Junior Notes Subscription Agreement**" means the junior notes subscription agreement entered into on or about the Issue Date between the Issuer, the Initial Junior Notes Subscribers and the Representative of the Noteholders.

"**Liquidation of the Securitisation**" means the time at which all of the Notes issued by the Issuer in the context of the Securitisation have been repaid in full.

"**Listing Agent**" means The Bank of New York Mellon S.A/N.V., Dublin Branch.

"**Loans**" means the loans granted pursuant to the terms of the Loan Agreement.

"**Loan Agreement**" means any mortgage loan agreement from which the Receivables arise together with the other agreements and documents relating to the Guarantees.

"**Losses**" means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by either party.

"**Mandate Agreement**" means the mandate agreement entered into on or about the Issue Date between the Issuer and the Representative of the Noteholders.

"**Master Definition Agreement**" means the master definition agreement entered into on or about the Issue Date by all the parties to the Transaction Documents.

"**Master Servicer**" means UBI in its capacity as servicer under the Master Servicing Agreement and any successor thereof appointed in accordance with the Master Servicing Agreement.

"**Master Servicing Agreement**" means the master servicing agreement entered into on 30 June 2016 between the Issuer, UBI as Master Servicer and BPCI, BRE, BPA, BdB, BPB and Carime as Sub-Servicers.

"**Master Transfer Agreements**" means each master transfer agreement entered into on 30 June 2016 between the Issuer and each Originator and, each of them, a "**Master Transfer Agreement**".

"**Monte Titoli**" means Monte Titoli S.p.A.

"**Monte Titoli Account Holder**" means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli.

"**Moody's**" means Moody' Investors Service Ltd.

"**Mortgages**" means the mortgages entered into over the Real Estate Assets as a guarantee of the Receivables.

"**Most Senior Class of Notes**" means the Class of Notes outstanding which ranks highest in

accordance with the applicable Priority of Payments.

"**Most Senior Noteholders**" means, at any time, the holders of the Most Senior Class of Note at that time being.

"**Noteholders**" means the holders of the Notes and "**Noteholder**" means any of them.

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

"**Offer Date**" means a Business Day which falls in the period between the Quarterly Servicer Report Date (excluded) and the 4th Business Day preceding the Calculation Date.

"**Operation Accounts**" means, collectively, the BdB Operation Account, the BRE Operation Account, the BPA Operation Account, the BPB Operation Account, the BPCI Operation Account, the Carime Operation Account and the UBI Operation Account and, each of them, an "**Operation Account**".

"**Optional Redemption**" has the meaning ascribed to it in Condition 8.3.

"**Organisation of the Noteholders**" means the association of the Noteholders created on the Issue Date.

"**Originators**" means jointly UBI, BdB, BPB, BRE, BPA, BPCI e Carime acting as originators pursuant to the relevant Master Transfer Agreement and, each of them, a "**Originator**".

"**Other Issuer Creditors**" means, collectively, the Representative of the Noteholder, the Account Bank, the Paying Agent, the Originators, the Calculation Agent, the Corporate Servicer, the Master Servicer, the Sub-Servicers, the Back-Up Servicer Facilitator, the Cash Manager, the Quotaholders and any other of the Issuer's creditors under the Transaction Documents other than the Noteholders.

"**Outstanding Principal**" means, with respect to any Receivable, and as at any date, the aggregate of (i) all the Principal Components not yet due and payable by the Debtor as at such date and (ii) the Principal Components due and payable but unpaid by the Debtor as at such date.

"**Partial Portfolio Call Option**" means, under Clause 14 (*Opzione di Riacquisto Parziale*) of each Master Transfer Agreement the right of the relevant Originator, under certain conditions, to repurchase in part the relevant Portfolio from the Issuer.

"**Paying Agent**" means The Bank of New York Mellon (Luxembourg) S.A., Italian Branch in its capacity as paying agent under the CAMPA and any successor thereof appointed in accordance with the CAMPA.

"**Payment Account**" means the account No. 9063979780 opened with the Paying Agent, in the name of the Issuer, operating in accordance with the CAMPA.

"**Payment Date**" means the 7th day of January, April, July and October, in each year (or, if such day is not a Business Day, the immediately succeeding Business Day). The first Payment Date will be 7 October 2016.

"**Payment Date of the Partial Portfolio Call Option**" means the Payment Date immediately following the date of exercise of the Partial Portfolio Call Option.

"**Payment Date of the Portfolio Call Option**" means the Payment Date immediately following the date of exercise of the Portfolio Call Option.

"**Payments Report**" means the report prepared, on or prior to each Calculation Date, by the

Calculation Agent pursuant to the terms and conditions of the CAMPA, containing details of amounts to be paid by the Issuer on the Payment Date succeeding the relevant Calculation Date in accordance with the applicable Priority of Payments.

"**Performing Receivables**" means the Receivables that are not classified as Defaulted Receivables.

"**Personal Guarantees**" means the personal guarantees (except for *fideiussioni omnibus*) or the other guarantees granted by a Guarantor in relation to the Receivables.

"**Portfolio**" means, with reference to each Originator, the aggregate of the Initial Portfolio and any Subsequent Portfolios purchased or to be purchased by the Issuer pursuant to the relevant Master Transfer Agreement.

"**Portfolio Balance**" means, as the case maybe, the Outstanding Principal of (a) the Performing Receivables in the Aggregate Portfolio (including the Subsequent Portfolio purported to be transferred to the Issuer on the relevant Transfer Date) or (b) as applicable, the Performing Receivables in the Subsequent Portfolio.

"**Portfolio Call Option**" means, under Clause 15 (*Opzione di Riacquisto Residuale*) of each Master Transfer Agreement the right of the relevant Originator, under certain conditions, to repurchase in whole the relevant Portfolio from the Issuer.

"Post-Enforcement Junior Notes Additional Return" means, with reference to any Payment Date and in respect of any Relevant Class of Junior Notes, the amount of the Issuer Interest Available Funds remaining after application towards payments of items (i) to (ix) of the Post-Enforcement Priority of Payments set forth under Condition 6.3 on such Payment Date, pro-rata based on the Relevant Proportion.

"**Post-Enforcement Priority of Payments**" has the meaning ascribed to it in Condition 6.3.

"**Pre-Amortisation Reimbursement Amount**" means, with respect to the Senior Notes, on any relevant Payment Date during the Revolving Period, the lower between

(a) the Issuer Principal Available Funds which can be applied on such Payment Date towards payment of the item *Third* of the Pre-Enforcement Principal Priority of Payments during the Revolving Period set forth under Condition 6.1(B); and

(b) the amount (if any) indicated under the notice served by the Representative of the Noteholders, upon written instruction of all Senior Noteholders, pursuant to Condition 8.2,

and in any case, following the occurrence of a Pre-Amortisation Reimbursement Event, an amount at least equal to the excess between (i) the Cash Collateral with reference to the immediately preceding Quarterly Servicer Report Date and (ii) 25% per cent. of the aggregate principal amount of the Notes upon issue.

"**Pre-Amortisation Reimbursement Event**" means, in respect of any Payment Date during the Revolving Period, the circumstance in which the Cash Collateral with reference to the immediately preceding Quarterly Servicer Report Date is higher than 25 per cent. of the aggregate principal amount of the Notes upon issue.

"**Pre-Enforcement Junior Notes Additional Return**" means, with reference to any Payment Date and in respect of any Relevant Class of Junior Notes, the amount of the Issuer Interest Available Funds remaining after application towards payments of items from *First* to *Eighth* of the Pre-Enforcement Interest Priority of Payment set forth under Condition 6.1 (A) or 6.2 (A), as the case

may be, on such Payment Date, pro-rata based on the Relevant Proportion.

"**Pre-Enforcement Interest Priority of Payments during the Amortisation Period**" has the meaning ascribed to it in Condition 6.2(A).

"**Pre-Enforcement Interest Priority of Payments during the Revolving Period**" has the meaning ascribed to it in Condition 6.1(A).

"**Pre-Enforcement Principal Priority of Payments during the Amortisation Period**" has the meaning ascribed to it in Condition 6.2(B).

"**Pre-Enforcement Principal Priority of Payments during the Revolving Period**" has the meaning ascribed to it in Condition 6.1(B)

"**Principal Allocation Amount**" means, with reference to any Payment Date during the Revolving Period and the Amortisation Period on which there are Senior Notes outstanding, any Issuer Interest Available Funds after all the payments from *First* to *Sixth* of the Pre-Enforcement Interest Priority of Payments as set out in Condition 6.1(A), or, as the case may be, from *First* to *Sixth* of the Pre-Enforcement Interest Priority of Payments set out in Condition 6.2(A) have been made in accordance with such Priority of Payments.

"**Principal Amount Outstanding**" means, on any day:

(a) with respect to each Class of Notes, the aggregate principal amount outstanding of all Notes in such Class;

(b) with respect to a Note, the nominal amount of such Note, *less* the aggregate amount of all Principal Payments in respect of that Note that have been made on or prior to that date.

"**Principal Collection Accounts**" means, collectively, the BdB Principal Collection Account, the BRE Principal Collection Account, the BPA Principal Collection Account, the BPB Principal Collection Account, the BPCI Principal Collection Account, the Carime Principal Collection Account and the UBI Principal Collection Account and, each of them, a "**Principal Collection Account**".

"**Principal Collections**" means the amounts received by the Master Servicer or the Sub-Servicers as principal payments in respect of the Receivables.

"**Principal Component**" means the principal component of the Instalments and the principal amount of any other payment due by a Debtor under the respective Loan Agreement.

"Principal Deficiency" means, in relation to any Payment Date, an amount equal to the aggregate of the Outstanding Principal relating to the Receivables which have become Defaulted Receivables during the preceding Collection Period (calculated as at the Collection Date immediately following the date on which such Receivables have been classified as Defaulted Receivables).

"**Principal Deficiency Amount**" means, in relation to any Payment Date falling during the Revolving Period and the Amortisation Period, an amount equal to the aggregate of (i) the Principal Deficiency, (ii) an amount equal to the payment made under item *First* of the Pre-Enforcement Principal Priority of Payments set out in Conditions 6.1 (B) and 6.2 (B), as the case maybe, on the immediately preceding Payment Date (iii) any indemnity amounts paid or to be paid to the Issuer in accordance with the Warranty and Indemnity Agreements in respect of the immediately preceding Collection Period (iv) the Interest Component of the Purchase Price collected in respect of the immediately preceding Collection Period (v) up to the Final Release Date (excluded), the Released

Cash Reserve Amount and (vi) any amounts which have not been allocated to the Issuer Principal Available Funds on the preceding Payment Date in order to make good any of those payments.

"**Principal Payment**" means the principal amount redeemable in respect of each Note.

"**Priority of Payments**" means, jointly, the Pre-Enforcement Priorities of Payments during the Amortisation Period, the Pre-Enforcement Priorities of Payments during the Revolving Period and the Post-Enforcement Priority of Payments, and each Priority of Payments, as the case may be, as from time to time applicable under the Terms and Conditions, in accordance to which the payments due by the Issuer will be carried out.

"**Privacy Law**" means the Legislative Decree No. 196 of 30 June 2003, as subsequently amended and supplemented, together with the relevant implementation rules, as from time to time supplemented by the rules enacted by the privacy Guarantee Authority.

"**Prospectus**" means the final prospectus prepared in relation to the Notes.

"**Purchase Price**" means the purchase price payable by the Issuer to the Originator in respect of the Initial Portfolio or any Subsequent Portfolio, as the case may be, pursuant to the Master Transfer Agreement.

"**Purchase Price of the Initial Portfolio**" means the purchase price payable by the Issuer to each Originator in respect of the relevant Initial Portfolio, as calculated pursuant to Clause 3.2 of each Master Transfer Agreement.

"**Purchase Price of the Subsequent Portfolio**" means the purchase price payable by the Issuer to each Originator in respect of each Subsequent Portfolio, equal to the aggregate of individual purchase price of the Receivables included in the relevant Subsequent Portfolio, being equal to the sum of, as at the relevant Cut-Off Date (excluded), (i) the Outstanding Principal of the Subsequent Portfolio and (ii) the Accrued Interests.

"**Purchase Termination Event**" means any of the following:

(a) an Aggregate Portfolio Breach of Ratio has occurred;

(b) a Relevant Event of the Originator has occurred;

(c) the amount of the Cash Reserve on any Payment Date (after payments made in accordance with the applicable Priority of Payments) is lower than the relevant Required Cash Reserve Amount;

(d) a representation or warranty given by one or more Originators in the relevant Warranty and Indemnity Agreement has been breached and not been remedied within 10 (ten) Business Days in accordance with the terms of the relevant Warranty and Indemnity Agreement;

(e) an undertaking assumed by one or more Originators under the Transaction Documents has been breached and not been remedied within 10 (ten) Business Days;

(f) the revocation of the appointment of the Master Servicer pursuant to the Master Servicing Agreement;

(g) the long-term, unsecured and unsubordinated debt obligations of UBI became lower than "B2" by Moody's or "B" by DBRS.

"**Purchase Termination Event Notice**" means the notice delivered by the Calculation Agent to the Issuer, the Originators, the Master Servicer and the Representative of the Noteholders in accordance

with the CAMPA and the Terms and Conditions, stating that (i) the Purchase Termination Event has occurred; (ii) the Originators are not anymore allowed to sell the Receivables to the Issuer (which is not anymore allowed to purchase Receivables from the Originators); and (iii) the Revolving Period has elapsed.

"**Purchasing Conditions of the Subsequent Portfolio**" means with respect to each Originator the non-occurrence of any Relevant Portfolio Breach of Ratio.

"**Quarterly Servicer Report"** means the report delivered by the Master Servicer on each Quarterly Servicer Report Date, in accordance with the provisions set forth in the Master Servicing Agreement.

"**Quarterly Servicer Report Date**" means the 27th March, 27th June, 27th September and 27th December of each calendar year or if such day is not a Business Day, the next following Business Day. The first Quarterly Servicer Report Date will fall on 27 th September 2016.

"**Quota Capital Account**" means the Euro denominated account with IBAN IT11J0311111299000000089732 opened with UBI, in the name of the Issuer, and operating in accordance with the CAMPA.

"**Quotaholders**" means UBI and Stichting Evanthe.

"**Quotaholders' Agreement**" means the quotaholders' agreement entered into on or about the Issue Date between the Issuer and the Quotaholders, as from time to time modified and supplemented.

"**Rate of Interest**" has the meaning ascribed to it in Condition 7.2.

"**Rating Agencies**" means, jointly, Moody's and DBRS.

"**Real Estate Assets**" means the real estate assets which have been mortgaged as a guarantee of the Receivables.

"**Receivable**" means a receivable owed by a Debtor under a Document of Proof of the Receivable for the amount of principal, interest, penalties for early termination, indemnities, reimbursement of costs and expenses (including expenses on overdue Instalments) and damages paid under any insurance policy covering any risk, included in each Initial Portfolio or in a Subsequent Portfolio and selected in accordance with the Criteria and including any faculty and right ancillary to it.

"**Recoveries**" means any amounts received or recovered by the Master Servicer or Sub-Servicers in relation to any Defaulted Receivable.

"**Redemption Amount**" has the meaning ascribed to it in Condition 8.5.

"**Reference Banks**" has the meaning ascribed to it in Condition 7.8.

"**Regulated Market**" means the regulated market of the Irish Stock Exchange to which application has been made for the Senior Notes to be admitted to trading.

"**Released Cash Reserve Amount**" means, in relation to any Payment Date falling during the Amortisation Period and prior to the delivery of an Enforcement Notice, the positive difference beween (a) the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments) and (b) the aggregate of (i) the Required Cash Reserve Amount with reference to such Payment Date and (ii) any amount of the Cash Reserve to be drawn towards payment of items (*First*) to (*Fourth*) of the Pre-Enforcement Interest Priority of Payments during the Amortisation Period set out under Condition 6.2(A).

"**Relevant Class Issuer Interest Available Funds**", means, in respect of any Payment Date and with reference to a Relevant Class of Junior Notes, the aggregate of:

(i) all Interest Collections of the relevant Portfolio paid into each relevant Interest Collection Account in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) up to the Final Release Date (excluded), the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments), pro-rata based on the Relevant Proportion;

(iii) all amounts of interest accrued and available on each of the relevant Accounts and any interest amounts deriving from the redemption, realisation or liquidation of the Eligible Investments made (a) with the Interest Collections and with the Principal Collections of the relevant Portfolio in respect of the preceding Collection Period and (b) with the amount of the Cash Reserve on the immediately preceding Payment Date, after payments made in accordance with the applicable Priority of Payments (or on the Issue Date, as the case maybe), pro-rata based on the Relevant Proportion;

(iv) any Recoveries of the relevant Portfolio collected in respect of the immediately preceding Collection Period;

(v) any other amount received under the Transaction Documents and which are attributed to the relevant Portfolio or to each relevant Originator, as the case maybe, except for amounts which relate to principal, in respect of the preceding Collection Period;

(vi) one Business Day prior the Payment Date on which the Notes will be redeemed in full or otherwise cancelled, all funds then standing to the balance of the Expenses Account, pro-rata based on the Relevant Proportion; and

(vii) without double counting, the amount to be allocated on the relevant Payment Date in accordance with item *Sixth* of the Principal Priority of Payments set out in Condition 6.2(B), pro-rata based on the Relevant Proportion.

"**Relevant Class of Junior Notes**" means Class B1 Notes, Class B2 Notes, Class B3 Notes, Class B4 Notes, Class B5 Notes, Class B6 Notes or Class B7 Notes, as the case may be.

"**Relevant Class Issuer Principal Available Funds**", means, in respect of any Payment Date and with reference to a Relevant Class of Junior Notes, the aggregate of:

(i) all Principal Collections (excluding any Recoveries) of the relevant Portfolio paid into the relevant Principal Collection Account in respect of the immediately preceding Collection Period pursuant to the terms of the Master Servicing Agreement;

(ii) any Principal Allocation Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments, pro-rata based on the Relevant Proportion;

(iii) any Principal Deficiency Amount to be allocated on the relevant Payment Date in accordance with the applicable Interest Priority of Payments, pro-rata based on the Relevant Proportion;

(iv) on the Final Release Date, the amount of the Cash Reserve as at the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments), pro-rata based on the Relevant Proportion;

(v) any Relevant Collateral Integration Amount allocated into the relevant Principal Collection Account on the immediately preceding Payment Date;

(vi) the proceeds in respect of principal arising from the disposal of the Receivables of each relevant Portfolio in respect of the immediately preceding Collection Period;

(vii) any amount credited (and not used) in the Payment Account on the previous Payment Date under the Pre-Enforcement Principal Priority of Payments during the Revolving Period and the Pre-Enforcement Principal Priority of Payments during the Amortisation Period, to the extent not allocated to the Relevant Class Issuer Interest Available Funds, pro-rata based on the Relevant Proportion.

"Relevant Collateral Integration Amount" means, in relation to any Payment Date during the Revolving Period, an amount equal to the Collateral Integration Amount for such Payment Date multiplied by the Relevant Proportion.

"**Relevant Date**" has the meaning ascribed to it in Condition 11.2.

"**Relevant Event of the Originator**" means with reference to each Originator any of the following events:

(i) the Originator is declared insolvent or has been initiated against him an insolvency proceedings or similar;

(ii) an official receiver or a liquidator or a special commissioner has been appointed with respect to the Originator;

(iii) the Originator undertakes actions to renegotiate its debts, engages a settlement out of court with its creditors, requires the suspension of payments due from it or the sale of assets to creditors;

(iv) the dissolution or liquidation of the Originator is approved, except in cases of solvent corporate restructuring of the Originator.

"**Relevant Margin**" has the meaning ascribed to it in Condition 7.2.

"**Relevant Maximum Purchase Price Amount**" means, with reference to each Originator and in relation to any Payment Date during the Revolving Period, an amount equal to the Issuer Principal Available Funds available to be applied on such Payment Date pursuant to item *Second* of Pre-Enforcement Principal Priority of Payments during the Revolving Period set forth under Condition 6.1 (B) multiplied by the Relevant Proportion.

"Relevant PDA" means, in respect of each Originator and the Relevant Class of Junior Notes, on each Calculation Date the Outstanding Principal relating to the Receivables included in the relevant Portfolio which have been classified as Defaulted Receivables during the immediately preceding Collection Period (calculated as at the Collection Date immediately following the date on which such Receivables have been classified as Defaulted Receivables).

"**Relevant Portfolio Breach of Ratio**" means, with reference to any Calculation Date and from time to time with respect to the Portfolio assigned by each Originator, any of the following:

(i) the Cumulative Default Ratio exceeds the Relevant Portfolio Default Trigger;

(ii) the Delinquency Ratio exceeds the Relevant Portfolio Delinquency Trigger for two consecutive Payment Dates.

"**Relevant Portfolio Default Trigger**" means:

(i) in respect of any Calculation Date falling before and including the Calculation Date falling in October 2017 (included): 3%; or

(ii) in respect of any Calculation Date falling from the Calculation Date falling in October 2017 (excluded) to the Calculation Date falling in October 2018 (included): 5%; or

(iii) in respect of any Calculation Date falling thereafter up to the end of the Revolving Period: 7%.

"**Relevant Portfolio Delinquency Trigger**" means, in respect of any relevant Calculation Date and with reference to the Portfolio assigned by any Originator: (i) if the Outstanding Principal of the Performing Receivables of the relevant Portfolio as at the immediately preceding Collection Date is higher than 50% of the aggregate of the Outstanding Principal of the relevant Initial Portfolio and the Subsequent Portfolios assigned by the relevant Originator as at the relevant Cut-Off Date (excluded), 6%; or (ii) otherwise, 7.5%.

"**Relevant Proportion**" means:

(a) in respect of the payments due under item (x) of the Pre-Enforcement Interest Priority of Payments during the Amortisation Period and under item (xi) of the Post-Enforcement Priority of Payments: the ratio between (x) the Outstanding Principal, as at the Cut-Off Date (excluded), of the Receivables of the relevant Initial Portfolio and (y) the Outstanding Principal, as at the Cut-Off Date (excluded), of all the Receivables of the Initial Portfolios ;

(b) in respect of the definition of "Relevant Class Issuer Interest Available Funds", item (ii), (iii), (vi) and (vii): the ratio set out under item (a) of this definition;

(c) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (ii): the ratio between (x) the Relevant Class Issuer Interest Available Funds, less the Relevant Senior Expenses, less the Relevant CR Replenishment, less the Relevant PDA; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred to paragraph (x) above;

(d) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (iii): the ratio between (x) the Relevant Class Issuer Interest Available Funds, less the Relevant Senior Expenses, less the Relevant CR Replenishment; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred into paragraph (x) above;

(e) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (iv): the ratio set out under item (a) of this definition;

(f) in respect of the definition of "Relevant Class Issuer Principal Available Funds", item (vii): the ratio set out under item (a) of this definition;

(g) in respect of the definition of "Junior Notes Principal Amount": the ratio between (x) the Relevant Class Issuer Principal Available Funds and (y) the aggregate of all Relevant Class Issuer Principal Available Funds for all Relevant Class of Junior Notes;

(h) in respect of the definition of "Pre-Enforcement Junior Notes Additional Return":the ratio between (x) the Relevant Class Issuer Interest Available Funds, less the Relevant Senior Expenses, less the Relevant CR Replenishment, less the Relevant PDA, less any other amounts due and payable to the relevant Originator under the Transaction Documents; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred to paragraph (x) above;

(i) in respect of the definition of "Post-Enforcement Junior Notes Additional Return": the ratio set out under item (h) of this definition;

(j) in respect of the definition of "Relevant Collateral Integration Amount": the ratio between (x) the Relevant Class Issuer Principal Available Funds, less the amounts due under items Second of the Pre-Enforcement Principal Priority of Payment during the Revolving Period set forth under Condition 6.1 (B) which is applicable to the relevant Subsequent Portfolio transferred by the relevant Originator, less the Relevant Pre-Amortisation Reimbursement Amount; and (y) the aggregate, for all Relevant Class of Junior Notes, of the amounts referred into paragraph (x) above;

(k) in respect of the definition of "Relevant Maximum Purchase Price Amount": the ratio set-out under item (g) of this definition.

"**Relevant CR Replenishment**" means the amounts due under item Fifth of the Pre-Enforcement Interest Priority of Payment set forth under Condition 6.1 (A) or 6.2 (A), as the case may be, multiplied by the ratio between (x) the Outstanding Principal, as at the Cut-Off Date (excluded), of the Receivables of the relevant Initial Portfolio and (y) the Outstanding Principal, as at the Cut-Off Date (excluded), of all the Receivables of the Initial Portfolios.

"**Relevant Pre-Amortisation Reimbursement Amount**" means the amounts due under item Third of the Pre-Enforcement Principal Priority of Payment during the Revolving Period set forth under Condition 6.1 (B) multiplied by the ratio between (x) the Outstanding Principal, as at the relevant Collection Date, of the Receivables of the relevant Portfolio and (y) the Outstanding Principal, as at the relevant Collection Date, of all the Receivables of the Portfolios.

"**Relevant Senior Expenses**" means the amounts due under items *First* to *Fourth* of the Pre-Enforcement Interest Priority of Payment set forth under Condition 6.1 (A) or 6.2 (A), as the case may be, or, following the delivery of an Enforcement Notice, the amounts due under items *First* to *Fourth* of the Post-Enforcement Priority of Payment set forth under Condition 6.3, multiplied by the ratio between (x) the Outstanding Principal, as at the relevant Collection Date, of the Receivables of the relevant Portfolio and (y) the Outstanding Principal, as at the relevant Collection Date, of all the Receivables of the Portfolios.

"**Renegotiations Excluded**" means the changes to the contractual conditions of the Receivables involving, from a financial point of view, an improvement of the position of the Issuer, including (i) the renegotiation of the interest rate from fixed to variable; (ii) the increase in the frequency of payments, (iii) the introduction and/or increase of the floor rate; (iv) the increase in the interest rate, of the spread or of the maximum cap; (v) the reduction of the duration of the repayment plan; (vi) the advance payment of the installment and (vii) any other renegotiations in respect of which no specific limit is provided under Annex E (*Limiti alle Rinegoziazioni*) to the Master Servicing Agreement.

"**Representative of the Noteholders**" means Zenith Service S.p.A. and any entity which, from time to time, will carry out the role of *representative of the Noteholders*.

"**Repurchase Limits**" means, at a certain date, the following events:

(a) no Aggregate Portfolio Breach of Ratio has occurred;

(b) the amount of the Cash Reserve as of the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments) is not lower than the

relevant Required Cash Reserve Amount.

"**Required Cash Reserve Amount**" means, with reference to any Payment Date and prior to the Final Release Date and the delivery of an Enforcement Notice:

(i) during the Revolving Period, an amount equal to the Initial Cash Reserve Amount;

(ii) during the Amortisation Period:

(A) if any of the following event has occurred: (a) the occurrence of any Aggregate Portfolio Breach of Ratio or Cash Trapping Condition; or (b) the amount of the Cash Reserve as of the immediately preceding Payment Date (after payments made in accordance with the applicable Priority of Payments) is lower than the Required Cash Reserve Amount as of such immediately preceding Payment Date: an amount equal to the lower between (i) the Initial Cash Reserve Amount and (ii) the Required Cash Reserve Amount with reference to the immediately preceding Payment Date;

(B) otherwise, an amount equal to the higher of

(a) 4% of the aggregate Principal Amount Outstanding of the Senior Notes on such Payment Date (before payments to be made on such Payment Date in accordance with the applicable Priority of Payments); and

(b) an amount equal to 50% of the Initial Cash Reserve Amount,

provided that the Required Cash Reserve Amount with reference to the relevant Payment Date cannot exceed 5% of the Principal Amount Outstanding of the Notes upon issue and will be equal to 0 (zero), on the Final Release Date and on each Payment Date falling thereafter.

"**Retention Amount**" means Euro 30,000.

"**Revolving Assignment**" means the assignment of Subsequent Receivables provided for under Clause 5 of each Master Transfer Agreement.

"**Revolving Assignment Date**" means the date of Acceptance (as defined under the Master Transfer Agreement) of a Transfer Offer.

"**Revolving Period**" means the period starting on and including the Issue Date and ending on and including the Revolving Period Termination Date.

"**Revolving Period Termination Date**" means the earlier of (i) the Payment Date (included) falling 36 months after the Issue Date or the earlier date notified by all Originators, acting jointly, to the Issuer, the Rating Agencies and the Representative of the Noteholders, (ii) the day on which a Purchase Termination Event Notice is delivered to the Issuer (excluded), and (iii) the day on which an Enforcement Notice is delivered to the Issuer (excluded).

"**Rules of the Organisation of the Noteholders**" means the rules of the Organisation of the Noteholders, attached to the Conditions.

"**Securities Account**" means the securities account with No. 4048 opened with the Account Bank, in the name of the Issuer, and operating in accordance with the CAMPA.

"**Securities Act**" means the U.S. Securities Act of 1933 as amended from time to time.

"**Securitisation**" means the securitisation transaction carried out by the Issuer in relation to the Receivables pursuant to the Securitisation Law.

"**Securitisation Law**" means the Italian Law No. 130 of 30 April 1999, as subsequently amended and supplemented.

"**Security Interest**" means any mortgage, charge, pledge, lien, right of set-off, special privilege (*privilegio speciale*), assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security.

"**Selection Date**" means (i) in relation to the assignment of the Initial Portfolio 31 March 2016 (included), and (ii) in relation to the assignment of any Subsequent Portfolio, the date specified as such in the relevant Transfer Offer (*Offerta di Cessione* (with the meaning ascribed to such expression under Clause 6 of the Master Transfer Agreements)).

"**Senior Noteholders**" means the holders of the Senior Notes from time to time.

"**Senior Notes**" means the senior notes issued by the Issuer in the context of the Securitisation.

"**Senior Notes Nominal Amount**" means Euro 2,085,600,000.

"**Senior Notes Subscription Agreement**" means the senior notes subscription agreement entered into on or about the Issue Date between the Issuer, the Arranger, the Originators, the Initial Senior Notes Subscribers and the Representative of the Noteholders.

"**Specific Criteria**" means, with reference to each Initial Portfolio, the criteria set out in Annex A, Section II of each Master Transfer Agreement, and with reference to the Subsequent Portfolios the criteria described as such in the relevant Transfer Offer.

"**Subscription Agreements**" means the Senior Notes Subscription Agreement and the Junior Notes Subscription Agreement.

"**Subsequent Portfolio**" means each portfolio of Subsequent Receivables which may be transferred by the Originators or, as the case maybe, by each Originator to the Issuer, according to the provision set forth in the relevant Master Transfer Agreement.

"**Subsequent Receivables**" means the Receivables included in any Subsequent Portfolio and selected in accordance with the Common Criteria set out in Section I of Annex A of each Master Transfer Agreement and the Specific Criteria with reference to the relevant Subsequent Portfolio.

"**Sub-Servicer**" means each Originator, other than UBI, in its capacity as sub-servicer pursuant to the Master Servicing Agreement.

"**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.

"**Terms and Conditions**" means the terms and conditions of the Notes, as subsequently amended and supplemented.

"**Transaction Documents**" means, collectively, the Master Transfer Agreements, the Master Servicing Agreement, the Warranty and Indemnity Agreements, the Corporate Services Agreement, the Intercreditor Agreement, the CAMPA, the Deed of Pledge, the Senior Notes Subscription Agreement, the Junior Notes Subscription Agreement, the Mandate Agreement, the Quotaholders' Agreement, the Terms and Conditions, and the Master Definitions Agreement, including any agreement or other document expressed to be supplemental thereto and any other agreement indicated as such by the Issuer or the Originator.

"**Transfer Date**" means the date from which takes effect each transfer of Receivables executed pursuant each Master Transfer Agreement, and in particular means: (a) in relation to each Initial Portfolio, the signing date of the relevant Master Transfer Agreement; (b) in relation to each Subsequent Portfolio the relevant Revolving Assignment Date.

"**Transfer Limits**" means:

1. in respect of the Aggregate Portfolio (including the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date), as at the relevant Quarterly Servicer Report Date with reference to the immediately preceding Collection Date (or, as the case maybe, in respect of the applicable Subsequent Portfolio, the relevant envisaged Cut-Off Date (excluded)), the following criteria:

Limit	Portfolio Balance of	Condition	
1 a	Loans with an interest payment frequency different from monthly	not higher than	3.00%
1 b	Loans with a principal payment frequency different from monthly	not higher than	3.00%
2	Loans with amortization type different from annuity or "French"	not higher than	0.50%
3 a	Loans secured by properties owner occupied (*first home*)	at least	69.00%
3 b	Loans secured by properties used as *buy-to-let*	not higher than	0.00%
4 a	Loans whose Debtor is fully employed[(i)]	at least	60.00%
4 b	Loans whose Debtor is self-employed [(ii)]	not higher than	20.00%
4 c	Loans whose Debtors' employment type is categorized as "Other" or Not available[(iii)]	not higher than	16.50%
5	Loans whose Debtor is coded with a SAE code different from "600" (*famiglie consumatrici*)	not higher than	2.00%
6	Loans whose Debtor is an employee of UBI group	not higher than	5.00%
7 a	Loans whose Debtor is resident in northern regions of Italy	at least	70.00%
7 b	Loans whose Debtor is resident in southern regions of Italy	not higher than	15.50%
8	Loans whose Debtor is a foreigner	not higher than	10.00%
9 a	Loans with a current interest rate indexed to Euribor 1 months, Euribor 3 months or Euribor 6 months	at least	60.00%
9 b	Floating rate Loans not indexed to Euribor, IRS or ECB rates	not higher than	2.50%
10 a	Loans with a floating interest rate up to maturity	at least	52.00%

10 b	Loans with a floating interest rate up to maturity or floating interest rate subject to a cap with a strike level equal or above 10%	at least	58.00%
10 c	Loans with a fixed or optional (multiswitch) switch of the interest rate type	not higher than	36.00%
11	Loans towards the largest 20 Debtors (by Outstanding Principal)	not higher than	1.80%
12 a	Loans with CLTV <= 60%	at least	8.00%
	Loans with CLTV <= 80%	at least	30.00%
	Loans with CLTV > 100%	not higher than	26.00%
	Loans with CLTV > 110%	not higher than	17.00%
	Loans with CLTV > 120%	not higher than	10.60%
	Portfolio WA CLTV	not higher than	87.00%
13	Loans with loan's purpose the purchase	at least	80.00%
	Loans with loan's purpose the purchase, renovation or construction	at least	88.00%
	Loans with loan's purpose different from the purchase, renovation or construction	not higher than	12.00%
14	Loan not originated through the branch network	not higher than	4.00%
15	Loans with an original property valuation method not being full survey (*perizia completa*)	not higher than	20.00%
16 a	WA Interest Rate for fixed rate Loans	at least	3.0%
16 b	WA Spread for floating rate Loans	at least	1.65%
17	Potential Set-Off Ratio	not higher than	0.50%
18	WA Months Current	at least	40 months

2. in respect of the applicable Subsequent Porfolio as at the relevant envisaged Cut-Off Date (excluded), the following criteria:

Limit	Portfolio Balance of	Condition	
1	Loans originated by UBI with origination date after 2014[iv]	not higher than	5.0%
2	Loans with a original property valuation method not being full survey (*perizia completa*)	not higher than	10.00%
3	Loans with CLTV > 100%	not higher than	10.00%
	Loans with CLTV > 120%	not higher than	0.00%
4	Loans with one or more installment due and unpaid	not higher than	0.00%
5	Loans with origination date before 1st January 2009	not higher than	10.00%
6	Loans with an original tenor longer than 25 years	not higher than	80.00%
7	Loans with at least 6 months of seasoning and current in the last 6 months	at least	50%

(i) Codes 1 or 3 in the ECB loan-level data taxonomy

(ii) Codes 5 in the ECB loan-level data taxonomy

(iii) Code 9 or N.A. in the ECB loan-level data taxonomy

(iv) Limit not applicable should UBI merge with one or more of the other Originators

For the purpose of the above:

- the percentage applicable for each Limit in respect of the Aggregate Portfolio is expressed in terms of ratio between (a) the relevant Portfolio Balance of Loans belonging to the category specified in the relevant Limit plus, for those Limits whose the condition detailed in the table above is "at least", the Cash Collateral (to the extent not to be used to pay the Purchase Price of the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding Transfer Date) and (b) the aggregate of (i) the Portfolio Balance of the Aggregate Portfolio and (ii) the Cash Collateral (to the extent not to be used to pay the Purchase Price of the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date);

- the percentage applicable for each Limit in respect of each relevant Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date is expressed in terms of ratio between (a) the relevant Portfolio Balance of Loans belonging to the category specified in the relevant Limit and (b) the Portfolio Balance of the relevant Subsequent Portfolio;

- **CLTV** means the ratio between (i) the Outstanding Principal of the Receivables included in an Initial Portfolio or a Subsequent Portfolio, as the case may be and (ii) the most recent residential property value of the Real Estate Assets mortgaged as a guarantee of such Receivables as at the relevant Selection Date;

- **Portfolio WA CLTV** means the aggregate of the CLTV of each Receivable in the Aggregate

Portfolio, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the CLTV of the relevant Receivable, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio;

- **WA Interest Rate** means the aggregate of the yield of each Receivable in the Aggregate Portfolio arising from Loans with a fixed interest rate, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the annual nominal interest rate applicable to the relevant Receivable pursuant to the relevant Loan Agreement, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio and arising from Loans with a fixed interest rate;
- **WA Spread** means the aggregate of the spread of each Receivable in the Aggregate Portfolio arising from Loans with a floating interest rate, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the spread applicable to the relevant Receivable pursuant to the relevant Loan Agreement, divided by the aggregate of the Outstanding Principal of all the Receivables (other than Defaulted Receivables) comprised in the Aggregate Portfolio and arising from Loans with a floating interest rate;
- **Potential Set-Off Ratio** means the result of the following formula:

  (A) x 90% / (B),

  where:

  (A) is equal to the sum, for any Debtor in the Aggregate Portfolio (including the Debtors whose relevant receivables fall within the Subsequent Portfolio purported to be transferred on the immediately following envisaged Transfer Date), of the lower between (a) the Outstanding Principal of the Receivables towards such Debtor and (b) the sum of the following items:

  (i) the positive number, if any, equal to the amount of the gross credit exposures represented by deposits owned by the relevant Debtor towards the relevant Originator which can be subject to set-off by the relevant Debtor, minus Euro 100,000;

  (ii) the amount of the gross credit exposures different from deposits owned by the relevant Debtor towards the relevant Originator which can be subject to set-off by the relevant Debtor.

  (B) is equal to the aggregate of (i) the Portfolio Balance of the Aggregate Portfolio and (ii) the Cash Collateral, to the extent not to be used to pay the Purchase Price of the applicable Subsequent Portfolio purported to be transferred on the immediately succeeding envisaged Transfer Date);
- **Months Current** means in respect of each Receivable in the Aggregate Portfolio not being a Defaulted Receivable the number of months that the Loan is performing since the last period of arrears.
- **WA Months Current** means the aggregate, for each Receivable in the Aggregate Portfolio, of the Month Current, calculated as (i) the Outstanding Principal of the relevant Receivable (other than Defaulted Receivables) multiplied by (ii) the Months Current in respect of the relevant Receivable, divided by the aggregate of the Outstanding Principal of all the Receivables (other

than Defaulted Receivables) comprised in the Aggregate Portfolio

“**Transfer Offer**” means any document including the transfer offer of a Subsequent Portfolio, in accordance with Annex E (“*Modello di Offerta di Cessione*”) of the Master Transfer Agreement.

“**Transfer Payment Condition Precedents**” means the Formalities and the receipt from the Issuer of (a) the solvency certificate of the relevant Originator and (b) the certificate of good standing of the Chamber of Commerce (*certificato di vigenza della Camera di Commercio*) with respect to the relevant Originator pursuant to the relevant Master Transfer Agreement.

"**UBI**" means Unione di Banche Italiane S.p.A., means a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy with its registered office at Piazza Vittorio Veneto 8, 24122 Bergamo, fiscal code and enrolment in the companies register of Bergamo number 03053920165, enrolled under number 5678 with the register of banks held by the Bank of Italy in accordance with article 13 of the Consolidated Banking Act and enrolled under number 3111.2 with the register held by the Bank of Italy in accordance with article 64 of the Consolidated Banking Act.

"**UBI Group**" means the banking group whose structure includes Unione di Banche Italiane S.p.A. as parent company.

"**UBI Interest Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the interest Collections arising from the Portfolio assigned by UBI, IBAN: IT62L0311111299000000089734, or such other substitute account as may be opened in accordance with the CAMPA.

“UBI Operation Account” means the Euro denominated account established in the name of the Issuer with the Account Bank with IBAN IT57H0311111299000000089730, operating in accordance with the CAMPA.

"**UBI Portfolio**" means jointly the Initial Portfolio and any Subsequent Portfolios transferred by UBI to the Issuer pursuant to the relevant Master Transfer Agreement

"**UBI Principal Collection Account**" means the Euro denominated account established in the name of the Issuer with the Account Bank for the deposit of the principal Collections arising from the Portfolio assigned by UBI, IBAN: IT39M0311111299000000089735, or such other substitute account as may be opened in accordance with the CAMPA.

“**Uncured Principal Deficiency Amount**” means the event which occur, with reference to any Calculation Date, when the amount paid or to be paid, as the case maybe, on a relevant Payment Date, under item *Sixth* of the Pre-Enforcement Interest Priority of Payment during the Revolving Period set out in Condition 6.1(A) is lower than the applicable Principal Deficiency Amount (a) for an amount higher than 2% of the aggregate of the Outstanding Principal of all Portfolios as at the relevant Cut-Off Date (excluded) on any Payment Date or (b) for any amount, for two consecutive Payment Dates.

“**Usury Law**” means Italian of 7 March 1996, No. 108 as amended and supplemented from time to time.

“**V.A.T.**” means the value-added Tax.

“**Volcker Rule**” means the provision under Section 619 of the Dodd-Frank Act which restricts the ability of banking entities to sponsor or invest in private equity or hedge funds or to engage in certain proprietary trading activities involving securities, derivatives, commodity futures, and

options on those instruments for their own account.

"**Voting Certificate**" means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holders or by the Agent (on the basis of the Monte Titoli Account Holders certificate) and dated in which it is stated:

(i) that the Blocked Notes have been blocked in an account with a clearing system or the depository, as the case may be, and will not be released until the conclusion of the Meeting; and

(ii) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Blocked Notes.

"**Warranty and Indemnity Agreements**" means each warranty and indemnity agreement entered into on 30 June 2016 between the Issuer and each Originator and, each of them, a "**Warranty and Indemnity Agreement**".

"**Written Instructions**" means any written notices, directions or instructions received by any Party to the Transaction Documents in accordance with the relevant Transaction Documents from an Authorised Person or from a person reasonably believed by such Party to be an Authorised Person.

ISSUER **UBI SPV Group 2016 S.r.l.** Foro Buonaparte 70 20121 Milan, Italy
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REPRESENTATIVE OF THE NOTEHOLDERS AND BACK-UP SERVICER FACILITATOR **Zenith Service S.p.A.** Via Alessandro Pestalozza n. 12/14 20131 – Milan Italy
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CORPORATE SERVICER **TMF Management Italy S.r.l.** Foro Buonaparte 70 20121 Milan Italy
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