AUTO ABS ITALIAN LOANS 2018-1 S.R.L.

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

Euro 675,220,000 Class A Asset Backed Floating Rate Notes due 27 January 2032

Issue Price: 100 per cent.

This prospectus (the **Prospectus**) contains information relating to the issue by Auto ABS Italian Loans 2018-1 S.r.l., a limited liability company organised under the laws of the Republic of Italy (the **Issuer**) of the Euro 675,220,000 Class A Asset Backed Floating Rate Notes due 27 January 2032 (the **Class A Notes**).

In connection with the issue of the Class A Notes, the Issuer will issue the Euro 66,780,000 Class B Asset Backed Fixed Rate and Variable Return Notes due 27 January 2032 (the **Class B Notes** and, together with the Class A Notes, the **Notes**). The Class B Notes are not being offered pursuant to this Prospectus and no application has been made to list the Class B Notes on any stock exchange.

Application has been made to the *Commission de surveillance du secteur financier* (**CSSF**), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC (as amended, the **Prospectus Directive**) and relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Class A Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. By approving this Prospectus, CSSF shall give no undertaking as to the economic and financial opportuneness of the operation or the quality or solvency of the Issuer. Any information in this Prospectus regarding the Class B Notes is not subject to the CSSF's approval.

This Prospectus is also issued pursuant to article 2, paragraph 3, of Italian Law No. 130 of 30 April 1999 (the **Securitisation Law**) in connection with the issuance of the Notes.

The Notes will have the following key characteristics:

Class	Principal amount upon issue	Interest rate	Issue Price (per cent.)	Ratings	Legal Final Maturity Date
A	Euro 675,220,000	Euribor plus a margin of 0.25 per cent. per annum (subject to a floor of zero)	100	DBRS: AA(high)(sf) Fitch: AA(sf)	27 January 2032
B	Euro 66,780,000	1.50 per cent.	100	Unrated	27 January 2032

The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof. The Notes will be held in dematerialised form on behalf of the ultimate owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. (**Monte Titoli**) for the account of the relevant Monte Titoli Account Holders. The expression **Monte Titoli Account Holders** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes Clearstream Banking, Luxembourg with offices at 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (**Clearstream**) and Euroclear Bank S.A./N.V., with offices at 1 boulevard du Roi Albert II, B-1210 Brussels, as operator of the Euroclear System (**Euroclear**). Monte Titoli shall act as depository for Clearstream and Euroclear. Title to the Notes will at all times be evidenced by book-entries in accordance with the provisions of Article 83-*bis* of Italian Legislative Decree No. 58 of 24 February 1998 and the resolution issued by the Bank of Italy and CONSOB on 22 February 2008 (**Regulation 22 February 2008**), as amended from time to time. No physical document of title will be issued in respect of the Notes.

The Notes will be subject to mandatory pro-rata redemption within each Class in whole or in part on each Payment Date (as defined below) during the Amortisation Period (as defined below). Unless previously redeemed in accordance with their applicable terms and conditions (the **Conditions**), the Notes will be redeemed at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Payment Date falling on 27 January 2032 (the **Legal Final Maturity Date**). The Notes of each Class will be redeemed in the manner specified in Condition 6 (*Redemption, Purchase and Cancellation*). Before the Legal Final Maturity Date the Notes may be redeemed at the option of the Issuer at their Principal Amount Outstanding together with accrued interest to the date fixed for redemption under Condition 6.3 (*Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Interest on the Notes will accrue on a daily basis from (and including) 26 February 2018 (the **Issue Date**) until its due date for redemption as provided in Condition 6 (*Redemption, Purchase and Cancellation*). Interest on the Notes will be payable in Euro monthly in arrears by reference to successive interest periods on each Payment Date, subject to and in accordance with the Conditions, including the interest deferral and limited recourse provisions thereof. The first Payment Date shall be the Payment Date falling in March 2018 (the **First Payment Date**). Interest will accrue on the Principal Amount Outstanding of the Class A Notes at a rate of interest equal to Euribor (as determined in accordance with the Conditions) plus a margin of 0.25 per cent. per annum subject to a floor of zero (the **Class A Notes Interest Rate**). Interest will accrue on the Principal Amount Outstanding of the Class B Notes at a rate of interest equal to 1.50 per cent. per annum (the **Class B Notes Interest Rate**). In addition, subject to and in accordance with the Conditions, each holder of a Class B Note shall be entitled on each Payment Date to a *pro rata* share of the aggregate amount (if any) available under the applicable Priority of Payments to be paid as Variable Return (as defined herein).

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of the Republic of Italy unless such withholding or deduction is required by law. In such event, neither the Issuer nor any other person will be obliged to pay any additional amounts to any Noteholder on account of such withholding or deduction. According to the provisions of article 6 of Decree 239, a holder of a Note who (i) is not a person resident for tax purposes (or an institutional investor incorporated) in a country which allows an adequate exchange of information with the Republic of Italy, or (ii) is resident or incorporated in such a country but has not fulfilled all the requisite documentary requirements under Decree 239, will receive amounts of interest payable on the Notes net of the Decree 239 Withholding.

The principal source of payment of interest and repayment of principal on the Notes will be from collections made in respect of receivables and connected rights (the **Portfolio**) arising from Auto Loans Contracts (*contratti di finanziamento per l'acquisto di autoveicoli*) originated and classified as performing by Banca PSA Italia S.p.A. (**BPSA**) and purchased (and to be purchased) by the Issuer in accordance to the terms of a master receivables transfer agreement entered into on 21 February 2018 between, *inter alios*, BPSA and the Issuer (the **Master Receivables Transfer Agreement**). In addition, pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, the Seller may transfer without recourse (*pro soluto*) to the Issuer, which may purchase, pursuant to the combined provisions of articles 1 and 4 of the Securitisation Law and the articles of Italian Factoring Law referred to therein, Additional Receivables during the Revolving Period, provided that the Contracts Eligibility Criteria, the Receivables Eligibility Criteria and the Global Portfolio Limits are met. The Purchase Price for each Additional Receivable will be financed by the Issuer through the Available Principal Amounts applicable for such payment in accordance with the Principal Priority of Payments, subject to the provisions of the Master Transfer Agreement and the Conditions.

The Notes will be direct and limited recourse obligations solely of the Issuer backed by the Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes. The Notes benefit of the provisions of the Securitisation Law pursuant to which the Portfolio, the Collections, the Eligible Investments, the other Securitisation Assets and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor. The Notes have also the benefit of the security created or purported to be created pursuant to the Deed of Charge and the Spanish Pledge Agreement. Upon enforcement, recourse under the Notes will be limited to the proceeds of the Portfolio and the Issuer Security. The Issuer Secured Creditors will agree or, in the case of the Noteholders, the Conditions will provide and the Noteholders will be deemed to have

agreed, that amounts deriving from the Portfolio and the Transaction Documents will be applied by the Issuer in accordance with the applicable Priority of Payments (each as defined herein).

The Class A Notes are expected to be rated on issue "AA(high)(sf)" by DBRS Ratings Limited (**DBRS**) and "AA(sf)" by Fitch Ratings Limited (**Fitch** and, together with DBRS, the **Rating Agencies**). As of the date of this Prospectus, each of DBRS and Fitch 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, the **CRA Regulation**) and, as of the date of this Prospectus, is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus). No rating will be assigned to the Class B Notes. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the assigning rating organisation.**

The Class A Notes and the Class B 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 Class A Notes and the Class B Notes are being offered and/or sold only outside the United States in accordance with Regulation S under the Securities Act and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons (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. See section headed "*Subscription, Sale and Selling Restrictions*". The Seller will subscribe the Class B Notes and will retain the Class B Notes subscribed by it and has undertaken that it will retain at the origination and maintain on an ongoing basis a material net economic interest of not less than 5 (five) per cent. in the Securitisation in accordance with each of article 405(d), Part 5 of Regulation (EU) no. 575/2013 (as amended, supplemented and/or replaced from time to time, the **CRR**), article 51(d) of Regulation (EU) no. 231/2013 (as amended, supplemented and/or replaced from time to time, the **AIFM Regulation**) and article 254(d) of Regulation (EU) no. 35/2015 (as amended, supplemented and/or replaced from time to time, the **Solvency II Regulation**).

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

ARRANGER

SANTANDER GLOBAL CORPORATE BANKING

The date of this Prospectus is 21 February 2018

Responsibility for Information

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in respect of which each of BPSA, BNP Paribas Securities Services, Milan Branch (in its capacity as Italian Account Bank and Paying Agent), Banco Santander, S.A. (in its capacity as Spanish Account Bank) and ING Bank N.V. (in its capacity as Swap Counterparty) accepts, jointly with the Issuer, responsibility in the paragraphs identified below has been obtained by the Issuer from each of them. The Issuer, having made all reasonable enquiries, confirms that this Prospectus contains or incorporates all information which is material in the context of the issuance and offering of the Class A Notes, 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.

None of the Issuer, the Representative of the Noteholders, the Arranger or any other Transaction Party other than BPSA has undertaken or will undertake any investigations, searches or other actions to verify the details of the Receivables transferred by the Seller to the Issuer, nor have the Issuer, the Representative of the Noteholders or any other Transaction Party other than BPSA undertaken, nor will they undertake, any investigations, searches or other actions to establish the creditworthiness of any Obligor in respect of the Receivables.

BPSA has provided the information included in this Prospectus in the sections headed "The Portfolio", "Description of the Transaction Documents - Master Receivables Transfer Agreement", "Description of the Transaction Documents - Servicing Agreement", "The Seller, the Servicer, the Cash Manager, the Class B Notes Subscriber and the Subordinated Loan Providers" and "Underwriting and Servicing Procedures", and any other information contained in this Prospectus relating to itself, its business and assets, the collection procedures applicable to the Portfolio, the Receivables, the Auto Loans, the Ancillary Rights and the Insurance Policies and, jointly with the Issuer, accepts responsibility for the information contained in those sections. To the best of the knowledge and belief of BPSA (which has taken all reasonable care to ensure that such is the case), the information and data in relation to which it is responsible as described above are in accordance with the facts and do not omit anything likely to affect the import of such information and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

BNP Paribas Securities Services, Milan Branch accepts, jointly with the Issuer, responsibility for the information relating to it as Italian Account Bank and Paying Agent included in this Prospectus in the section headed "The Italian Account bank and Paying Agent". To the best of the knowledge and belief of BNP Paribas Securities Services, Milan Branch (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in the section headed "The Italian Account bank and Paying Agent" has been provided solely by BNP Paribas Securities Services, Milan Branch for use in this Prospectus and BNP Paribas Securities Services, Milan Branch is solely responsible for the accuracy of the information in that section. Except for the section headed "The Italian Account bank and Paying Agent", BNP Paribas Securities Services, Milan Branch, in its capacity as Italian Account Bank and Paying Agent, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

Banco Santander, S.A. accepts, jointly with the Issuer, responsibility for the information relating to it as Spanish Account Bank included in this Prospectus in the section headed "The Spanish Account Bank". To the best of the knowledge and belief of Banco Santander, S.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. The information in the section headed "The Spanish Account Bank" has been provided solely by Banco Santander, S.A. for use in this Prospectus and Banco Santander, S.A. is solely responsible for the accuracy of the information in that section. Except for the section headed "The Spanish Account Bank", Banco Santander, S.A., in its capacity as Spanish Account Bank, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

ING Bank N.V. accepts, jointly with the Issuer, responsibility for the information relating to it as Swap Counterparty included in this Prospectus in the section headed "The Swap Counterparty". To the best of the knowledge and belief of ING Bank N.V. (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. The information in the section headed "The Swap Counterparty" has been provided solely by ING Bank N.V.for use in this Prospectus and ING Bank N.V. is solely responsible for the accuracy of the information in that section. Except for the section headed "The Swap Counterparty", ING Bank N.V., in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

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 Representative of the Noteholders, BPSA (in any capacity), BNP Paribas Securities Services, Milan Branch, Banco Santander, S.A., ING Bank N.V. or any other person. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Class A Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, BPSA, BNP Paribas Securities Services, Milan Branch, Banco Santander, S.A., ING Bank N.V. or in any of the other information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof. No person other than the Issuer (or in the case of BPSA, BNP Paribas Securities Services, Banco Santander, S.A. or ING Bank N.V., solely to the extent described above) makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus.

Selling Restrictions

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law and by the Transaction Documents, in particular, as provided by and described in the Subscription Agreement. 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 is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the Portfolio and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

To the fullest extent permitted by law, the Arranger does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or on its behalf, in connection with the Issuer or BPSA or the issue and offering of the Notes. The Arranger accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement.

The Notes may not be offered or sold directly or indirectly, and neither this Prospectus nor any other

prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws, orders, rules and regulations. For a further description of certain restrictions on offers and sales of the Notes and the distribution of this Prospectus, see the section headed "Subscription, Sale and Selling Restrictions".

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Notes are in bearer and dematerialised form and are subject to U.S. tax law requirements. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act (see the section headed "Subscription, Sale and Selling Restrictions").*

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

*The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a **retail investor** means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4 (1) of MiFID II; (b) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) a person who is not a qualified investor as defined in the Prospectus Directive. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**) and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.*

Benchmark Regulation

*Amounts payable on Class A Notes will be calculated by reference to Euribor as specified in the Conditions. As at the date of this Prospectus, the administrator of Euribor is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmark Regulation**).*

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that the administrator of Euribor is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

PCS Label

*An application has been made to Prime Collateralised Securities (PCS) UK Limited for the Class A Notes to receive the Prime Collateralised Securities label (the **PCS Label**) and the Seller currently expects that the Class A Notes will receive the PCS Label. However, there can be no assurance that the Class A Notes will receive the PCS Label (either before issuance or at any time thereafter) and, if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date.*

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under the Markets in Financial Instruments Directive (2014/65/EU) and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934, as amended (the ***Exchange Act****). Prime Collateralised Securities (PCS) UK Limited is not an "expert" as defined in the Securities Act.*

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. Investors should conduct their own research regarding the nature of the PCS Label and must read the information set out in http://pcsmarket.org. That website and the contents thereof do not form part of this Prospectus.

Definitions

Words and expressions in this Prospectus shall, except so far as the context otherwise requires, have the same meanings as those set out in the section headed "Glossary of Terms". These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

All references in this Prospectus to ***Euro****,* ***euro****,* ***EUR*** *or* ***€*** *are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.*

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OVERVIEW OF THE TRANSACTION

The following information is an overview of the transactions and assets underlying the Notes and is qualified in its entirety by reference to the more detailed information presented elsewhere in this Prospectus and in the Transaction Documents.

Capitalised terms used, but not defined, in the overview below shall bear the meanings given to them in the section headed "Glossary of Terms".

1. THE PRINCIPAL PARTIES

Issuer	**Auto ABS Italian Loans 2018-1 S.r.l.**, a company incorporated under the laws of Italy as a limited liability company (*società a responsabilità limitata*) with sole quotaholder, whose registered office is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Treviso-Belluno with VAT registration number 04906260262, enrolled in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017.
Seller, Servicer, General Reserve Subordinated Loan Provider, Commingling Reserve Subordinated Loan Provider, Cash Manager and Class B Notes Subscriber	**Banca PSA Italia S.p.A.**, a joint stock company (*società per azioni*), incorporated under the laws of Italy whose registered office is located at Via Gallarate 199, 20151 Milan, Italy, with VAT registration number 08822460963, registered in the special register held by the Bank of Italy pursuant to Article 13 of the Italian Banking Act (**BPSA**).
Corporate Servicer	**Securitisation Services S.p.A.**, a company incorporated under the laws of the Republic of Italy as a *società per azioni* with a sole shareholder, share capital of euro 2,000,000.00 fully paid-up, having its registered office at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, fiscal code and enrolment in the companies' register of Treviso - Belluno number 03546510268, currently enrolled under number 50 in the register (*Albo degli Intermediari Finanziari*) held by the Bank of Italy pursuant to article 106 of the Consolidated Banking Act, subject to the activity of direction and coordination (*soggetta all'attività di direzione e coordinamento*) pursuant to article 2497 of the Italian civil code of Banca Finanziaria Internazionale S.p.A..
Calculation Agent	**BNP Paribas Securities Services S.C.A.**, a *Société en Commandite par Actions* incorporated under the laws of the Republic of France, the registered office of which is located at 3 rue d'Antin 75002 Paris acting through its office located at 3-5-7 rue du Général Compans, 93500 Pantin, France.
Spanish Account Bank	**Banco Santander, S.A.**, a credit entity incorporated under the laws of Spain as a *sociedad anónima* whose registered office is at Paseo de Pereda 9-12, 39004 Santander (Spain), and whose operating headquarters are in Ciudad Grupo Santander, Avda. de Cantabria,

	s/n, 28660 Boadilla del Monte, Madrid (Spain), registered with the Bank of Spain under number 0049 and with Spanish Tax Identification Number (NIF) A-39000013 (**Banco Santander**).
Italian Account Bank and Paying Agent	**BNP Paribas Securities Services, Milan Branch**, a *Société en Commandite par Actions* incorporated under the laws of the Republic of France, the registered office of which is located at 3 rue d'Antin 75002 Paris, acting through its Milan Branch, with offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, fiscal code and enrolment with the companies register of Milan number 13449250151, enrolled under number 5483 in the register of banks held by the Bank of Italy pursuant to Article 13 of the Italian Banking Act.
Servicer Collection Account Bank	**Intesa Sanpaolo S.p.A.**, a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Piazza San Carlo 156, 10121, Turin, Italy and secondary office at Via Monte di Pietà 8, 20121, Milan, Italy, incorporated with Fiscal Code number and registration number with the Turin Register of Enterprises 00799960158, VAT number 10810700152, and registered with the Bank of Italy pursuant to Article 13 of the Italian Banking Act under number 5361 and which is the parent company of the Intesa Sanpaolo Group, agreed into the *Fondo Interbancario di Tutela dei Depositi* and into the *Fondo Nazionale di Garanzia*.
Swap Counterparty	**ING Bank N.V.**, a public limited company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, with its registered office (*statutaire zetel*) at Bijlmerplein 880, 1102 MG Amsterdam, The Netherlands, registered at the Chamber of Commerce of Amsterdam under No. 33031431.
Stichting Corporate Servicer	**Wilmington Trust SP Services (London) Limited**, a private limited liability company duly incorporated and validly existing under the laws of England and Wales, enrolled under number 02548079, with registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom.
Representative of the Noteholders	**Wilmington Trust (London) Limited**, a private limited liability company duly incorporated and validly existing under the laws of England and Wales, enrolled under number 05650152, with registered office at Third Floor, 1 King's Arms Yard, London EC2R 7AF, United Kingdom.
Quotaholder	**Stichting Passito**, a Dutch Foundation (*Stichting*) incorporated under the laws of the Netherlands, having its registered office at Barbara Strozzilaan 101, 1083HN Amsterdam, The Netherlands, and enrolled with the Chamber of Commerce of Amsterdam under no. 69823006.
Arranger	**Banco Santander**, acting under its marketing name Santander Global Corporate Banking.
Class A Notes Subscriber	The entity defined as such in the Class A Notes Subscription Agreement.

Class B Notes Subscriber	**BPSA**.
Ownership or control relationships between the principal parties	As at the date of this Prospectus, no direct or indirect ownership or control relationships exist between the principal parties indicated above, other than (i) the ownership of the Issuer by the Quotaholder as described in the section headed "*The Issuer*" and (ii) the indirect ownership of the 50 per cent. of BPSA by the Arranger and the Spanish Account Bank, as described in the section headed "*The Seller, the Servicer, the Cash Manager, the Class B Notes Subscriber and the Subordinated Loan Providers*".

2. PRINCIPAL FEATURES OF THE NOTES

The Issue	On the Issue Date, the Issuer will issue the Euro 675,220,000 Class A Asset Backed Floating Rate Notes due 27 January 2032 (the **Class A Notes**) and the Euro 66,780,000 Class B Asset Backed Fixed Rate and Variable Return Notes due 27 January 2032 (the **Class B Notes** and, together with the Class A Notes, the **Notes**).
Issue Price	On the Issue Date, the Notes will be issued at an issue price of 100 per cent. of their principal amount upon issue.
Status	The Notes will constitute direct and limited recourse obligations solely of the Issuer backed by the Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any person except the Issuer and no person other than the Issuer shall accept any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.
Credit Rating	The Class A Notes are expected, on issue, to be rated "AA(sf)" by Fitch and "AA(high)(sf)" by DBRS. The Class B Notes will not be assigned a credit rating. **A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation.** As of the date of this Prospectus, each of DBRS and Fitch 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, the **CRA Regulation**) and, as of the date of this Prospectus, is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (for the avoidance of doubt, such website does not constitute part of this Prospectus).
Denomination, form and title	The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

	The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act. Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Notes.
Interest on the Notes and Variable Return on the Class B Notes	Each Note will bear interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to, in respect of the Class A Notes, Euribor (as determined in accordance with the Conditions) plus a margin of 0.25 per cent. per annum subject to a floor of zero (the **Class A Notes Interest Rate**) and, in respect of the Class B Notes, 1.50 per cent. per annum (the **Class B Notes Interest Rate**). Interest on the Notes will be payable in Euro monthly in arrears by reference to successive interest periods on each Payment Date, subject to and in accordance with the Conditions, including the interest deferral and limited recourse provisions thereof. The first Payment Date shall be the Payment Date falling in March 2018 (the **First Payment Date**). In addition, subject to and in accordance with the Conditions, each holder of a Class B Note shall be entitled on each Payment Date to a *pro rata* share of the Variable Return payable under the applicable Priority of Payments.
Legal Final Maturity Date	Save as described below, unless previously redeemed in full, the Issuer will redeem the Class A Notes and the Class B Notes at their Principal Amount Outstanding, plus any accrued but unpaid interest, on the Payment Date falling on 27 January 2032 (the **Legal Final Maturity Date**). If the Notes cannot be redeemed in full on the Legal Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with the Conditions for application in or towards such redemption (including the proceeds of any sale of the Portfolio or any enforcement of the Issuer Security), any unpaid amount, whether in respect of interest, principal or other amounts in relation to the Notes, shall remain outstanding and the Conditions shall continue to apply in full in respect of the Notes until the Cancellation Date at which date any amount remaining outstanding in respect of interest or principal on any Notes shall be reduced to zero, deemed to be released by the holder of the relevant Notes and the Notes will be finally and definitely cancelled.
Tax	All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or

deduction for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by or on behalf of the Republic of Italy unless such withholding or deduction is required by law. In such event, neither the Issuer nor any other person will be obliged to pay any additional amounts to any Noteholder on account of such withholding or deduction.

According to the provisions of article 6 of Decree 239, a holder of a Note who (i) is not a person resident for tax purposes (or an institutional investor incorporated) in a country which allows an adequate exchange of information with the Republic of Italy, or (ii) is resident or incorporated in such a country but has not fulfilled all the requisite documentary requirements under Decree 239, will receive amounts of interest payable on the Notes net of the Decree 239 Withholding.

For further details, see the section headed "*Taxation in the Republic of Italy*" below.

Mandatory *pro rata* redemption

The Notes shall be subject to mandatory *pro rata* redemption within each Class on each Payment Date during the Amortisation Period in accordance with the applicable Priority of Payments.

Redemption for Issuer Tax Event

Subject as provided in Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*), prior to the service of a Trigger Event Notice, the Issuer may redeem at its option all, but not some only of, the Notes (or all the Class A Notes and part of the Class B Notes, as applicable) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Accelerated Amortisation Period Priority of Payments and subject to the Issuer having sufficient funds to redeem (i) all the Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, provided that the Class B Noteholders have consented to such partial redemption of the Class B Notes, if, by reason of a change in the laws of the Republic of Italy or the interpretation or administrative practice in respect thereof after the Issue Date:

(a) the *patrimonio separato* of the Issuer in respect of the Securitisation becomes subject to 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 or any applicable taxing authority having jurisdiction; or

(b) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Payment Date for or on account of 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 or any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following the change in law or the interpretation or administration thereof; or

(c) any amounts of interest payable on the Auto Loans to the Issuer are required to be deducted or withheld from the Issuer or the relevant payor for or on account of 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 or any other applicable taxing authority having jurisdiction,

each such event, an **Issuer Tax Event**.

Early redemption at the option of the Issuer

Subject as provided in Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), on any Payment Date prior to the service of a Trigger Event Notice, if, as at the immediately preceding Determination Date, the aggregate Outstanding Balance of the Performing Receivables is equal to or less than 10% of the Outstanding Balance of the Portfolio as at the Issue Date (such relevant Payment Date, the **Clean Up Option Date**), the Issuer may redeem at its option (the **Clean Up Option**) all, but not some only of, the Notes (or all the Class A Notes and part of the Class B Notes, as applicable) at their Principal Amount Outstanding (plus any accrued but unpaid interest), in accordance with the Accelerated Amortisation Period Priority of Payments and subject to the Issuer having sufficient funds on such Payment Date to discharge its obligations under either (i) all the Notes and to make all payments ranking in priority thereto, or *pari passu* therewith; or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith.

Repurchase Option by the Seller following the occurrence of an Issuer Tax Event and/or in case of exercise by the Issuer of its Clean Up Option

Following the occurrence of an Issuer Tax Event and/or upon the Issuer having exercised its Clean Up Option in accordance with the provisions of Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

Subordination between the Classes of Notes

The Notes of each Class shall rank *pari passu* without preference or priority amongst themselves, provided that, as regards the Notes of each Class with respect to the Notes of each other Class:

(a) in respect of interest during the Revolving Period and the Amortisation Period, the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but

subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law;

(b) in respect of principal during the Revolving Period and the Amortisation Period, the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law; and

(c) in respect of interest and principal during the Accelerated Amortisation Period and following the service of a Trigger Event Notice or in case of early redemption in the circumstances indicated under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law.

Security for the Notes

The Notes benefit of the provisions of the Securitisation Law pursuant to which the Portfolio, the Collections, the Eligible Investments, the other Securitisation Assets and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor. The Notes have also the benefit of the security created or purported to be created pursuant to the Deed of Charge and the Spanish Pledge Agreement.

Trigger Events

(a) The occurrence of any of the following events shall constitute a **Trigger Event**:

(i) **Non payment of interest**: default is made by the Issuer in respect of any payment of Interest Amount on the Most Senior Class of Notes on the relevant Payment Date, which default or non-payment shall have continued unremedied for a period of 3 (three) Payment Business Days; or

(ii) **Non payment of principal**: default is made in respect of any repayment of (i) principal due on the Most Senior Class of Notes on the Legal Final Maturity Date or any other date of early repayment pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax*

Event) or Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*); or (ii) principal when due and payable on the Most Senior Class of Notes (provided that the Issuer has sufficient Available Distribution Amounts available to it to make such payment in accordance with the applicable Priority of Payments), which default or non-payment shall have continued unremedied for a period of 3 (three) Payment Business Days; or

(iii) **Breach of obligations**: breach is made by the Issuer of a covenant, undertaking, financial obligation (other than a payment default pursuant to paragraphs (i) and (ii) above) or other material obligation as set out in any of the Transaction Documents and such default remains unremedied for a period of 5 (five) Business Days after the earlier of the Issuer (A) becoming aware of such breach and (B) having received notice by the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) specifying such breach; or

(iv) **Breach of representations and warranties**: any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 10 (ten) Business Days after the earlier of the Issuer (A) becoming aware of such breach and (B) having received notice by the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) specifying such breach; or

(v) **Insolvency Proceedings**: the Issuer institutes or has instituted against it Insolvency Proceedings under applicable laws; or

(vi) **Arrangement of indebtedness**: other than in respect of the Issuer Secured Creditors, the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(vii) **Unlawfulness**: it is or will become unlawful in any respect for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or

any Transaction Document to which it is a party, any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason; or

(viii) **Invalid security**: any Security Interest purported to be created under the Issuer Security pursuant to the Deed of Charge and/or the Spanish Pledge Agreement is or becomes invalid, ineffective or unenforceable.

(b) Following the occurrence of a Trigger Event, the Representative of the Noteholders (in accordance with the terms of the Transaction Documents):

(i) shall, in case of the Trigger Events set out under items (i),(ii), (v), (vi), (vii) and (viii) of paragraph (a) above;

(ii) shall, to the extent requested by an Extraordinary Resolution of the Noteholders of the Most Senior Class, in the case of the Trigger Events set out under items (iii) and (iv) of paragraph (a) above,

serve a Trigger Event Notice to the Issuer declaring the Notes to be due and repayable, whereupon the Notes shall become immediately due and repayable at their Principal Amount Outstanding and all payments due to be made by the Issuer will be made in accordance with the Post-Enforcement Priority of Payments.

By reason of holding one or more Notes, the Noteholders recognise, as from the date hereof and with effect on the date on which the Notes shall become due and repayable following the service of a Trigger Event Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes shall become due and repayable and all payments due to be made by the Issuer will be made in accordance with the Post-Enforcement Priority of Payments.

Representative of the Noteholders

The Representative of the Noteholders will represent the interests of the Noteholders of each Class in accordance with the Conditions of the Notes (including the Rules attached thereto), and the interests of the Other Issuer Secured Creditors in accordance with the Intercreditor Agreement.

The Representative of the Noteholders shall exercise as it sees fit all rights and discretions of the Noteholders under the Transaction Documents in accordance with the Conditions and, under the

Intercreditor Agreement, shall be entitled to exercise certain other rights and discretions as agent (*mandatario con rappresentanza*) of the Other Issuer Secured Creditors with respect to the Issuer Security.

The actions of the Representative of the Noteholders will be binding on each of the Issuer Secured Creditors. Each of the Other Issuer Secured Creditors will agree in the Intercreditor Agreement and each of the Noteholders will agree or will be deemed to agree by virtue of the transfer to it of the Note(s), that in the exercise of its powers, authorities, duties and discretions the Representative of the Noteholders shall have regard to the Noteholders generally, and shall also have regard to the interests of the Other Issuer Secured Creditors. However if there is a conflict between the interests of the Noteholders of each Class, or between the interests of the Noteholders and the Other Issuer Secured Creditors, it shall have regard only to the interests of the holders of the Most Senior Class of Notes, and if there is a conflict between the interests of any of the Other Issuer Secured Creditors, it shall have regard only to the interests of the Issuer Secured Creditor the amounts owed to which rank highest in the relevant Priority of Payments.

Each Noteholder, by purchasing the relevant Note, shall be deemed to agree, and each of the Other Issuer Secured Creditors will acknowledge pursuant to the Intercreditor Agreement, that the Representative of the Noteholders shall not be bound to take any steps or institute any proceedings after a Trigger Event Notice has been served upon the Issuer or to exercise any rights granted under the mandate conferred on it by the Issuer under the Intercreditor Agreement unless it has been indemnified, secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

The Representative of the Noteholders shall not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any Issuer Secured Creditor as a result of the performance of its duties save where such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence (*colpa grave*) or wilful default (*dolo*) of the Representative of the Noteholders.

Limitation to individual rights and non-petition

Under the terms of the Intercreditor Agreement and the Conditions, each of the Issuer Secured Creditors will agree that only the Representative of the Noteholders is entitled to enforce the Issuer Security and institute any proceedings against the Issuer, take any steps for the purposes of obtaining payment of any amount expressed to be payable to the Issuer Secured Creditors or enforce any other obligation of the Issuer under the Conditions of each Class and/or the Transaction Documents, except in the limited circumstances permitted under the Conditions and the Intercreditor Agreement.

No Issuer Secured Creditor may exercise any right of set-off (*compensazione*) against the Issuer under the Notes and/or the Transaction Documents or otherwise other than as may be expressly

provided therein.

Subject to and in accordance with the Intercreditor Agreement and the Conditions, no Issuer Secured Creditor may take any steps for the purpose of commencing any Insolvency Proceedings against the Issuer.

Limited Recourse and Extinguishment of Claims

If, on the Cancellation Date, the aggregate funds available to the Issuer to repay any outstanding principal and/or pay any interest and any other amounts accrued and unpaid under the relevant Notes in accordance with the relevant Priority of Payments are not sufficient to pay in full such amounts, then upon distribution of the available funds on the relevant Cancellation Date, only a *pro rata* share of the funds which are available to the Issuer shall be applied in respect of such payment obligations in accordance with the relevant Priority of Payments and the unpaid balance of each such amount shall not be due and payable and shall be cancelled in respect of the Notes of the relevant Class or Classes on the Cancellation Date.

3. THE PORTFOLIO, THE SERVICING AND THE CASH MANAGEMENT ARRANGEMENTS

The Portfolio

The Receivables purchased on the First Purchase Date and to be purchased from time to time by the Issuer on each Subsequent Purchase Date are monetary receivables arising out of loans granted by the Seller to Debtors for the purchase of Cars.

Each Receivable offered for purchase to the Issuer in accordance with the provisions of the Master Receivables Transfer Agreement must satisfy, on the relevant Selection Date and Purchase Date, the Eligibility Criteria set out in the Master Receivables Transfer Agreement. In order for a Receivable to satisfy the Eligibility Criteria (i) the Auto Loan Contract from which that Receivable arises must meet the Contracts Eligibility Criteria; (ii) any Receivable must meet the Receivables Eligibility Criteria. In addition, on each Purchase Date, the purchase of any Receivable, when aggregated with all other Performing Receivables and after taking into account all Receivables to be purchased on such Purchase Date, shall not cause the Portfolio to breach any of the Global Portfolio Limits.

None of the assets backing the Notes is itself an asset-backed security or other securitisation position, and the transaction is also not a "synthetic" securitisation, in which risk transfer would be achieved through the use of credit derivatives or other similar financial instruments.

Purchase Price

The Purchase Price for the Receivables included in the relevant Transfer Offer shall be equal to the aggregate of (a) the Individual Interest Component Purchase Price and (b) the Individual Principal Component Purchase Price of the relevant Receivable included in the relevant Transfer Offer and shall be paid by the Issuer in accordance with the terms below.

The Principal Component Purchase Price of the Initial Receivables, being equal to Euro 741,999,400.63, will be paid to the Seller on the Issue Date out of the proceeds of the issuance of the Class A Notes and the Class B Notes. On the Issue Date, following the set-off between (i) the Principal Component Purchase Price of the Initial Receivables due by the Issuer to BPSA pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, and (ii) the amount due by BPSA to the Issuer on the Issue Date as Commingling Reserve Required Amount, General Reserve Required Amount and Subsidised Interest Balance in respect of the Initial Receivables pursuant to the Subordinated Loan Agreements and the Master Receivables Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 638,567,779.42 will be paid to the Seller out of the Collection Account.

The Interest Component Purchase Price of the Initial Receivables, being equal to Euro 1,246,593.21, will be paid to the Seller on each Payment Date on which there are Available Interest Amounts applicable to such payment subject to and in accordance with the then applicable Priority of Payments.

The Principal Component Purchase Price and the Interest Component Purchase Price of the Additional Receivables will be paid to the Seller, starting from the First Payment Date and on each Payment Date falling thereafter, to the extent of the then Available Interest Amounts and the then Available Principal Amounts applicable for such payments subject to and in accordance with the then applicable Priority of Payments.

Representations and Warranties

Under the Master Receivables Transfer Agreement, the Seller has given certain representations and warranties in favour of the Issuer in relation to, *inter alia*, itself and the Receivables and has agreed to indemnify the Issuer in respect of certain costs, expenses and liabilities of the Issuer incurred in connection with the purchase and ownership of the Receivables.

Subsidised Amounts

Under the Master Receivables Transfer Agreement, the Seller has undertaken to pay to the Issuer, on each Settlement Date, the aggregate of the Subsidised Interest Instalment Amounts which have arisen during the immediately preceding Collection Period in respect of all relevant Purchased Receivables (whether or not received by the Seller from the relevant Car Dealer or Car Manufacturer, as applicable), by crediting the Additional Interest Account.

Pursuant to the Master Receivables Transfer Agreement, the Seller has undertaken to transfer to the credit of the Additional Interest Account an amount equal to the Subsidised Interest Balance in respect of all Initial Receivables, as a security for its financial obligation towards the Issuer under its undertaking set out in the paragraph above. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as Subsidised Interest Balance in respect of the Initial Receivables pursuant to the Master

Receivables Transfer Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 11,119,786.03 will be transferred from the Collection Account into the Additional Interest Account as Subsidised Interest Balance in respect of the Initial Receivables.

For all the Additional Receivables which are transferred to the Issuer on any Subsequent Purchase Date, the Seller shall transfer to the credit of the Additional Interest Account on the immediately following Settlement Date, an amount equal to the Subsidised Interest Balance in respect of all Additional Receivables purchased on such Subsequent Purchase Date, as a security for its financial obligation towards the Issuer under its undertaking set out in the paragraph above. This security shall be deemed to be a title transfer financial collateral arrangement under the Financial Collateral Directive.

On each Settlement Date, the Issuer shall transfer the sums standing to the credit of the Additional Interest Account to the Interest Account, up to an amount equal to the amount to be paid by the Seller under its obligation set out above.

On each Settlement Date, the Issuer shall return to the Seller any amounts standing to the credit of the Additional Interest Account in excess of the Additional Interest Required Amount as determined on the previous Calculation Date by the Calculation Agent, corresponding to the aggregate of the Subsidies Interest Balance of all Purchased Receivables: (i) which have been prepaid in full; (ii) which have been repurchased by the Seller in accordance with the terms of the Master Receivables Transfer Agreement; or (iii) which have become Defaulted Receivables, in each case during the immediately preceding Collection Period.

Servicing of the Portfolio

Pursuant to the Servicing Agreement, the Servicer has agreed to administer, service and collect all cash payments in respect of the Portfolio on behalf of the Issuer. The receipt of the cash collections in respect of the Portfolio is the responsibility of the Servicer.

The Servicer shall ensure proper segregation of the Issuer's accounting and property from its own activities and assets, and the Servicer, as entity responsible for the collection of the Receivables and payment services (*soggetto incaricato della riscossione dei crediti dei servizi di cassa e pagamento*), shall be responsible for verifying that the transactions to be carried out within the Securitisation comply with the provisions of the Securitisation Law, and are consistent with the contents of the Prospectus.

The Servicer has opened the Servicer Collection Account with the Servicer Collection Account Bank, for the purposes of Article 3, paragraph 2-*ter* of the Securitisation Law. Under the Servicing Agreement, the Servicer has undertaken to credit all Available Collections in respect of the Purchased Receivables to the Servicer

Collection Account and to transfer all such Available Collections to the Collection Account by no later than the second Business Day following receipt of such amounts.

The Servicer Collection Account is intended to be a segregated account (*conto corrente segregato*) for the purposes of Article 3, paragraph 2-*ter* of the Securitisation Law.

The Servicer has undertaken to prepare the Monthly Servicing Report, in the form set out in the Servicing Agreement and submit the Monthly Servicing Report on each Monthly Servicing Report Date to, *inter alios*, the Issuer, the Representative of the Noteholders, the Cash Manager, the Calculation Agent and the Corporate Servicer.

Cash Allocation, Management and Payment Agreement

Pursuant to the Cash Allocation, Management and Payment Agreement (i) the Italian Account Bank and the Spanish Account Bank have agreed to hold and operate the Issuer Accounts opened with them, and to provide the Issuer with account handling services in relation to moneys or securities from time to time standing to the credit of such accounts, (ii) the Cash Manager may invest in Eligible Investments the credit balance of any of the Issuer Accounts, (iii) the Calculation Agent has agreed to provide certain calculation, notification and reporting services to the Issuer, and (iv) the Paying Agent has agreed, *inter alia*, to arrange on behalf of the Issuer for the payment of interest and repayment of principal on the Notes.

Payments into and withdrawals from the Issuer Accounts shall be made in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

Eligible Investments

Pursuant to the Cash Allocation, Management and Payment Agreement, at any time, unless the Issuer and/or the Calculation Agent and/or the Representative of the Noteholders (as instructed by the Noteholders in accordance with the Rules of the Organisation of the Noteholders) otherwise direct, the Cash Manager may invest in Eligible Investments the credit balance (or as much of the credit balance as is possible given the cost of the selected Eligible Investments) of the Issuer Accounts (including the Swap Cash Collateral Account, provided that the Cash Manager will consult the Swap Counterparty prior to investing the credit balance of the Swap Cash Collateral Account).

All Eligible Investments (other than cash invested in time deposit or any other investment which is incapable of being held in the Securities Account) purchased in accordance with the Cash Allocation, Management and Payment Agreement shall be credited to the Securities Account or, in respect of any Eligible Investment purchased with funds standing to the credit of Swap Cash Collateral Account, to the Swap Securities Collateral Account.

All Eligible Investments shall mature no later than the Settlement Date immediately following the date on which they have been purchased.

The income received in respect of an Eligible Investment shall be credited to the relevant Issuer Account from which the Eligible Investment was made.

In the event that any of the financial instruments constituting Eligible Investments purchased for the account of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement ceases to have the minimum required ratings set out in the definition of "Eligible Investments", the Cash Manager will:

(a) liquidate the Eligible Investment provided that such debt securities or other debt instruments purchased for the account of the Issuer in accordance with the Cash Allocation, Management and Payment Agreement are disposable without penalty or loss and credit the proceeds thereof; otherwise

(b) hold such Eligible Investment until its maturity.

Eligible Investment means:

(a) any euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or deposit (including, for the avoidance of doubt, time deposit and certificate of deposit), commercial papers or other debt instruments (but excluding, for the avoidance of doubts, credit linked notes and money market funds), or

(b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments, provided that:

(i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer;

(ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investment 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:

(a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the relevant Eligible Investment Maturity Date;

(b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested principal amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;

(c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; provided that in the case of Eligible Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash Allocation, Management and Payment Agreement) to another account held with an Eligible Institution at no loss; and

(d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at leas two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time; and

(e) in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully, irrevocably and unconditionally guaranteed on a first demand and unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following

ratings:

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at leas two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time,

provided that in no case shall such investment be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Class A Notes as eligible collateral.

4. PRIORITIES OF PAYMENTS AND CREDIT STRUCTURE

Interest Priority of Payments during the Revolving Period and the Amortisation Period

On each Payment Date during the Revolving Period and the Amortisation Period, the Issuer shall apply or procure the application of the Available Interest Amounts in the order of priority provided for under Condition 4.1 (*Order of Priority - Interest Priority of Payments during the Revolving Period and the Amortisation Period*) (the **Interest Priority of Payments**), in each case, only if and to the extent that payments (or retentions of sums) of a higher priority have been made in full, *provided that* (A) the General Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (l) (*twelfth*) of Condition 4.1 (*Order of Priority - Interest Priority of Payments during the Revolving Period and the Amortisation Period*); (B) the Commingling Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (m) (*thirteenth*) of Condition 4.1 (*Order of Priority - Interest Priority of Payments during the Revolving Period and the Amortisation Period*); (C) any Commingling Reserve Decrease Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (o) (*fifteenth*) of Condition 4.1 (*Order of Priority - Interest Priority of Payments*

	during the Revolving Period and the Amortisation Period); and (D) any Swap Tax Credit will be paid directly to the relevant Swap Counterparty outside the Interest Priority of Payments.
Principal Priority of Payments during the Revolving Period and the Amortisation Period	On each Payment Date during the Revolving Period and the Amortisation Period, the Issuer shall apply or procure the application of the Available Principal Amounts in the order of priority provided for under Condition 4.2 (*Order of Priority – Principal Priority of Payments during the Revolving Period and the Amortisation Period*) (the **Principal Priority of Payments**), in each case, only if and to the extent that payments (or retentions of sums) of a higher priority have been made in full.
Priority of Payments during the Accelerated Amortisation Period	During the Accelerated Amortisation Period and in case of early redemption in the circumstances provided for under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Available Interest Amounts and the Available Principal Amounts shall be applied by or on behalf of the Issuer in the order of priority provided for under Condition 4.3 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*) (the **Accelerated Amortisation Period Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full, provided that (A) the Commingling Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (m) (*thirteenth*) of Condition 4.3 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*); (B) any Commingling Reserve Decrease Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (n) (*fourteenth*) of Condition 4.3 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*); and (C) any Swap Tax Credit will be paid directly to the relevant Swap Counterparty outside the Accelerated Amortisation Period Priority of Payments.
Post-Enforcement Priority of Payments	Following service of a Trigger Event Notice, all amounts received or recovered by the Issuer and/or the Representative of the Noteholders in respect of the Purchased Receivables and the proceeds of enforcement of the Issuer Security (after the transfer to the Principal Account of (a) all amounts standing to the credit of the Interest Account, the General Reserve Account and the Collection Account (if any), (b) the aggregate of the Subsidised Interest Instalment Amounts which have arisen during the immediately preceding Collection Period in respect of all relevant Performing Receivables, (c) the Commingling Reserve Interest Amount and (d) any Commingling Reserve Decrease Amount shall be applied by or on behalf of the Issuer or the Representative of the Noteholders (as the case may be), as provided for under Condition 4.4 (*Order of Priority – Post-Enforcement Priority of Payments*) (the **Post-Enforcement Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full, *provided that*

(A) the Commingling Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (l) (*twelfth*) of Condition 4.4 (*Order of Priority – Post-Enforcement Priority of Payments*); (B) any Commingling Reserve Decrease Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (m) (*thirteenth*) of Condition 4.4 (*Order of Priority – Post-Enforcement Priority of Payments*); and (C) any Swap Tax Credit will be paid directly to the relevant Swap Counterparty outside the Post-Enforcement Priority of Payments.

Accelerated Amortisation Event

The occurrence of any of the following events represents an **Accelerated Amortisation Event**:

(a) any Portfolio Performance Trigger is breached; or

(b) a Servicer Termination Event occurs; or

(c) a Seller Event of Default occurs; or

(d) on any Payment Date, the balance of either the General Reserve Account or the Commingling Reserve Account is not replenished up to the relevant Required Amount; or

(e) (i) the Swap Agreement is terminated and no replacement Swap Agreement has been entered into within 30 days of the relevant termination date; or (ii) the credit rating of the Swap Counterparty is downgraded below the Swap Required Rating (as defined under the Swap Agreement) and the relevant remedial actions set out in the Swap Agreement are not perfected within the time period contemplated by the Swap Agreement.

Amortisation Event

The occurrence of any of the following events constitutes an **Amortsation Event**:

(a) for 4 consecutive Purchase Dates the Seller does not transfer Receivables to the Issuer, except if the Seller confirms to the Issuer and the Representative of the Noteholders that such absence of transfer is due to technical reasons (providing documentary evidence thereof) and is remedied on the following Purchase Date; or

(b) the amount standing to the Principal Account exceeds 10% of the Principal Amount Outstanding of the Notes for 3 (three) consecutive Payment Dates.

Payments to Connected Third Parties Creditors

During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay or provide for the amounts under item (a) (*first*) (i) of the Interest Priority of Payments or item (a) (*first*) (i) of the Accelerated Amortisation Period Priority of Payments (as the case may be), provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay or

provide for such expenses during the relevant Interest Period, the Issuer shall pay such expenses on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses Account (or procure that the same are applied) to pay any such known expenses not yet paid and any expenses falling due after such Payment Date.

Swap Collateral Account Priority of Payments

Any Swap Collateral Account shall be operated by the Calculation Agent in accordance with the Swap Collateral Account Priority of Payments and the Swap Agreement.

General Reserve

Pursuant to the General Reserve Subordinated Loan Agreement, the General Reserve Subordinated Loan Provider has undertaken to make available to the Issuer, on the Issue Date, a General Reserve Advance to fund the General Reserve Required Amount. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as General Reserve Required Amount pursuant to the General Reserve Subordinated Loan Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 7,420,000 will be transferred from the Collection Account into the General Reserve Account as General Reserve Required Amount.

The General Reserve Account shall be credited on each Payment Date (taking into account any amount advanced by the General Reserve Subordinated Loan Provider in respect of a General Reserve Additional Advance) in accordance with the Priorities of Payments, during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, with such amount that would ensure that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date.

The General Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of all of the Class A Notes.

Commingling Reserve

Pursuant to the Commingling Reserve Subordinated Loan Agreement, the Commingling Reserve Subordinated Loan Provider has undertaken to make available to the Issuer, on the Issue Date, a Commingling Reserve Advance to fund the Commingling Reserve Required Amount. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as Commingling Reserve Required Amount pursuant to the Commingling Reserve Subordinated Loan Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 18,096,835.18 will be transferred from the Collection Account into the Commingling Reserve Account

as Commingling Reserve Required Amount.

Any Commingling Reserve Advance payable to the Issuer pursuant to the Commingling Reserve Subordinated Loan Agreement which is designated as payable to the Commingling Reserve Account on each Settlement Date during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, respectively, will be paid into the Commingling Reserve Account in order to ensure that the amount standing to the credit of the Commingling Reserve Account is equal to the Commingling Reserve Required Amount.

On each Settlement Date, if and to the extent the Servicer, during the immediately Collection Period, has failed to transfer to the Issuer any Collections received by it during (or with respect to) such Collection Period an amount equal to the Monthly Commingling Withdrawal Amount shall be drawn from the Commingling Reserve to be applied as Available Collections on the immediately succeeding Payment Date.

The Commingling Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of all of the Class A Notes.

5. OTHER PRINCIPAL TRANSACTION DOCUMENTS

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the parties thereto will agree, *inter alia*, to the cash flow allocation of the proceeds in respect of the Portfolio and the rights of the Representative of the Noteholders in respect of the Issuer Security.

Under the Intercreditor Agreement, the Other Issuer Secured Creditors will acknowledge the rights and obligations of the Issuer and the Representative of the Noteholders under the Conditions, the Rules and the other Transaction Documents and the Issuer will covenant to the Other Issuer Secured Creditors in the terms set out in the Conditions.

In addition, under the Intercreditor Agreement, the Issuer shall grant a mandate to the Representative of the Noteholders, pursuant to which, *inter alia*, following service of a Trigger Event Notice, the Representative of the Noteholders shall be authorised under Article 1723, second paragraph, of the Italian Civil Code, to exercise, in the name of the Issuer but in the interest and for the benefit of the Noteholders and the Other Issuer Secured Creditors, all the Issuer's contractual rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Portfolio, including the right to sell it in whole or in part, in the interest of the Noteholders and the Other Issuer Secured Creditors.

Pursuant to the Intercreditor Agreement, the Issuer has undertaken to (i) grant a Spanish law pledge over the Securities Account and the Swap Securities Collateral Account upon first deposit of securities into the relevant account, by entering into a pledge agreement

substantially in the form of the Spanish Pledge Agreement, and (ii) procure that a leading international law firm issues a legal opinion as to the validity and the enforceability of such pledge, provided that the pledge agreement and the related legal opinion shall be notified in advance to the Rating Agencies.

Swap Agreement

On or about the Issue Date, the Issuer has entered into a hedging transaction (the **Swap Transaction**) with the Swap Counterparty. The Swap Transaction is governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) and a Schedule thereto, as published by the International Swaps and Derivatives Association, Inc., as supplemented by a 1995 Credit Support Annex (Bilateral Form-Transfer) (such documents together with the confirmation evidencing the Swap Transaction, the **Swap Agreement**). The Issuer entered into the Swap Transaction in order to hedge itself against the interest rate exposure arising in respect of its floating rate obligations under the Class A Notes.

Pursuant to the Swap Transaction, on each Payment Date:

(a) the Swap Counterparty will pay to the Issuer a floating rate of interest equal to Euribor (as determined in accordance with the Conditions) plus a margin of 0.25 per cent. per annum, subject to a floor of zero; and

(b) the Issuer will pay to the Swap Counterparty a fixed rate equal to 0.34%,

each calculated on a notional amount equal to the Principal Amount Outstanding of the Class A Notes in respect of the relevant Calculation Period.

The Swap Counterparty will transfer Swap Collateral, in accordance with the terms of the Swap Agreement, to the applicable Swap Collateral Account. The Issuer will make transfers from such Swap Collateral Accounts in accordance with the Swap Collateral Account Priority of Payments.

Unless terminated early in accordance with the terms of the Swap Agreement, each Swap Transaction will terminate on the Legal Final Maturity Date.

Deed of Charge

Pursuant to the Deed of Charge to be entered into on or about the Issue Date, the Issuer will, *inter alia*, as security for the payment or discharge of the Issuer Secured Liabilities (as defined under the Deed of Charge):

(a) assign by way of a first fixed security all its rights, title and interest present and future, in, to and under the Swap Agreement; and

(b) charge by way of a first floating charge, all its rights, title and interest present and future, in, to and under the Swap Agreement other than those otherwise effectively charged or

assigned by way of fixed charge or assignment,

in favour of the Representative of the Noteholders (which the Representative of the Noteholders shall hold on trust for the benefit of itself, the Noteholders and the other Issuer Secured Creditors).

In terms of the Deed of Charge, the Issuer will covenant to the Representative of the Noteholders that it will not, so long as any of the Issuer Secured Liabilities (as defined under the Deed of Charge) remain outstanding, create or permit to subsist any Security Interest (unless arising by operation of law) over any of its assets or undertaking other than as provided for under the Transaction Documents.

Spanish Pledge Agreement

Pursuant to the Spanish Pledge Agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties, the Issuer will grant a Spanish law pledge over the Collection Account, the General Reserve Account, the Additional Interest Account and the Swap Cash Collateral Account.

Quotaholder's Agreement

Pursuant to the Quotaholder's Agreement to be entered into on or about the Issue Date between the Issuer, the Representative of the Noteholders and the Quotaholder, the Quotaholder (i) will assume certain undertakings with respect to, *inter alia*, the exercise of its voting rights in the Issuer, and (ii) will undertake not to dispose of its interest in the Issuer.

Stichting Corporate Services Agreement

Pursuanto to the Stichting Corporate Services Agreement to be entered into on or about the Issue Date between the Issuer, the Stichting Corporate Servicer and the Quotaholder, the Stichting Corporate Servicer will agree to provide the Quotaholder with certain corporate management and administration services.

RISK FACTORS

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

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

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

SUITABILITY

Structured securities, such as the Notes, are sophisticated instruments, which can involve a significant degree of risk. Prospective investors in any Class of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to the relevant risk. 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 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.

Investment in the Notes is only suitable for investors who (i) have the requisite knowledge and experience in financial and business matters to evaluate such merits and risks of an investment in the Notes; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; (iii) are capable of bearing the economic risk of an investment in the Notes; and (iv) recognise that it may not be possible to dispose of the Notes for a substantial period of time, if at all.

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

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

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

RISK FACTORS RELATING TO THE ISSUER

Source of payments to holders of the Notes

The Notes will be limited recourse obligations solely of the Issuer backed by the Portfolio and the other

Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, any Transaction Party (including, without limitation, the Arranger) or any other person except the Issuer. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

The Issuer's principal asset is the Portfolio. The Issuer will not as of the Issue Date have any significant assets other than the Portfolio, the Available Collections derived therefrom and its rights under the Transaction Documents. Therefore, there is no assurance that, over the life of the Notes or at the redemption date of the Notes (whether on maturity or upon redemption by acceleration of maturity during the Accelerated Amortisation Period or following service of a Trigger Event Notice or otherwise), there will be sufficient funds to enable the Issuer to repay the Notes in full.

If there are not sufficient funds available to the Issuer to pay in full any amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Upon enforcement of the Issuer Security, the Representative of the Noteholders will have recourse only to the Portfolio, the assets charged pursuant to the Deed of Charge and the assets pledged under the Spanish Pledge Agreement. Other than as provided for in the Transaction Documents, the Issuer and the Representative of the Noteholders will have no recourse to the Seller or any other entity and the only remedy available to the Noteholders and the Other Issuer Secured Creditors in connection with the enforcement of the Issuer Security is the exercise by the Representative of the Noteholders of the Issuer's rights under the Transaction Documents. In this respect, the net proceeds of the realisation of the Portfolio and the Issuer Security may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior thereto. In the event of a shortfall in such proceeds, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, such shortfall, all claims in respect of which shall be extinguished.

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the timely payment of amounts due under the Auto Loan Contracts by the Debtors and the due performance by the parties to the Transaction Documents of their respective obligations. Without limitation, the payment by the Issuer of amounts due on the Notes depends on receipt by the Issuer of the Available Collections from the Servicer in respect of the Portfolio, any payments made by the Swap Counterparty under the Swap Agreement and any other amounts to be received by the Issuer pursuant to the terms of the other Transaction Documents.

If any Debtor defaults under or in respect of the relevant Auto Loan Contract(s) and, after the exercise by the Servicer of available remedies in respect of the Auto Loan Contract(s), the Issuer does not receive the full amount due from those Debtors, then Noteholders may receive by way of principal repayment an amount less than the face value of the Notes, and the Issuer may be unable to pay in full interest due on the Notes.

In addition, the ability of Debtors to repay the Receivables may be also affected by adverse changes in macroeconomic conditions affecting the Republic of Italy.

In this regard, prospective investors in the Notes should note that, pursuant to the Conditions and the Intercreditor Agreement, the Noteholders and the Other Issuer Secured Creditors have acknowledged and agreed to be bound by the limited recourse and non-petition provisions set out thereunder. For further details, see the sections headed "*Terms and Conditions of the Notes*" and "*Description of the Transaction Documents - Intercreditor Agreement*".

Liquidity and credit risk

The Issuer is subject to the risk of delay arising between the receipt of payments due from Debtors and the scheduled Payment Dates.

The Issuer is also subject to the risk of, amongst other things, default in payment by the Debtors and the failure by the Servicer to collect or recover sufficient funds in respect of the Purchased Receivables in order to enable the Issuer to discharge all amounts payable under the Notes in full as they fall due.

These risks are in part addressed in relation to the Class A Notes by the credit support provided by (i) subordination of the Class B Notes; and (ii) the General Reserve.

There can be, however, no assurance that the levels of credit and liquidity support provided will be adequate to ensure timely and full payment of all amounts due under the Class A Notes.

Subordination and Credit Enhancement

In respect of the Issuer's obligations to pay interest on and repay principal of the Notes, the Conditions and the Intercreditor Agreement provide that the Notes of each Class shall rank *pari passu* without preference or priority amongst themselves, provided that, as regards the Notes of each Class with respect to the Notes of each other Class:

(a) in respect of interest during the Revolving Period and the Amortisation Period, the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law;

(b) in respect of principal during the Revolving Period and the Amortisation Period, the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law; and

(c) in respect of interest and principal during the Accelerated Amortisation Period and following the service of a Trigger Event Notice or in case of early redemption in the circumstances indicated under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law.

The Notes of each Class are subordinated in point of both payment of interest and repayment of principal to the rights of the Other Issuer Secured Creditors that are expressed to rank higher than that Class in accordance with the applicable Priority of Payments and are subordinated generally to the claims of all Connected Third Party Creditors of the Issuer.

Interest rate risk

The Issuer expects to meet its obligations under the Notes primarily from Available Collections in respect of the Purchased Receivables. However, the interest component in respect of such payments may have no correlation to the Euribor. In order to reduce the risk arising from a situation where Euribor increases to such an extent that the Available Collections are no longer sufficient to cover the Issuer's obligations under the Class A Notes, the Issuer has entered into the Swap Agreement with the Swap Counterparty.

Under the terms of the Swap Agreement, in the event that the ratings of the Swap Counterparty are downgraded by Fitch or DBRS below the relevant ratings specified in the Swap Agreement, the Swap Counterparty shall be required to take certain remedial measures in accordance with the Swap Agreement. This may include transferring collateral, obtaining a guarantee, procuring a replacement swap counterparty or taking such other action as may be required to satisfy the Rating Agencies. If the Swap Counterparty fails

to take such measures within the time period specified in the Swap Agreement, then the Swap Agreement may be terminated by the Issuer.

In addition, should the Swap Counterparty fail to provide the Issuer with all amounts owing to the Issuer (if any) on any payment date under the Swap Agreement, or should the Swap Agreement be otherwise terminated, then the Issuer may have insufficient funds to make payments of principal and interest on the Class A Notes and, as a consequence, also on the Class B Notes (see section headed "*Description of the Transaction Documents – Swap Agreement*"). Prospective investors' attention is drawn to the fact that, in such circumstances, if the Issuer defaults in making any payment of Interest Amount on the Most Senior Class of Notes on the relevant Payment Date, such non-payment would constitute a Trigger Event and cause the Representative of the Noteholders to serve to the Issuer a Trigger Event Notice in respect of the Notes in accordance with the terms of the Transaction Documents.

The Swap Agreement may be terminated prior to its maturity in certain circumstances (see section headed "*Description of the Transaction Documents – Swap Agreement*") and, if the Swap Agreement is terminated for any reason, the Swap Counterparty or the Issuer may be required to pay an amount to the other party as a result of the termination. Following such a termination, any payments by the Issuer to the Swap Counterparty will be made in accordance with the applicable Priority of Payments.

Moreover, if the Swap Agreement is terminated, endeavours will be made but no assurance can be given that the Issuer will be able to enter into a replacement swap agreement that will provide the Issuer with the same level of protection as the Swap Agreement.

STRUCTURAL CONSIDERATIONS

Absence of secondary market and limited liquidity

There is not at present an active and liquid secondary market for the Notes. The Notes will not be registered under the Securities Act and will be subject to significant restrictions on resale in the United States.

Although an application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on its regulated market the Class A Notes, there can be no assurance that a secondary market for the Class A Notes will develop or, if a secondary market does develop in respect of the Class A Notes, that it will provide the holders of such Class A Notes with liquidity of investments or that it will continue until the final redemption and/or cancellation of the such Class A Notes. Consequently, any purchaser of the Class A Notes may be unable to sell such Class A Notes to any third party and it may therefore have to hold the Class A Notes until final redemption and/or cancellation thereof.

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

Yield and prepayment considerations

The yield to maturity and the amortisation plan of the Notes will depend upon, *inter alia*, (i) the amount and timing of repayment of principal (including prepayments and sale proceeds arising on enforcement of an Auto Loan Contract) on the Auto Loan Contracts and (ii) the exercise of the optional redemption rights of the Issuer pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*). Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments on the Auto Loan Contract.

Under the terms of each Auto Loan Contracts, the Debtor is allowed to prepay the Auto Loan before its scheduled final payment date. This may occur in whole or in part at any time, with a prepayment fee not higher than 1 per cent. of the prepayed amount. No prepayment fee is due if the outstanding balance of the loan is lower than Euro 10,000. The rate of prepayment of Auto Loan Contract cannot be predicted and is influenced by a wide variety of economic, social and other factors, including prevailing consumer and ordinary loans market interest rates and margins offered by the banking system, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayments that the Auto Loan Contracts will experience.

Italian Legislative Decree no. 141 of 13 August 2010, as subsequently amended, has introduced in the Italian Banking Act article 120-*quater*, which provides for certain measures for the protection of consumers' rights and the promotion of the competition in, *inter alia*, the Italian loan market. Such Legislative Decree repealed article 8 (except for paragraphs 4-*bis*, 4-*ter* and 4-*quater*) of Italian Law Decree no. 7 of 31 January 2007, as converted into law by Italian Law no. 40 of 2 April 2007, replicating though, with some additions, such repealed provisions. The purpose of article 120-*quater* of the Italian Banking Act is to facilitate the exercise by the borrowers (in respect of loans disbursed by banks or financial intermediaries) of their right of prepayment of the loan and/or subrogation of a new lender into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Italian civil code.

With respect to prepayments, pursuant to article 125-*sexies* of the Italian Banking Act, a consumer (as qualified pursuant to article 121, paragraph 1, letter b), of the Italian Banking Act) is entitled to prepay the relevant loan, in whole or in part, at any time, with a prepayment fee not higher than 1 per cent. (if the loan has a residual life of more than one year) or 0.5 per cent. (if the loan has a residual life shorter than one year) of the principal amount which is early repaid.

With respect to the subrogation, article 120-*quater* of the Italian Banking Act provides that, in respect of a loan, overdraft facility or any other financing granted by a bank or financial intermediary, the relevant borrower can exercise the subrogation, even if the borrower's debt towards the lender 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 loan agreement (or separately agreed) aimed at preventing the borrower from exercising such subrogation or at rendering the exercise of such right more cumbersome for the borrower is void. The borrower shall not bear any expenses or commissions in connection with the subrogation. Furthermore, paragraph 7 of article 120-*quater* of the Italian Banking Act provides that, in case the subrogation is not perfected within 30 (thirty) business 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 per cent. 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.

The stream of principal payments received by a Noteholder may not be uniform or consistent. No assurance can be given as to the yield to maturity which will be experienced by a holder of any Class A Note.

Administration and reliance on third parties

The ability of the Issuer to meet its obligations under the Notes is dependent on the performance of the other parties to the Transaction Documents and, in particular, the due performance of the Seller of its obligations under the Master Receivables Transfer Agreement and the ability of the Servicer to service the Portfolio in accordance with its obligations under the Servicing Agreement.

If events occur which give the Issuer the right to terminate the appointment of the Servicer under the Servicing Agreement, it is necessary for the Issuer to appoint a successor servicer (such appointment to be notified in writing to the Rating Agencies) before any termination of the Servicer's appointment will become effective (see section headed "*Description of the Transaction Documents – Servicing Agreement*"). Such

successor servicer would be required to (i) assume responsibility for the provisions of the services required to be performed by the Servicer under the Servicing Agreement and (ii) be bound by the provisions of the Intercreditor Agreement. There can be no assurance that a successor servicer will be found or that any successor servicer will be willing to accept such appointment at the conditions of the Servicing Agreement.

If a successor servicer is appointed as the servicer and the Servicer's appointment terminated, the ability of a successor servicer to perform fully the required services will depend, *inter alia*, on the information, software and records available to it at the time of its appointment. Therefore, there is no assurance that a substitute servicer will be able to assume and perform the obligations of the Servicer. The Representative of the Noteholders has no obligation to assume the role or responsibilities of the Servicer or to appoint a successor servicer.

Furthermore, in some circumstances (including following the delivery of a Trigger Event Notice), the Representative of the Noteholders could attempt to sell the Portfolio to third parties (for further details, see the section headed "*Description of the Transaction Documents - The Intercreditor Agreement*"). However, there is no assurance that a purchaser could be found nor that the proceeds of the sale of the Portfolio would be sufficient to pay in full all amounts due to the Noteholders.

More generally, the inability of any of the above-mentioned third parties to provide their services to the Issuer may ultimately affect the Issuer's ability to make payments on the Notes.

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

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

The Issuer may be 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. In addition, on 23 June 2016, the UK held a referendum on the country's membership of the European Union (Brexit). On 29 March 2017 the United Kingdom notified the European Council of its intention to withdraw from the European Union within the meaning and for the purposes of article 50(2) of the Treaty on European Union. Article 50(2) requires that, in the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with the United Kingdom, setting out the arrangements for its withdrawal from the European Union, taking account of the framework for its future relationship with the Union. Article 50 requires that such agreement shall be negotiated in accordance with article 218(3) of the Treaty on the Functioning of the European Union and concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament. Under article 50(3) of the Treaty, the EU Treaties shall cease to apply to United Kingdom from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in article 50(2), unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period. Absent such extension, and subject to the terms of any withdrawal agreement, the United Kingdom shall withdraw from the European Union no later than 29 March 2019. The consequences of Brexit are uncertain, with respect to the European Union integration process, the relationship between the United Kingdom and the European Union and the impact on economies and European businesses.

Credit quality has generally declined, as reflected by downgrades suffered by several countries in the Euro-zone, including Italy, since the beginning of the sovereign debt crisis in May 2010. The large sovereign debts and fiscal deficits in European countries have raised concerns regarding the financial condition of Euro-zone financial institutions and their exposure to such countries. These concerns may have an impact on Euro-zone banks' funding. In particular, the credit ratings assigned to the Class A Notes are potentially exposed to the

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

Anti-trust

BPSA is subject to certain claims and is party to a number of legal proceedings relating to the ordinary course of its business. Although it is difficult to predict the outcome of such claims and proceedings with certainty, BPSA believes that liabilities related to such claims and proceedings are unlikely to have, in the aggregate, significant effects on the financial position or profitability of BPSA.

On 15 May 2017, the Italian anti-trust authority (*Autorità Garante della Concorrenza e del Mercato - AGCM*) (**AGCM**) announced the start of an investigation into nine automotive manufacturers' captive banks and two industry associations (Assofin "*Associazione Italiana del Credito al Consumo e Immobiliare*" and Assilea "*Associazione Italiana Leasing*"). The investigation concerns alleged anticompetitive practices that would have been based on an exchange of commercially sensitive information. BPSA is one of the captive banks involved in the investigations.

Should the AGCM conclude that BPSA infringed the prohibition of restrictive agreements, it may impose monetary fines against the company in accordance with the applicable laws. The amount of the fine depends on the length, seriousness and nature of the infringement. AGCM plans to close the investigation by 31 July 2018.

Significant investor

BPSA will, on the Issue Date, purchase all the Class B Notes, and may purchase certain of the Class A Notes, and may retain or sell some or all of such Notes in the secondary market in individually negotiated transactions at variable prices (which may, in turn, affect the liquidity and price of such Notes in the secondary market). Significant concentrations of holdings of certain Classes of the Notes in one investor may therefore occur.

Forecasts

Forward-looking statements, including estimates, any other projections, forecasts and estimates in this Prospectus, are necessarily speculative and subjective in nature and some or all of the assumptions underlying the projections may not materialise or may vary significantly from actual results.

Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document and are based on assumptions that may prove to be inaccurate. No-one undertakes any obligation to update or revise any forward-looking statements contained herein to reflect events or circumstances occurring after the date of this Prospectus.

Credit ratings assigned to the Class A Notes

The credit ratings which will be assigned to the Class A Notes by the Rating Agencies on the Issue Date (which are expected to be "AA(sf)" by Fitch and "AA(high)(sf)" by DBRS) reflects the Rating Agencies' assessment only of the likelihood of payment of interest in a timely manner, pursuant to the Conditions and the Transaction Documents, and the ultimate repayment of principal on or before the Legal Final Maturity Date, not that such repayment of principal will be paid when expected or scheduled. These ratings are based, among other things, on the Rating Agencies' determination of the value of the Portfolio, the reliability of the payments on the Portfolio and the availability of credit enhancement.

The ratings do not address the following:

(a) the likelihood that the principal will be redeemed on the Class A Notes, as expected, on the scheduled redemption dates;

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

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

(d) whether an investment in the Class A Notes is a suitable investment for a Noteholder.

A rating is not a recommendation to purchase, hold or sell the Class A Notes. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of occurrence of future events such as any deterioration of the Portfolio, unavailability or the delay in the delivery of information, the failure by the parties to the Transaction Documents to perform their obligations under the Transaction Documents and revision, suspension or withdrawal of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation, which could have an adverse impact on the credit ratings of the Class A Notes.

In addition, in the event of downgrading of the unsecured, unsubordinated and unguaranteed debt rating of third parties involved in the Securitisation, there is no guarantee that the Issuer will be in a position to secure a replacement for the relevant third party or there may be a significant delay in securing such a replacement and, consequently, the rating of the Class A Notes may be affected.

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies. However, credit rating agencies other than the Rating Agencies could seek to rate the Class A Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Class A 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 ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by European Securities and Markets Authority on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated European Securities and Markets Authority's list.

The CRA Regulation was amended by Regulation (EU) 462/2013 of 21 May 2013 (**CRA III**) which entered into force on 20 June 2013. Its provisions increase the regulation and supervision of credit rating agencies by ESMA and impose new obligations on (among others) issuers of securities established in the EU. Under article 8b of the CRA Regulation, the issuer, originator and sponsor of structured finance instruments (**SFI**) established in the European Union (which includes the Issuer and the Seller) must jointly publish certain information about those SFI on a specified website set up by ESMA. This includes information on, *inter alia*, (a) the credit quality and performance of the underlying assets of the SFI; (b) the structure of the securitisation transaction; (c) the cash flows and any collateral supporting a securitisation exposure; and (d)

any information that is necessary to conduct comprehensive and well-informed stress tests on the cash flows and collateral values supporting the underlying exposures. On 6 January 2015, Commission Delegated Regulation 2015/3 on disclosure requirements for SFI was published in the Official Journal of the EU.

Such Regulation contains regulatory technical standards specifying: (i) the information that issuers, originators and sponsors must publish to comply with article 8b; (ii) the frequency with which this information should be updated; and (iii) a standardised disclosure template for the disclosure of this information.

Such Regulation applies from 1 January 2017, with the exception of article 6(2), which applies from 26 January 2015 and obliges ESMA to publish on its website at the latest on 1 July 2016 the technical instructions in accordance with which the reporting entity shall submit data files containing the information to be reported starting from 1 January 2017. On 27 April 2016, the ESMA published a statement clarifying its position with respect to the application of the securitisation disclosure obligations provided for under article 8b of CRA III and its related expectations with respect to compliance. This statement confirmed that: (i) ESMA is unable to establish the new website required under article 8b for disclosures (and does not expect to publish corresponding technical specifications for the website); (ii) ESMA does not expect to be in a position to receive the information related to structured finance instruments from reporting entities from the initial application date of 1 January 2017; and (iii) ESMA expects that new securitisation legislation under the Capital Markets Union (**CMU**) action plan, which is currently in the legislative process, will provide clarity on future obligation regarding reporting on structured finance instruments. Following on from the political agreement reached earlier this year on the package of EU regulatory reforms for securitisation (including the STS Regulation), it has been confirmed that Article 8b will be fully repealed without any savings and replaced by a single set of requirements for new transactions under the new STS Regulation regime (the latter will apply from January 2019).

Average Life of the Class A Notes

The Legal Final Maturity Date of the Class A Notes is the Payment Date falling on 27 January 2032; however, there can be no assurance that redemption in full, or at all, will be achieved on such Payment Date. Notwithstanding the above, the average life of the Class A Notes is expected to be shorter than the number of years until its respective Legal Final Maturity Date (see section headed "*Expected Maturity and Expected Weighted Average Life of the Class A Notes*"). However, the figures set out in that section are based on and qualified by the assumptions and hypothetical scenarios set out therein; they are not predictive nor do they constitute a forecast. The actual average life of the Class A Notes is, therefore, impossible to predict exactly.

The Class A Notes may also mature earlier than the expected average life due to the occurrence, *inter alia*, of any of the following events: (i) early redemption of the Notes in any of the circumstances provided for in Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*); (ii) the service of a Trigger Event Notice by the Representative of Noteholders; (iii) prepayments of Auto Loans by the Debtors (see sub-section "*Yield and prepayment considerations*").

The Representative of the Noteholders – Limited enforcement rights for Noteholders

Pursuant to the Transaction Documents, the Representative of the Noteholders is responsible for implementing the resolutions of the meeting of the Noteholders and for protecting the Noteholders' common interest *vis-à-vis* the Issuer and is entitled to exercise, following the service of a Trigger Event Notice, the contractual rights of the Issuer under the Intercreditor Agreement in accordance with the terms of the Transaction Documents. The Rules limit the ability of individual Noteholders to commence proceedings against the Issuer by giving the meeting of the organisation of the Noteholders the power to decide whether a Noteholder may commence any such individual actions.

Certain material interests

Conflict of interest may exist or may arise as a result of any Transaction Party (i) having previously engaged or in the future engaging in transactions with other parties to the Securitisation, (ii) having multiple roles in the Securitisation, and/or (iii) carrying out other transactions for third parties.

Without limiting the generality of the foregoing, under the Securitisation (i) BPSA acts as Seller, Servicer, General Reserve Subordinated Loan Provider, Commingling Reserve Subordinated Loan Provider, Cash Manager and Class B Notes Subscriber; (ii) BNP Paribas Securities Services, Milan Branch acts as Italian Account Bank and Paying Agent; and (iii) Banco Santander, S.A. as Spanish Account Bank and Arranger.

In addition, BPSA may hold and/or service receivables arising from loans other than the Receivables and providing financial services to the Debtors. Even though under the Servicing Agreement BPSA as Servicer has undertaken to act in the interest of the Noteholders, it cannot be excluded that, in certain circumstances, a conflict of interest may arise with respect to other relationships with the Debtors.

Relationship among Noteholders and between Noteholders and other Issuer Secured Creditors

The Conditions and the Intercreditor Agreement contain provisions requiring the Representative of the Noteholders to protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders is required (in accordance with the terms of the Transaction Documents) to have regard only to: (A) the interest of the holders of the Class A Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class, as the case may be, and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post-Enforcement Priority of Payments.

Under Condition 10 (*Trigger Events*), following the occurrence of a Trigger Event, the Representative of the Noteholders (i) shall, in case of the Trigger Events set out under items (a), (b), (e), (f), (g) and (h) of paragraph 10.1 of Condition 10; and (ii) shall, to the extent requested by an Extraordinary Resolution of the Noteholders of the Most Senior Class, in the case of the Trigger Events set out under items (c) and (d) of paragraph 10.1 of Condition 10, serve a Trigger Event Notice to the Issuer declaring the Notes to be due and repayable, whereupon the Notes shall become immediately due and repayable at their Principal Amount Outstanding and all payments due to be made by the Issuer will be made in accordance with the Post-Enforcement Priority of Payments.

Noteholders' directions and resolutions in respect of early redemption of the Notes

In a number of circumstances, the Notes may become subject to early redemption. Early redemption of the Notes as a result of some circumstances may be dependent upon receipt by the Representative of the Noteholders of a direction from, or a resolution passed by, a certain majority of Noteholders. If the economic interest of a Noteholder represents a relatively small proportion of the majority and its individual vote is contrary to the majority vote, its direction or vote may be ignored and, if a determination is made by certain of the Noteholders to redeem the Notes, such minority Noteholders may face early redemption of the Notes held by them.

Resolutions of the Noteholders

Resolutions properly adopted in accordance with the Rules of the Organisation of the Noteholders are binding on all Noteholders. Therefore certain rights of each Noteholder against the Issuer under the Conditions may be limited pursuant to any such Resolution.

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

(i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Class of Notes (if any);

(ii) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Class A Notes shall be binding on the Class B Notes, irrespective of the effect thereof on their interests;

(iii) no Resolution involving any matter that is passed by the holders of the Class B Notes shall be effective on the holders of the Class A Notes unless it is sanctioned by an Extraordinary Resolution of the holders of the Class A Notes.

Prospective Noteholders should note that these provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant Meeting and Noteholders who voted in a manner contrary to the Meeting

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 Seller in the Master Receivables Transfer Agreement, 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 Receivables Transfer Agreement).

However, the parties to the Master Receivables Transfer Agreement have acknowledged and agreed that the representations and warranties given by the Seller thereunder were given as a separate and independent guarantee (which is in addition to those provided for by law) and, accordingly, the provisions of articles 1495 et seq. of the Italian Civil Code are not applicable in respect thereto.

Ring Fencing

Under the terms of article 3 of the Securitisation Law, the assets relating to each individual securitisation transaction (the **Securitised Assets**) will, by operation of law, be segregated for all purposes from all other assets of the Issuer. On a winding up of the Issuer, such Securitised Assets will only be available to holders of the notes issued to finance the acquisition of the relevant Securitised Assets and to certain creditors claiming payments of debts incurred by the company in connection with the securitisation of the relevant Securitised Assets and they will not be available to the holders of notes issued to finance any other securitisation transaction or to general creditors of the Issuer.

In relation to the Securitisation, the Portfolio and the Available Collections, when received by the Issuer and credited to the Collection Account, are segregated under the Securitisation Law from all other assets of the Issuer and will only be available to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditors in the order of priority set out in the Conditions, subject to the terms of the Intercreditor Agreement. Additionally the Issuer will grant additional security in relation to the Notes pursuant to the Deed of Charge and the Spanish Pledge Agreement.

The Issuer is unlikely to have a large number of creditors unrelated to this Securitisation or any other securitisation transaction because the corporate object of the Issuer as contained in its bylaws (*statuto*) is limited and the Issuer will covenant in the Conditions, *inter alia*, not to engage in any activity which is not incidental to or necessary in connection with any activities which the Transaction Documents provide for or envisage that the Issuer may engage in or which is necessary in connection with or incidental to the Transaction Documents. Nonetheless, there remains the risk that the Issuer may incur unexpected expenses payable to Connected Third Party Creditors (which rank ahead of all other items in each of the Priorities of

Payments) which means that the funds available to the Issuer for purposes of fulfilling its payment obligations under the Notes could be reduced.

The Conditions contain provisions stating, and each of the Issuer Secured Creditors has undertaken in the Intercreditor Agreement, that no Noteholder or Issuer Secured Creditor will petition or begin proceedings for a declaration of insolvency against the Issuer. However, there can be no assurance that each and every Noteholder and Other Issuer Secured Creditor will honour its contractual obligation not to petition or begin proceedings for a declaration of insolvency against the Issuer.

If any bankruptcy proceedings were to be commenced against the Issuer, no creditors other than the Representative of the Noteholders on behalf of the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor would have the right to claim in respect of the Receivables; however, there can in any event be no assurance that the Issuer would be able to meet all of its obligations under the Notes.

Commingling risk

Pursuant to article 3, paragraph 2-*bis*, of the Securitisation Law, no actions by persons other than the noteholders can be brought on the accounts opened in the name of the issuer with the servicer or an account bank, where the amounts paid by the debtors and any other sums paid or pertaining to the issuer in accordance with the transaction documents are credited. In case of any proceedings pursuant to Title IV of the Italian Banking Act, or any bankruptcy proceedings (*procedura concorsuale*), the sums credited to the issuer's accounts (whether before or during the relevant insolvency proceeding) shall not be subject to suspension of payments and shall be immediately and fully repaid to the issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

In addition, pursuant to article 3, paragraph 2-*ter*, of the Securitisation Law, no actions by the creditors of the servicer or any sub-servicer can be brought on the sums credited to the accounts opened in the name of the servicer or any such sub-servicer with a third party account bank, save for any amount which exceeds the sums collected by the servicer or any such sub-servicer and due from time to time to the issuer. In case of any insolvency proceeding (*procedura concorsuale*) in respect of the servicer or any sub-servicer, the sums credited to such accounts (whether before or during the relevant insolvency proceeding), up to the amounts collected by the servicer or any such sub-servicer and due to the Issuer, will not be deemed to form part of the estate of the servicer or any such sub-servicer and shall be immediately and fully repaid to the issuer, without the need to file any petition (*domanda di ammissione al passivo o di rivendica*) and wait for the distributions (*riparti*) and the restitutions of sums (*restituzioni di somme*).

However, such provisions of the Securitisation Law have not been the subject of any official interpretation and to date they have been commented by a limited number of legal commentators. Consequently, there remains a degree of uncertainty with respect to the interpretation and application of article 3, paragraphs 2-*bis* and 2-*ter*, of the Securitisation Law.

For the purpose of mitigating such commingling risk, certain action have been taken, namely: (i) the undertaking of the Servicer to transfer into the Collection Account opened in the name of the Issuer with the Spanish Account Bank any amount paid by any Obligor in respect of the Portfolio within two Business Days from the date of receipt of such amount by the Servicer into a bank account in the name of the Servicer (and, in case the relevant payments by the Obligors are made through postal bulletin (*bollettino postale*), the correspondent undertaking of the Servicer to transfer into a bank account in the name of the Servicer any amount paid by any Obligor into the Servicer's postal account no later than the second Business Day following the date of receipt), (ii) following the occurrence of a Notification Event, the Issuer's right to notify each Obligor the transfer of the relevant Purchased Receivable to the Issuer and instruct each Obligor to make any payment in respect of the relevant Purchased Receivable directly to the Collection Account.

The risk above is further mitigated by the creation and operation of the Commingling Reserve (see section headed "*Credit Structure*").

Finally, pursuant to the Servicing Agreement, if, *inter alia*, the appointment of BPSA as Servicer is terminated, each Obligor, upon notification by the Issuer, shall make any payment in respect of the relevant Purchased Receivable directly into the Collection Account.

RISKS ASSOCIATED WITH THE PORTFOLIO

No independent investigation in relation to the Receivables

None of the Issuer, the Representative of Noteholders, the Arranger or any other Transaction Party (other than the Seller) has undertaken, or will undertake, any investigations, searches or other actions to verify the details of the Receivables comprised in the Portfolio or to establish the creditworthiness of any Obligor. Each such person will rely solely on representations and warranties given by the Seller under the Master Receivables Transfer Agreement in respect of, *inter alia*, the Receivables, the Obligors, the Ancillary Rights, the Auto Loans and the Auto Loan Contracts as of each Selection Date (and repeated on the relevant Purchase Date).

The only remedies of the Issuer in respect of the occurrence of a breach of the representations and warranties materially affecting the Receivables will be the partial termination of the Master Receivables Transfer Agreement and the payment by the Seller of an amount equal to the sum of (i) the Outstanding Balance in respect of the relevant Affected Receivables, (ii) accrued and outstanding interest, and (iii) any Arrears Amounts relating to those Affected Receivables as of the Determination Date preceding the Non-Conformity Repurchase Date (see section headed "*Description of the Transaction Documents – Master Receivables Transfer Agreement*"). In the event of a claim for loss by the Issuer against the Seller for breach of a representation and warranty, there is no assurance that the Seller will have the resources to indemnify the Issuer.

Performance of Auto Loan Contracts

The Portfolio is exclusively comprised of, and shall exclusively comprise, Receivables arising from Auto Loan Contracts which were performing (*crediti in bonis*) as at the relevant Selection Date (see section headed "*The Portfolio*"). There can be no guarantee that the Debtors will continue to perform their respective obligations under the Auto Loan Contracts. The recovery of amounts due in relation to non-performing Auto Loan Contracts is, *inter alia*, dependent on the effectiveness and duration of enforcement proceedings in the Republic of Italy.

In addition, the ability of Debtors to repay Auto Loans may be affected by adverse changes in macro-economic conditions affecting the Republic of Italy.

Insurance Policies

Any indemnity paid by the relevant Insurance Company to the relevant Debtor under any Insurance Policy may be used by the relevant Debtor to pay the amounts due in relation to the relevant Receivables.

There can be no guarantee that the Insurance Companies will perform their respective obligations under the relevant Insurance Policy.

Recoveries under the Auto Loan Contracts

Following default by a borrower under an Auto Loan Contract, the Servicer will be required to take steps to recover the sums due under the Auto Loan Contract in accordance with its credit and collection policies and the Servicing Agreement. See "*The Servicing Agreement*" and "*Underwriting and Management Procedures*"

below.

The Servicer may take steps to recover the deficiency from the borrower. Such steps could include an out-of-court settlement; however, legal proceedings may be taken against the borrower if the Servicer is of the view that the potential recovery would exceed the costs of the enforcement measures. In such event, due to the complexity of and the time involved in carrying out legal or insolvency proceedings against the borrower and the possibility for challenges, defences and appeals by the borrower, there can be no assurance that any such proceedings would result in the payment in full of outstanding amounts under the relevant Auto Loan Contract.

In the Republic of Italy, a lender which has received a judgment against a debtor in default may enforce the judgment through a forced sale of the debtor's (or guarantor's) goods (*pignoramento mobiliare*) or real estate assets (*pignoramento immobiliare*), if the lender has previously been granted a court order or injunction to pay amounts in respect of any debt or unperformed obligation.

Forced sale proceedings are directed against the debtor's properties following notification of an *atto di precetto* to the relevant debtor, together with a *titolo esecutivo*, i.e. an instrument evidencing the nature of the claims and having certain characteristics.

The average length for a forced sale of a debtor's goods, from the court order or injunction of payment to the final sharing-out, is about three years. The average length of time for a forced sale of a debtor's real estate asset, from the court order or injunction of payment to the final sharing-out, is between six and seven years. In the medium-sized central and northern Italian cities it can be significantly less, whereas in major cities or in southern Italy the duration of the procedure can significantly exceed the average.

Attachment proceedings may also be commenced on due and payable claims of a borrower (such as bank accounts, salary, etc.) or on a borrower's moveable property which is located on a third party's premises.

Servicing of the Portfolio

The Portfolio will be serviced by BPSA as Servicer of the Securitisation. Consequently, the net cash flows from the Portfolio may be affected by decisions made, actions taken and the Servicing Procedures adopted by the Servicer. To address this risk, the Servicing Agreement provides that (i) the Servicer will carry out the servicing activities according to the highest professional standards of skill and diligence in the collection and recovery of securitised receivables similar to the Purchased Receivables in the interest of the Issuer and the Representative of the Noteholders and (ii) in the event that the Servicer has to face a situation that is not expressly envisaged in the Servicing Procedures, it shall act in a commercially prudent and reasonable manner and in the interest of the Issuer, the Representative of Noteholders, the Noteholders and the Other Issuer Secured Creditors. In addition, amendments to the Servicing Procedures may be made only in the limited circumstances provided for under the Servicing Agreement.

In the case of payments made by direct debit, amounts paid by Debtors are paid into the Servicer Collection Account and, in the case of payments through postal bulletin (*bollettino postale*), amounts paid by Debtors are paid into the Servicer Postal Account and then transferred by the Servicer from the Servicer Postal Account to the Servicer Collection Account (in any case by no later than the second Business Day following the date of receipt). The Servicer has undertaken to transfer all the Available Collections to the Collection Account by no later than the second Business Day following receipt of such amounts.

Under the Servicing Agreement, the Servicer has confirmed that it has opened the Servicer Collection Account with the Servicer Collection Account Bank, for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law, where the Servicer has undertaken to credit all Available Collections in respect of the Purchased Receivables.

In addition, under the Servicing Agreement the Servicer has the power to renegotiate the terms of the Auto Loan Contracts corresponding to Purchased Receivables, within the limits set out thereunder (for further details, see the section headed "*Description of the Transaction Documents - Servicing Agreement*").

Used Car Risk

Certain of the Auto Loan Contracts giving rise to Receivables are in relation to Used Cars. Historically, the risk of non-payment of Auto Loans in relation to Used Cars is greater than in relation to Auto Loans for the purchase of New Cars.

Historical Information

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

GENERAL LEGAL CONSIDERATIONS

Application of Securitisation Law and enforceability of the assignment of the Receivables

The Securitisation Law was enacted on 30 April 1999 and was conceived to simplify the process and 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 receivables where the sale is to a company created in accordance with article 3 of the Securitisation Law and all amounts paid by the assigned Debtors are to be used by the relevant company exclusively to meet its obligations under notes issued to fund the purchase of such receivables and other costs and expenses associated with the securitisation transaction.

The Securitisation Law has been amended by Law Decree no. 145 of 23 December 2013 (converted into law by Law no. 9 of 21 February 2014), Law Decree no. 91 of 24 June 2014 (converted into law with amendments by Law no. 114 of 11 August 2014) and recently by Law Decree no. 50 of 24 April 2017 (converted into law by Law no. 96 of 21 June 2017).

Pursuant to article 4, first paragraph, of the Securitisation Law, the notice of sale in the Official Gazette of the assignment of those receivables which have the characteristics set out under article 1 of the Italian Factoring Law (i.e. receivables arising out of contracts executed by the originator in the ordinary course of its business) may be simplified by including only information regarding the originator, the assignee and the date of assignment. As an alternative, the perfection of the assignment of such receivables may be governed by article 5, paragraphs 1, 1-bis and 2 of the Italian Factoring Law, according to which the enforceability of the assignment against third parties is obtained by having the payment of the relevant purchase price with date certain at law (*data certa*).

According to article 4, second paragraph, of the Securitisation Law, as from the date of the publication of the notice in the Official Gazette or the date certain at law (*data certa*) of payment (in whole or in part) of the purchase price for the assigned receivables:

(a) no legal action may be brought in respect of the assigned receivables or the sums derived therefrom, other than for the purposes of enforcing the rights of the holders of the notes issued for the purpose of financing the acquisition of the relevant receivables and to meet the costs of the transaction;

(b) notwithstanding any provision of law providing otherwise, no set-off may be exercised by the debtors among the assigned receivables and any debtors' claims towards the originator arising after such date; and

(c) the assignment becomes enforceable against:

(i) any other assignee of the originator who has failed to render its purchase of receivables enforceable against any third party prior to such date;

(ii) any creditors of the originator who have not obtained, prior to such date, an attachment order (*pignoramento*) in respect of any of the receivables and then only to the extent of the receivables already attached.

The enforceability of the transfer of the Receivables comprised in the Portfolio to the Issuer against the Debtors is governed by the ordinary regime provided for by the Italian Civil Code. As a result, the transfer of the Receivables from the Seller to the Issuer becomes enforceable (*opponibile*) against the relevant Debtors only at such time as a notice (in any form) of the relevant assignment from the Seller to the Issuer has been given to the relevant Debtors, or the relevant Debtors have accepted such assignment, in each case in accordance with the provisions of Article 1264 of the Italian civil code.

Under article 3 of the Securitisation Law, by operation of law, the Issuer's right, title and interest in and to the Portfolio will be segregated from all other assets of the Issuer and the Portfolio and the relevant collections, once received by the Issuer, will be available on a winding up of the Issuer only to satisfy the obligations of the Issuer to the holders of the Notes, each of the Other Issuer Secured Creditors and any Connected Third Party Creditor. Amounts derived from the Portfolio will not be available to any other creditors of the Issuer. Under the Intercreditor Agreement, the Issuer Secured Creditors will agree not to commence insolvency or winding up proceedings against the Issuer except in certain limited circumstances and, in addition, the obligations of the Issuer under the Notes are limited recourse. However, under Italian law, any creditor of the Issuer would be able to commence insolvency or winding up proceedings against the Issuer in respect of any unpaid debt.

As at the date of this Prospectus, the application of the Securitisation Law has not been considered by any Italian Court and only a number of interpretations of its application have been issued by Italian governmental or regulatory authorities. Consequently, it is possible that such authorities may issue further regulations relating to the Securitisation Law or to the interpretation thereof, the impact of which cannot be predicted by the Issuer or any other party as at the date of this Prospectus.

Italian Usury Law

Italian Law no. 108 of 7 March 1996 (the **Usury Law**) introduced legislation preventing lenders from applying interest rates higher than those deemed to be usurious (**Usury Rates**). Usury Rates are set on a quarterly basis by a decree issued by the Italian Treasury. Several Supreme Court decisions (and in particular Italian Supreme Court judgments no. 1126 of 2 February 2000, no. 5286 of 22 April 2000 and no. 14899 of 17 November 2000) have held that the Usury Law applies to loan agreements executed prior to the Usury Law coming into force with regard to interest payments made following such date. Based on such judgments, debtors of loans bearing interest at a rate which is at any time above the prevailing Usury Rate or any interested person, including the judge deciding the case, may claim or declare, as the case may be, that the clause providing for the payment of interest is null and void or that a corresponding reduction in the contractual rate payable under the relevant loan should be made and the amounts paid in excess be returned. With a view to limiting the impact of the application of the Usury Law to Italian loans executed prior to its entering into force, on 29 December 2000 the Italian Government issued a law decree (*decreto legge*) (**Decree 394/2000**) converted into law by the Italian Parliament with Law no. 24 of 28 February 2001 (**Law 24/2001**), interpreting the provisions of the Usury Law. Pursuant to Law 24/2001, an interest rate is usurious

if it is higher than the legal limit in force at the time at which it is promised or agreed, in any form, regardless of the time at which payment is made.

However, it should be noted that few commentators and some lower court decisions have held that, irrespective of the principle set out in the Usury Law, as interpreted by Law 24/2001, if an interest originally agreed at a rate falling below the then applicable usury limit were, at a later date, to exceed the usury limit from time to time in force, such interest should nonetheless be reduced to the then applicable usury limit. Such opinion seems confirmed by the Italian Supreme Court (Cass. Sez. I, 11.01.2013, number 602 and Cass. Sez. I, 11.01.2013, number 603), which stated that an automatic reduction of the applicable interest rate to the Usury Rates applicable from time to time shall apply to the loans.

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 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.

Law 24/2001 was challenged before the Italian Constitutional Court on the grounds that it would not comply with the provisions of the Constitution. In February 2002, the Constitutional Court confirmed that under Decree 394/2000, the reference point in considering whether a rate is usurious or not is the date of execution of the relevant loan agreement.

The Italian Supreme Court, under decision number 350/2013, as recently confirmed by decision number 23192/17, has clarified that the 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 Rates. Such 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.

The Seller has represented in the Master Receivables Transfer Agreement that the Receivables comprised in the Portfolio comply with applicable Italian laws, among which are comprised those relating to usury.

Compounding of interest (*Anatocismo*)

Pursuant to article 1283 of the Italian civil code, in respect of a monetary claim or receivable, accrued interest may be capitalised after a period of not less than six months only (i) under an agreement entered into after the date on which it has become due and payable or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian civil code allows derogation from this provision in the event that there are recognised customary practices (*usi*) to the contrary. Banks and other financial institutions in the Republic of Italy have traditionally capitalised accrued interest on a three monthly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of judgements from Italian courts (including the judgements from the Italian Supreme Court (*Corte di Cassazione*) no. 2374/99, no. 2593/2003, no. 21095/2004 as confirmed by judgment no. 24418/2010 of the same Court) have held that such practices may not be defined as customary practices (*uso normativo*).

As a consequence thereof, the challenge by any Debtor of the practice of capitalising interest and the upholding of such interpretation of the Italian civil code in judgments of the other courts of the Republic of Italy could have a negative effect on the returns generated from the Auto Loan Contracts.

In this respect, it should be noted that article 25, paragraph 3, of Italian Legislative Decree no. 342 of 4 August 1999, enacted by the Italian Government under a delegation granted pursuant to Italian 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 will still be possible upon the terms established by a resolution of the Interministerial Committee of Credit and Saving (C.I.C.R.) dated 9 February 2000 and published on 22 February 2000. Italian Law no. 342 of 4 August 1999 was challenged, however, before the Italian Constitutional Court on the grounds that it falls outside the scope of the legislative powers delegated under Italian Law no. 142 of 19 February 1992. By decision no. 425 of 9 October 2000, the Italian Constitutional Court declared as unconstitutional on these grounds article 25, paragraph 3, of Italian Law no. 342 of 4 August 1999.

It should be noted that paragraph 2 of article 120 of the Italian Banking Act, concerning compounding of interest accrued in the context of banking transactions, has been recently amended by article 17-bis of Law Decree no. 18 of 14 February 2016 (as converted into law by Law no. 49 of 8 April 2016), providing that interest (other than defaulted interest) shall not accrue on capitalised interest. Paragraph 2 of article 120 of the Italian Banking Act also requires the *Comitato Interministeriale per il Credito e il Risparmio* (CICR) to establish the methods and criteria for the compounding of interest. Decree no. 343 of 3 August 2016 of the CICR, implementing paragraph 2 of Article 120 of the Italian Banking Act, has been published in the Official Gazette no. 212 of 10 September 2016. Given the novelty of this new legislation and in the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus.

The Seller has represented in the Master Receivables Transfer Agreement that the Receivables comprised in the Portfolio comply with applicable Italian laws, among which are comprised those relating to compounding of interest (*anatocismo*).

Risk of claw back

Pursuant the provisions of paragraph 4 of article 4 of the Securitisation Law, assignments of receivables made under the Securitisation Law are subject to claw-back (*revocatoria fallimentare*) (i) pursuant to article 67, paragraph 1, of the Italian Insolvency Act, if the adjudication of bankruptcy of the relevant Seller is made within 6 (six) months from the purchase of the relevant portfolio of receivables, provided that the sale price of the receivables exceeds the value of the receivables for more than 25 (twenty-five) per cent. and the issuer is not able to demonstrate that it was not aware of the insolvency of the Seller, or (ii) pursuant to article 67, paragraph 2, of the Italian Insolvency Act, if the adjudication of bankruptcy of the relevant Seller is made within 3 (three) months from the purchase of the relevant portfolio of receivables, provided that the sale price of the receivables does not exceed the value of the receivables for more than 25 (twenty-five) per cent. and the insolvency receiver of the Seller is able to demonstrate that the Issuer was aware of the insolvency of the Seller.

Restructuring arrangements in accordance with Law no. 3 of 27 January 2012

Articles from 6 to 19 of Italian Law no. 3 of 27 January 2012, as amended by Italian Law Decree no. 179 of 18 October 2012 converted into Law no. 221 of 17 December 2012 (the **Law no. 3**), have introduced a special composition procedure for the situations of crisis due to over-indebtedness (*procedimento per la composizione delle crisi da sovraindebitamento*) (the **Over-Indebtedness Composition Procedure**).

The Over-Indebtedness Composition Procedure applies to debtors who/which (i) are in a situation of persisting financial stress between their assets and liabilities which can be promptly liquidated and are seriously not capable of fulfilling their obligations or definitively not capable of fulfilling on a regular basis their obligations, (ii) may not be subject to any other insolvency proceedings, and (iii) have not entered into the Over-Indebtedness Composition Procedure for the last 5 (five) years. Law no. 3 applies both to small enterprises which are not subject to any other insolvency proceedings and to consumers.

The Over-Indebtedness Composition Procedure consists of a restructuring agreement between the debtor and its creditors (the **Restructuring Agreement**). The Restructuring Agreement is proposed by the debtor on the

basis of a plan which must ensure the payment in full of the creditors who/which do not adhere to the agreement (the **Plan**).

The Plan shall contain, *inter alia*: (i) the terms of the debt restructuring, including the re-scheduled payment dates and the modalities of payments, (ii) the modalities of liquidation (if any) of the assets; (iii) the security interests (if any) created in favour of the creditors. In addition, the Plan may provide for a payment standstill (*moratoria*) in respect of amounts due to the creditors who/which do not adhere to the Plan for a period not exceeding 1 (one) year, subject to the conditions that (i) the Plan is capable of ensuring the payment of such amounts at the expiry of the standstill period, and (ii) the Plan is executed by an administrative receiver (*liquidatore*) appointed by the court upon proposal of the Crisis Composition Body (as defined below), and (iii) the standstill (*moratoria*) does not apply to claims which may not be subject to attachment or seizure (*crediti impignorabili*).

The Restructuring Agreement shall be approved by such creditors representing at least 60 (sixty) per cent. of the indebtedness of the debtor. If the approval is achieved, the Restructuring Agreement shall be validated by the court, upon verification that all the requirements provided for by Law no. 3 are satisfied. The court may order that, until the Restructuring Agreement is approved (*omologazione*), any individual action is forbidden or suspended (if already pending). Law no. 3 provides for the establishment of composition bodies (*organismi di conciliazione*) (the **Crisis Composition Bodies**). The Crisis Composition Bodies should cooperate with the debtor and its creditors in any activity relating to the Over-Indebtedness Composition Procedure in order to achieve a successful composition. It is only in December 2013 that the first Restructuring Agreement obtained the approval of the court (reference is made to court order (*decreto di omologa*) issued by the Court of Pistoia on 27 December 2013) and, as at the date of this Prospectus, the number of Restructuring Agreements being reviewed by courts is still limited.

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 relevant due date or if the relevant debtor attempts to fraud its creditors. The Restructuring Agreement does not prejudice claims owed to the relevant debtor's guarantors and co-obligors.

Prospective Noteholders should note that, as at the relevant Selection Date and Purchase Date, all the Receivables comprised in each Portfolio were classified as performing (*in bonis*) by the Seller.

Change of Law

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

Fixed and floating security

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

Where the Issuer is free to deal with the secured assets, or any proceeds received on realisation of the secured assets, without the consent of the chargee, the court would be likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Whether the fixed security interests will be upheld as fixed security interests rather than floating security interests will depend, amongst other things, on whether the Representative of the Noteholders (acting as

security trustee) has the requisite degree of control over the Issuer's ability to deal in the relevant assets and the proceeds thereof and, if so, whether such control is exercised by the Representative of the Noteholders (acting as security trustee) in practice, in both cases always in accordance with the terms of the Transaction Documents.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors (if any) of the Issuer in respect of that part of the net property of the Issuer which is ring-fenced as a result of the Enterprise Act 2002 and (ii) certain statutorily defined preferential creditors of the Issuer may have priority over the rights of the Representative of the Noteholders (acting as security trustee) to the proceeds of enforcement of such security. In addition, the expenses of an administration would also rank ahead of the claims of the Representative of the Noteholders (acting as security trustee) as floating charge holder.

A receiver appointed by the Representative of the Noteholders (acting as security trustee) would be obliged to pay preferential creditors out of floating charge realisations in priority to payments to the Noteholders and the Other Issuer Secured Creditors. Following the coming into force of the insolvency provisions of the Enterprise Act 2002, the only remaining categories of preferential debts are certain amounts payable in respect of occupational pension schemes, employee remuneration and levies on coal and steel production.

If the Representative of the Noteholders (acting as security trustee) were prohibited from appointing an administrative receiver by virtue of the amendments made to the Insolvency Act 1986 by the Enterprise Act 2002, or failed to exercise its rights to appoint an administrative receiver within the relevant notice period and the Issuer were to go into administration, the expenses of the administration would also rank ahead of the claims of the Representative of the Noteholders (acting as security trustee) as floating charge holder.

Furthermore, in such circumstances, the administrator would be free to dispose of floating charge (and fixed charge) assets without the leave of the court, although the Representative of the Noteholders (acting as security trustee) would have the same priority in respect of the property of the company representing the proceeds of disposal of such floating charge assets, as it would have had in respect of such floating charge assets.

Eurosystem eligibility criteria

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

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

In Europe, the 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 or any other Transaction Party

makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Issue Date or at any time in the future.

In particular, prospective investors should note that the Basel Committee on Banking Supervision (**BCBS**) has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as **Basel III**), including certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio (**LCR**) and the Net Stable Funding Ratio (**NSFR**)). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (e.g. the LCR requirements refer to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements refer to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (e.g. as LCR eligible assets or not), may be subject to some level of national variation. It should also be noted that changes to regulatory capital requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe.

In addition, 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 various types of regulated investors (including, *inter alia*, credit institutions, investment firms or other financial institutions, authorised alternative investment fund managers, insurance and reinsurance companies and UCITS funds) which intend to invest in a securitisation transaction. Among other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that relevant investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 (five) per cent in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a proportional additional risk weight on the notes acquired by the relevant investor. The retention and due diligence requirements hereby described apply, or are expected to apply, in respect of the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Representative of Noteholders, the Seller, the Arranger or any other Transaction Party makes any representation that the information described above is sufficient in all circumstances for such purposes.

Prospective investors in the Notes 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.

Such requirements are provided, *inter alia*, by the following EU regulations (without prejudice to any other applicable EU regulations):

(A) The CRD IV and the CRR

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

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

The CRR (including Article 405) is directly applicable and became effective on 1 January 2014. The CRD IV has been implemented in Italy by the *Circolare n. 285* (*Disposizioni di Vigilanza per le Banche*) of 17 December 2013 of the Bank of Italy entered into force on 1 January 2014.

Accordingly, under the Intercreditor Agreement, the Seller has undertaken to comply to such provisions as better described under the section headed "*Retention Requirements*".

Article 406 of the CRR further requires an EU regulated credit institution, before investing, and as appropriate thereafter, for each of its individual exposure in securitisation transactions, to carry out a due diligence in respect of each such exposure and the relevant securitisation, to implement formal policies and procedures appropriate for such activities to be conducted on an on-going basis, to regularly perform its own stress tests appropriate to its exposure and to monitor on an on-going basis and in a timely manner performance information on such exposures. Failure to comply with one or more of the requirements set out in article 406 of the CRR will result in the imposition of a higher capital requirement in relation to the relevant exposure by the relevant EU regulated credit institution. In such respect, articles 405-409 (inclusive) of the CRR require originators, sponsors and original lenders to ensure that prospective investors have readily available access as at the issue date and on an on-going basis to all information necessary to comply with their due diligence and monitoring obligations and all relevant data necessary to conduct comprehensive and well informed stress tests on the underlying exposures.

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

It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which will apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the coming new requirements and the current requirements including with respect to the matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences may arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance is to be made through new technical standards. However, securitisations established prior to the application date of 1 January 2019 that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date should remain subject to the current requirements and should not be subject to the new risk retention and due diligence requirements in general.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters 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.

(B) The AIFM Directive and the AIFM Regulation

On 22 July 2013, Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers (**AIFM Directive**) became effective. Article 17 of AIFM Directive 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 securitisation transactions 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 on-going 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 retention requirements set out in articles 51 to 54 of the AIFM Regulation apply to securitisations completed and relevant notes issued on or after 1 January 2011.

Italian Legislative Decree no. 44 of 4 March 2014 implementing AIFM Regulation has been published in the

Official Gazette of the Republic of Italy on 25 March 2014. Two further regulations implementing AIFM Regulation 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. These two regulations entered into force on 3 April 2015.

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

(C) The Solvency II Directive and the Solvency II Regulation

Directive 2009/138/EU of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II) (the **Solvency II Directive**) set out rules concerning the following: (1) the taking-up and pursuit, within the community, of the self-employed activities of direct insurance and reinsurance; (2) the supervision of insurance and reinsurance groups; (3) the reorganisation and winding-up of direct insurance undertakings. The Solvency II Directive requires the adoption by the European Commission of implementing measures that complement the high level principles set out therein. 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 per cent. on an on-going basis).

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

With respect to the commitment of the Seller to retain a material net economic interest in the Securitisation, please see the statements set out in section headed "*Retention Requirements*".

Prospective investors in the Notes are responsible for analysing their own regulatory position and are required to independently assess and determine the sufficiency of the information described in this Prospectus and in the Investors Reports made available and/or provided in relation to the Securitisation for the purpose of complying, *inter alia*, with the CRD IV, the CRR, the AIFM Directive, the AIFM Regulation, the Solvency II Directive and the Solvency II Regulation. None of the Issuer, the Arranger or any other Transaction Party makes any representation to any prospective investors in or purchaser of the Notes (i) that the information described in this Prospectus are sufficient in all circumstances for the purposes of the CRD IV, the CRR, the AIFM Directive, the AIFM Regulation, the Solvency II Directive, the Solvency II Regulation or any other applicable laws; (ii) regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future; or (iii) in respect of the compliance of the Securitisation with the relevant investors' supervisory regulations.

It should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which will apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by BCBS (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the coming new requirements and the current requirements including with respect to the certain matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences may arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance is to be made through new technical standards. However, securitisations established prior to the application date of 1 January 2019 that do not involve the issuance of securities (or otherwise involve the creation of a new securitisation position) from that date should remain subject to the current requirements and should not be subject to the new risk retention and due diligence requirements in general.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes.

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.

Changes or uncertainty in respect of Euribor may affect the value or payment of interest under the Class A Notes

Various interest rate benchmarks (including the Euro Interbank Offered Rate (**Euribor**) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are

already effective whilst others are still to be implemented including the EU Benchmark Regulation (Regulation (EU) No. 2016/1011) (the **Benchmark Regulation**).

Under the Benchmarks Regulation, which applies from 1 January 2018 in general, new requirements will apply with respect to the provision of a wide range of benchmarks (including Euribor), the contribution of input data to a benchmark and the use of a benchmark within the European Union.In particular, the Benchmarks Regulation will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Additionally, in March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the **EMMI**) published a position paper referring to certain proposed reforms to Euribor, which reforms aim to clarify the Euribor specification, to develop a transaction-based methodology for Euribor and to align the relevant methodology with the Benchmarks Regulation, the IOSCO's proposed Principles for Financial Market Benchmarks (July 2013) (the **IOSCO Principles**) and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current Euribor methodology to a fully transaction-based methodology following a seamless transition path". It is the current intention of the EMMI to develop a hybrid methodology for Euribor.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Based on the foregoing, prospective investors should in particular be aware that:

(a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including Euribor) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be; and

(b) if Euribor is discontinued or is otherwise unavailable, then the rate of interest on the Class A Notes will be determined for a period by the fall-back provisions provided for under Condition 5.2(d), although such provisions, being dependent in part upon the provision by reference banks of offered quotations for leading banks in the Euro-zone interbank market (in the case of Euribor), may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when Euribor was available.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Class A Notes and/or the Swap Agreement due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Class A Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of Euribor could affect the ability of the Issuer to meet its obligations under the Class A Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Class A Notes. Changes in the manner of administration of Euribor could result in adjustment to the Conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequences in relation to the Class A Notes. No assurance may be provided that relevant changes will not occur with respect to

Euribor and/or that such benchmark will continue to exist. Investors should consider these matters when making their investment decision with respect to the Class A Notes.

U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. Final rules implementing the statute (the **U.S. Risk Retention Rules**) came into effect on 24 December 2016 with respect to non-RMBS securitisations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The Seller does not intend to retain at least 5 per cent. of the credit risk of the Issuer for the purposes of the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitization transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Seller has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the assets from an affiliate or branch of the Seller or the Issuer that is organised or located in the United States.

The Notes provide that they may not be purchased by Risk Retention U.S. Persons except with the express written consent of the Seller in the form of a U.S. Risk Retention Waiver and where such purchase falls within the exemption provided for in Section _.20 of the U.S. Risk Retention Rules. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" under Regulation S. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

(a) Any natural person resident in the United States;

(b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;

(c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) Any agency or branch of a foreign entity located in the United States;

(f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) Any partnership, corporation, limited liability company, or other organisation or entity if:

(i) Organised or incorporated under the laws of any foreign jurisdiction; and

(j) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;

Consequently, the Notes may not be purchased by any person except for (a) persons that are not Risk Retention U.S. Persons or (b) persons that have obtained a U.S. Risk Retention Waiver from the Seller and where such purchase falls within the exemption provided for in Section _.20 of the U.S. Risk Retention Rules. Each holder of a Note or a beneficial interest acquired in the initial syndication of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed to represent to the Issuer, the Seller and the Arranger that it (1) either (i) is not a Risk Retention U.S. Person or (ii) it has obtained a U.S. Risk Retention Waiver, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Seller has advised the Issuer that it will not provide a U.S. Risk Retention Waiver to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under US GAAP) of all Classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Note Issuance Date.

Failure on the part of the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Seller which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Transaction Documents. Furthermore, a failure by the Seller to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

Bank Recovery and Resolution Directive

The directive providing for the establishment of a framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the **BRRD**) entered into force on 2 July 2014.

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which 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: (i) sale of business, which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution, which enables resolution authorities to transfer all or part of the business of the

firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation, which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

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.

The BRRD provides that it shall be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016. The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Italian Banking Act (Legislative Decree No. 385 of 1 September 1993, as amended) and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applied from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's will apply from 1 January 2019.

It should be noted that the powers set out in the BRRD may impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As the BRRD has only recently been implemented in Italy and other Member States, there is material uncertainty as to the effects of any application of it in practice.

Volcker Rule

The enactment of the Dodd-Frank Act, which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act. Section 619 of the Dodd-Frank Act added a new section 13 to the Bank Holding Company Act of 1956, commonly referred to as the **Volcker Rule**.

The Volcker Rule generally prohibits "banking entities" broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund" and (iii) entering into certain transactions with such funds subject to certain exemptions and exclusions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the **ICA**) but is exempt from

registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

Not all investment vehicles or funds, however, fall within the definition of a "covered fund" for the purposes of the Volcker Rule. For example, for most non-U.S. banking entities, a non-U.S. issuer that offers its securities only to non-U.S. persons may be considered not to be a "covered fund. Additionally, the Issuer should not be a "covered fund" for the purposes of the regulations adopted to implement Section 619 of the Volcker Rule, and also should be able to qualify for the "Loan Securitization Exclusion" provided under Section 10(c)(8) of the Volcker Rule, although there may be additional exclusions or exemptions available to the Issuer. However, if the Issuer is deemed to be a "covered fund", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer and this could adversely impact the ability of the banking entity to enter into new transactions with the Issuer and may require amendments to certain existing transactions and arrangements. "Ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund or through any right of the holder to participate in the selection of an investment manager or advisor or the board of directors of such covered fund.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Arranger or the other Transaction Parties makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

EMIR

The European Market Infrastructure Regulation EU no. 648/2012 (**EMIR**) entered into force on 16 August 2012. EMIR and the regulations made under it impose certain obligations on parties to OTC derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are "non-financial counterparties".

Financial counterparties will be subject to a general obligation (the **Clearing Obligation**) to clear through a duly authorised or recognised central counterparty all "eligible" OTC derivative contracts entered into with other counterparties subject to the Clearing Obligation. They must also report the details of all derivative contracts to a trade repository (the **Reporting Obligation**) (in which respect the Issuer may appoint one or more reporting delegates) and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the **Risk Mitigation Obligations**). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged. To the extent that the Issuer becomes a financial counterparty, this may lead to a termination of the Swap Agreement.

Non-financial counterparties are excluded from the Clearing Obligation and certain of the Risk Mitigation Obligations provided that the gross notional value of all derivative contracts entered into by the non-financial

counterparty and other non-financial counterparties within its "group" (as defined in EMIR), excluding eligible hedging transactions, do not exceed certain thresholds. If the Issuer is considered to be a member of such a "group" (as defined in EMIR) and if the notional value of derivative contracts entered into by the Issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the clearing obligation. Whilst the Swap Agreement entered into by the Issuer is expected to be treated as a hedging transaction and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group", the regulator may take a different view. If the Issuer exceeds the applicable clearing thresholds, it would also be subject to the full set of risk mitigation obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. The Issuer may be unable to comply with such requirements, which could result in the termination of the Swap Agreement. The Swap Counterparty may also be unable to enter into swap agreement with the Issuer. Any termination of the Swap Agreement as a result of non-compliance with such requirements or as a result of the Issuer becoming a financial counterparty as described above or otherwise could expose the Issuer to costs and increased interest rate risk.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts (including the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives such as the Swap Agreement). As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

It should also be noted that further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. In this regard, the EU Commission has published legislative proposals providing for certain amendments to EMIR. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable. In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to adoption is uncertain. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or all of the potentially adverse consequences outlined above.

The "anti-deprivation" principle

The validity of contractual priorities of payments (such as the Priorities of Payments contemplated in the Conditions) 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 noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The Court of Appeal in Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd 2009 EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the anti-deprivation principle was not breached by such provisions. This was further supported in *Belmont Park Investments PTY Limited v BNY Corporate Trustee Services Ltd and Lehman Brothers Special Financing Inc (2011) UKSC 38*, in which the Supreme Court of the United Kingdom upheld the priority provisions at issue in determining that such priority provisions were part of a complex commercial transaction entered into in good faith without any intention to evade insolvency law in which the changing priority of payments was an essential part of the transaction understood by the parties and did not contravene the anti-deprivation principle.

The U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s motion for summary judgement to the effect that the provisions do infringe the antideprivation principle in U.S. insolvency. The Court acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Corporate Trustee Services Ltd

was granted leave to appeal but the case subsequently settled out of court. Notwithstanding the New York settlement, the decision of the US Bankruptcy Court remains inconsistent with the decision reached by the Supreme Court of the United Kingdom in the Belmont case as referred to above and therefore uncertainty remains as to how a conflict of the type referred to above would be resolved by the courts. 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 rating of the Class A Notes, the market value of the Class A Notes and/or the ability of the Issuer to satisfy all or any of its obligations under the Class A Notes.

APPLICABLE CAR AND CONSUMER CREDIT LEGISLATION

The Portfolio includes Auto Loans which are "consumer loans" (i.e. loans extended to individuals (the "consumers") acting outside the scope of their entrepreneurial, commercial, craft or professional activities) and are regulated by, amongst other things: (i) articles 121 to 126 of the Italian Banking Act; and to the extent applicable (ii) the Italian Legislative Decree No. 206 of 6 September 2005 (the **Consumer Code**). Under the current legislation, consumer loans are only those granted for amounts respectively lower and higher than the maximum and minimum levels set forth by article 122, first paragraph, letter a) of the Italian Banking Act, such levels being currently fixed at €75,000 and €200 respectively.

The following risks, amongst others, could arise in relation to a consumer loan contract:

(a) pursuant to paragraphs 1 and 2 of article 125-*quinques* of the Italian Banking Act, borrowers under consumer loan contracts linked to supply contracts have the right to terminate the relevant contract with the lender following a default by the supplier, provided that such default meets the conditions set out in article 1455 of the Italian Civil Code. In the case of termination of the consumer loan contract, the lender must reimburse all instalments and sums paid by the consumer. However, the lender has the right to claim these payments from the relevant defaulting supplier. Pursuant to paragraph 4 of article 125-*quinques* of the Italian Banking Act, borrowers are entitled to exercise against the assignee of any lender under such consumer loan contracts any of the defences mentioned under paragraphs 1 to 3 of the same article, which they had against the original lender. In addition, with respect to insurance policies financed by the originators/lenders (where the premium is paid up-front by the originators to the insurance companies and then reimbursed to the originators/lenders by the borrowers as a part of the loan instalments), it is uncertain whether such insurance policies may qualify as linked contracts and, as such, would confer on the borrowers the right to terminate the relevant loan agreements or at least claim a refund of the unearned premium from the issuer in case of default of the insurance companies. On the basis of the principles of the Italian civil code it could be reasonably argued that, should the insurance policies qualify as linked contracts, upon default of the insurance companies the borrowers would be entitled to claim only a refund of the portion of the loan financing the premium. However, it should be noted that, as at the date of this Prospectus, no decision has been expressed by any Italian court in respect of this issue;

(b) pursuant to article 125-*sexies* of the Italian Banking Act, debtors under consumer loan contracts have the right (which cannot be waived by agreement between the parties) to prepay any consumer loan (in whole or in part) with the right to a *pro rata* reduction in the aggregate amount of the loan, equal to the amounts of interest and costs that should accrued until the final maturity date of such loan. Pursuant to second paragraph of article 125-*sexies*, in case of prepayment of the consumer loan, the lender has the right to receive an indemnity from the debtor that cannot exceed the following limits: (i) 1 per cent. of the early prepaid amount, should the prepayment be made more than 1 year before

the final maturity date of the loan; or (ii) 0.5 per cent. of the early prepaid amount, should the prepayment be made at least 1 year or less than 1 year before the final maturity date of the loan, provided that in any case such indemnity cannot exceed the amount of interest that the debtor would have paid on the loan until its final maturity date. Furthermore, third paragraph of article 125-*sexies* provides for specific circumstances under which such indemnity is not due by the debtor to the lender (e.g. if the prepaid amount is equal to the outstanding amount and it is lower than €10,000);

(c) pursuant to paragraph 1 of article 125-*septies* of the Italian Banking Act, borrowers are entitled to exercise, against the assignee of any lender under a consumer loan contract, any defence (including set-off) which they had against the original lender, in derogation to the provisions of article 1248 of the Italian Civil Code (that is even if the borrower has accepted the assignment or has been given written notice thereof). It is debated whether paragraph 1 of article 125-*septies* of the Italian Banking Act allows the assigned consumer to set-off against the assignee only claims that had arisen *vis-à-vis* the assignor before the assignment or also those claims arising after the assignment, regardless of any notification/acceptance of the same. In this respect it should be noted that the Securitisation Law provides, *inter alia*, that, notwithstanding any provision of law providing otherwise, no set-off may be exercised by a debtor *vis-à-vis* the purchasing issuer grounded on claims which have arisen towards the seller after (a) the date of publication of the notice of transfer of the relevant receivables in the Official Gazette or (b) the payment of the purchase price (even partial) of the relevant receivables bearing data certain at law (*data certa*) (please also refer to the risk factor above headed "*Application of Securitisation Law and enforceability of the assignment of the Receivables*" as to the impact that the existence of a contractual undertaking by the Seller to notify the borrowers of the assignment of the Receivables may have on the borrowers' set-off rights against the Issuer). Furthermore, in the Master Receivables Transfer Agreement the Seller has undertaken to indemnify the Issuer on demand and on a full after tax basis against any costs, damages, losses, expenses or liabilities (including, but not limited to, legal and out of pocket expenses) that are reasonable and justified and suffered by the Issuer (as shall be determined in good faith, directly or indirectly, by the Issuer) as a result of, *inter alia*, any dispute, claim, set-off or defence of any Obligor in respect of a payment under any Purchased Receivable (including, without limitation a defence based on a Purchased Receivable or the related Auto Loan Contract not being a legal, valid, and binding obligation of such Obligor enforceable against it in accordance with its terms);

(d) pursuant to paragraph 2 of article 125-*septies* of the Italian Banking Act, there is no obligation to inform the consumer of the assignment of the rights of the lender under a consumer loan contract when the original lender maintains the servicing of the relevant claims. In addition, regulation of the Bank of Italy dated 29 July 2009 (*Trasparenza delle operazioni e dei servizi bancarie e finanziari. Correttezza delle relazioni tra intermediari e clienti*, as amended and supplemented from time to time) provides that notices of assignment shall be made in accordance with, respectively, article 58 of the Italian Banking Act with respect to the assignment of claims to be carried out in accordance with article 58 of the Italian Banking Act and article 4 of the Securitisation Law with respect to the securitisation transaction of claims. Prior notice of the purchase of the Receivables under the Master Receivables Transfer Agreement was not, and will not be, given to the borrowers as the Seller will continue to service the relevant Receivables and the borrowers' payment procedure will not be subject to change. Since no notice of the assignment of the Receivables to the Issuer is being given there is a risk that borrowers who qualify as a "consumer" pursuant to the Italian Banking Act could raise a defence in any enforcement action taken by the Issuer in respect of the relevant Auto Loan Contract extended to them that the assignment of the Receivables cannot be enforced against them if the Seller does not continue to service the relevant Receivables and the borrowers' payment procedure are subject to change, until they receive formal notice of the assignment.

The Auto Loans disbursed to Debtors who qualify as a "consumer" pursuant to the Italian Banking Act are regulated, *inter alia*, by article 1469-*bis* of the Italian civil code and by the Consumer Code, which implement EC Directive 93/13/CEE on unfair terms in consumer contracts, and provide that any clause in a

consumer contract which contains a material imbalance between the rights and obligations of the consumer under the contract, is deemed to be unfair and is not enforceable against the consumer whether or not the consumer's counterparty acted in good faith.

Article 33 of the Consumer Code identifies clauses which, if included in consumer contracts, are deemed to be *prima facie* unfair but which are binding on the consumer if it can be shown that such clauses were actually individually negotiated or that they can be considered fair in the circumstances of the relevant consumer contract. Such clauses include, *inter alia*, clauses which give the right to the non-consumer contracting party to (a) terminate the contract or (b) modify the conditions of the contract without reasonable cause. However, with regard to financial contracts, if there is a valid reason, the provider is empowered to modify the economic terms but must inform the consumer immediately; in this case, the consumer has the right to terminate the contract.

Pursuant to article 36 of the Consumer Code, the following clauses, *inter alia*, are considered null and void as a matter of law and are not enforceable: (a) any clause which has the effect of excluding or limiting the remedies of the consumer in case of total or partial failure by the non-consumer contracting party to perform its obligations under the consumer contract; and (b) any clause which has the effect of making the consumer party to be bound by clauses he has not had any opportunity to consider and evaluate before entering into the consumer contract.

The Seller has represented and warranted in the Master Receivables Transfer Agreement that the Auto Loan Contracts comply with all applicable laws and regulations.

Rights of Repossession and Sale of Automobiles under Italian Law

In general, the Seller does not hold any title, right, or interest whatsoever over vehicles funded pursuant to Auto Loan Contracts. However, articles 2810 et seq. of the Italian Civil Code and Royal Legislative Decree no. 436 of 15 March 1927 (**Law 436/1927**) provide that upon the sale of a vehicle, the seller is entitled to a *privilegio speciale* (a **Special Lien**) over the vehicle for the payment of the purchase price, or for the payment of such portion of the purchase price which has not been paid upon the sale and remains outstanding if the vehicle is registered with the *Pubblico Registro Automobilistico* (the **PRA**) (the Italian public register of vehicles). Article 2 of Law 436/1927 further states that any third party which has paid (in whole or in part) the purchase price of a vehicle, on behalf of or for the benefit of the purchaser of a vehicle, is also entitled to such a Special Lien. All such Special Liens must be perfected by way of registration in the PRA within one year in order for the Special Lien to rank ahead of other creditors of the relevant debtor and any other lien created over the relevant vehicle (save for certain creditors preferred by law).

It is a requirement for registration of the special lien in the PRA that the underlying loan agreement be registered with the competent registration tax office. Such registration currently triggers payment of a flat € 168 documentary registration tax. In addition, the registration of the Special Lien itself in the PRA triggers the payment of the "*Imposta Provinciale di Trascrizione*" (**IPT**) the amount of which could vary from a flat € 150.81 to 1.46 per cent. of the amount secured by the special lien. Such amounts could be increased by a provincial surcharge of up to 30 per cent.

Pursuant to article 4 of Law 436/27, the party in favour of whom the Special Lien has been created is bound to insure the debtor against liability to third parties arising from damage caused by the vehicle in an amount equal to the debt secured by the Special Lien and for a period equal to the term of the Special Lien, although the secured creditor is entitled to be reimbursed by the relevant debtor for the amount of the insurance premium. If the secured creditor does not comply with this obligation, the Special Lien is not enforceable against those claiming amounts for damage caused by the vehicle.

Under the Master Receivables Transfer Agreement, the Seller will transfer all its rights, title and interests in and any security created over vehicles funded pursuant to the Auto Loan Contracts whose Receivables have been transferred to the Issuer. However, because of the cost implications, only in very limited circumstances

will the Seller establish and perfect (through registration of the Special Lien in the PRA) Special Liens over financed vehicles, either on origination of the Auto Loan or for enforcement purposes upon a default by the relevant Debtor.

Italian Taxation Considerations

Tax position of the Issuer

Taxable income of the Issuer is determined in accordance with Italian Presidential Decree no. 917 of 22 December 1986, as amended. In addition, Italian regional tax on productive activities (IRAP) may apply. Pursuant to the regulations issued by the Bank of Italy as to accounting treatment of companies incorporated pursuant to the Securitisation Law, all assets, liabilities, income and expenses attributable directly to the securitisation of the Receivables will be treated as off-balance sheet assets, liabilities, income and expenses. Circular No. 8/E of 6 February 2003, issued by the Italian Agency of Revenues (*Agenzia delle Entrate*), has stated that the tax regime applicable to the Issuer as long as the Notes are outstanding is consistent with the above applicable accounting regime. Accordingly, an issuer will be taxed on the proceeds generated by a securitisation transaction under the ordinary Italian tax rules if and to the extent that such proceeds are legally available to such issuer when all obligations of the issuer to the noteholders and to the other creditors in respect of the relevant securitisation transaction have been fully discharged.

As a consequence of the position taken by the Italian tax authorities in Circular No. 8/E of 6 February 2003, no taxable income will be realised by the Issuer whilst any Notes are outstanding (except only for non-expensed amounts retained by the Issuer).

Future rulings, guidelines, regulations or letters relating to the Securitisation Law or to the interpretation of certain provisions of Italian corporate income tax which may be issued by the Italian Ministry of Economy and Finance or other competent authorities might alter or affect the tax position of the Issuer as described above.

Withholding Tax on the Issuer's Accounts

Interest accrued on the Issuer bank accounts will be subject to withholding tax on account of Italian corporate income tax which, as at the date of this Prospectus, is levied at the rate of 26 per cent. However, pursuant to Resolution No. 222/E of 5 December 2003 and Resolution No. 77/E of 4 August 2010 of the Italian tax authorities, the Issuer may not be able to effectively utilise this withholding tax against its Italian corporate income tax liability, until the obligation of the Issuer to the Noteholders, to the Other Issuer Secured Creditors and to any third party to whom the Issuer has incurred costs, liabilities, fees and expenses in connection with the transaction are satisfied (*fino a che non siano stati soddisfatti tutti i creditori del patrimonio separato dell'Issuer*). As a consequence, if and to the extent that no taxable income will accrue to the Issuer at the end of the securitisation, the Issuer will not be entitled to recover the withholding tax already paid on interests accrued on the accounts.

Registration Tax

If the Issuer were to obtain a judgment from an Italian court in respect of a breach of any Transaction Document or were to enforce a foreign judgment in Italy in respect of any such breach, a registration tax at a fixed amount of Euro 200 or at a rate of up to three per cent. of the amount awarded pursuant to any such judgment may be payable.

In addition, each Transaction Document may be subject to registration tax at a fixed amount of Euro 200 or at a rate of up to three per cent. of the amount indicated in each Transaction Document where a *caso d'uso* or an *enunciazione* will occur or upon voluntary registration of such document by any of the parties.

For the purposes of the Italian registration tax, a "case of use" (*caso d'uso*) occurs when a document is: (i) deposited with a judiciary office for administrative purposes only (e.g. the mere production of a document in court does not represent a "case of use"); or (ii) deposited with a government agency or local authority, unless such deposit is mandatory by law or regulation or is required in order for the relevant government agency or local authority to comply with its own obligations. In addition, reference in a document which is submitted for registration to another document (*enunciazione*) would entail the registration of such second document provided that all the parties to the document to which reference is made are also parties to the document submitted for registration.

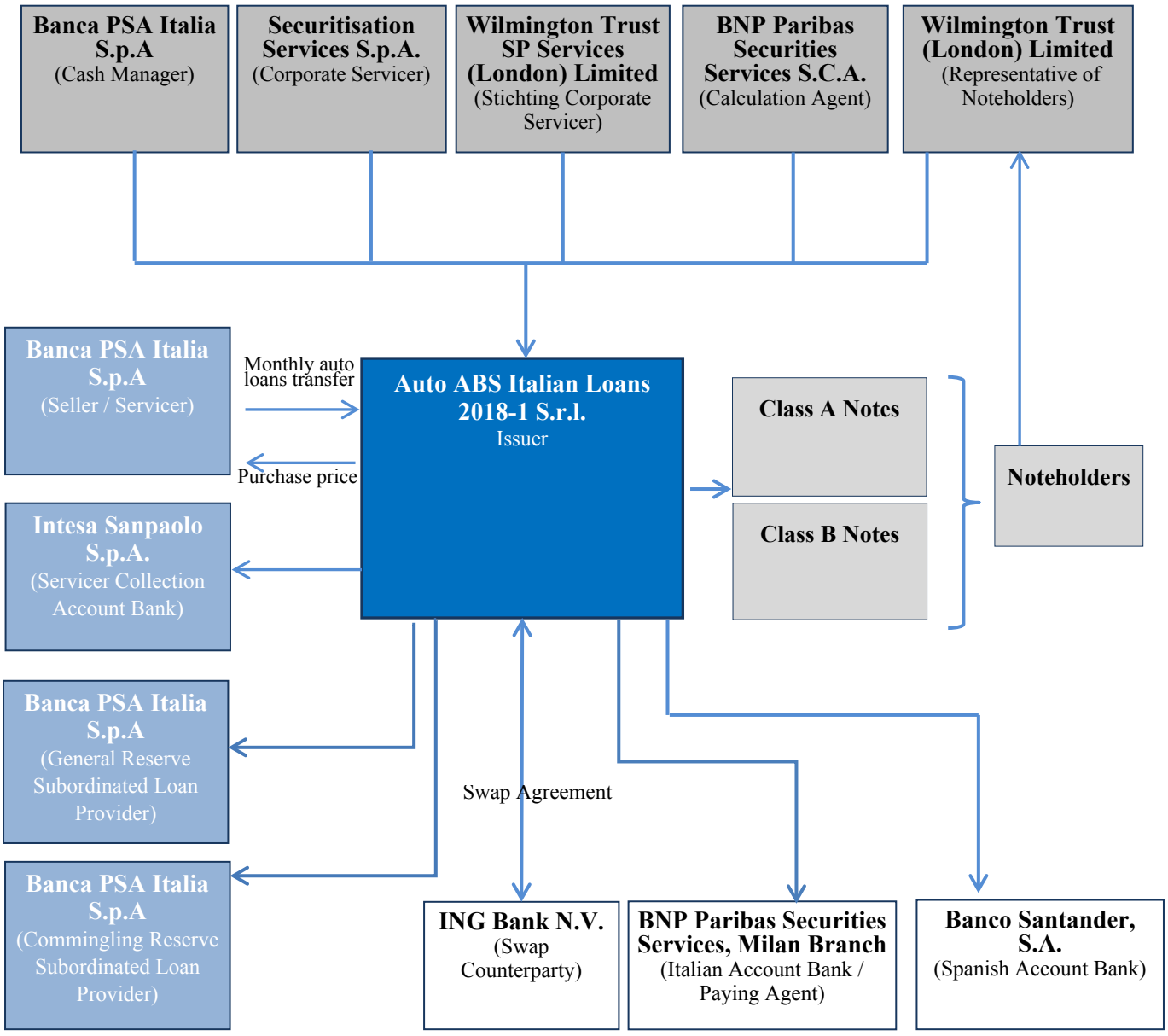
In such a case, the Italian tax authorities may ask for the cross-referenced Transaction Documents to be filed with the competent Italian registration tax office and, consequently, the application of registration tax to such Transaction Documents according to the ordinary rules. The rule applies at Italian tax authorities' request and only to the extent that the document filed with the registration tax office and the Transaction Document which has been mentioned therein are entered into by the same parties.

The same rule also applies in case of cross-references into a judicial decision of a Transaction Document which has not been subject to registration tax in Italy.

In cases where the Transaction Documents filed with the registration tax office as a consequence of a *caso d'uso* or *enunciazione* regulate supplies falling within the scope of VAT (even if VAT-exempt), registration tax would be levied at the fixed rate of Euro 200.

TRANSACTION DIAGRAM

The following is a diagram showing the structure of the Securitisation as at the Issue Date. It is intended to illustrate to prospective noteholders the principal parties in the transaction structure as at the Issue Date.



CREDIT STRUCTURE

The Notes will be limited recourse obligations solely of the Issuer backed by the Portfolio and the other Securitisation Assets. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Arranger, any other Transaction Party or any other person. Furthermore, none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

It is expected that the Rating Agencies will, on issue, assign to the Class A Notes the following ratings:

DBRS: "AA(high)(sf)"

Fitch: "AA(sf)"

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

Subordination of Notes as between Classes

The Notes of each Class shall rank *pari passu* without preference or priority amongst themselves, provided that, as regards the Notes of each Class with respect to the Notes of each other Class:

(a) in respect of interest, during the Revolving Period and the Amortisation Period, the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law;

(b) in respect of principal, during the Revolving Period and the Amortisation Period, the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law; and

(c) in respect of interest and principal, during the Accelerated Amortisation Period and following the service of a Trigger Event Notice or in case of early redemption in the circumstances indicated under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Class A Notes shall rank *pari passu* among themselves and in priority to the Class B Notes, but subordinate to the claims of certain other creditors of the Issuer as more fully specified in the applicable Priority of Payments or as a result of mandatory provisions of law.

The obligation of the Issuer to pay interest and principal on the Notes will be subject to the applicable Priority of Payments and the limited recourse provisions set out in Condition 17 (*Non Petition and Limited Recourse*), and such amounts will only be payable to the extent that the Issuer has sufficient funds after making payment or providing for the payment of all amounts required to be paid or provided for under the applicable Priority of Payments and the relevant provisions of the Intercreditor Agreement in priority to such payments.

General Reserve

Pursuant to the General Reserve Subordinated Loan Agreement, the General Reserve Subordinated Loan Provider has undertaken to make available to the Issuer, on the Issue Date, a General Reserve Advance to fund the General Reserve Required Amount. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as General Reserve Required Amount pursuant to the General Reserve

Subordinated Loan Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 7,420,000 will be transferred from the Collection Account into the General Reserve Account as General Reserve Required Amount.

The General Reserve Account shall be credited on each Payment Date (taking into account any amount advanced by the General Reserve Subordinated Loan Provider in respect of a General Reserve Additional Advance) in accordance with the Priorities of Payments, during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, with such amount that would ensure that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date.

On each Settlement Date during the Revolving Period and the Amortisation Period, all amounts standing to the credit of the General Reserve Account shall be transferred to the Interest Account. On the immediately following Payment Date, such amounts will form part of the Available Interest Amounts and will be used to cover any shortfall of other Available Interest Amounts in making payments under the Interest Priority of Payments.

During the Accelerated Amortisation Period and the Post-Enforcement Amortisation Period, unless directed otherwise by the Representative of the Noteholders (acting on the instructions of the Noteholders in accordance with the Rules of the Organisation of the Noteholders), all amounts standing to the credit of the General Reserve Account shall be transferred to the Principal Account. On the immediately following Payment Date, such amounts will form part of the funds available to the Issuer in respect of such Payment Date and will be sued to cover any shortfall of other funds available in making payments under the Accelerated Amortisation Period Priority of Payments or the Post-Enforcement Priority of Payments, as the case may be.

The General Reserve Required Amount shall be reduced to zero on the General Reserve Final Utilisation Date.

Interest Account

Credit support to the Class A Notes will be provided by the amounts standing to the credit of the Interest Account.

Global Level of Credit Enhancement provided to the Class A Noteholders on the Issue Date

On the Issue Date, (i) the issue of the Class B Notes and (ii) the establishment of the General Reserve, provide the Class A Noteholders with a total level of credit enhancement equal to 10 per cent. of the Principal Amount Outstanding of the Notes on the Issue Date.

THE PORTFOLIO

The Receivables purchased and to be purchased from time to time by the Issuer are monetary receivables arising out of loans granted by the Seller to Debtors for the purchase of Cars.

Each Receivable offered for purchase to the Issuer in accordance with the provisions of the Master Receivables Transfer Agreement must satisfy, on the relevant Selection Date and Purchase Date, the Eligibility Criteria set out in the Master Receivables Transfer Agreement. In order for a Receivable to satisfy the Eligibility Criteria, (i) the Auto Loan Contract from which that Receivable arises must meet the Contracts Eligibility Criteria; and (ii) any Receivable must meet the Receivables Eligibility Criteria. In addition, on each Purchase Date, the purchase of any Receivable, when aggregated with all other Performing Receivables and after taking into account all Receivables to be purchased on such Purchase Date, shall not cause the Portfolio to breach any of the Global Portfolio Limits.

The arrangements entered into or to be entered into by the Issuer on or prior to the Issue Date, taken together with the Portfolio and the structural features of the Securitisation have characteristics that demonstrate capacity to produce funds to service any payment which becomes due and payable in respect of the Notes in accordance with the Conditions. However, regard should be had both to the characteristics of the Portfolio and the other assets and rights available to the Issuer under the Securitisation and the risks to which the Issuer and the Notes may be exposed. Prospective holders of the Notes should consider the detailed information set out elsewhere in this Prospectus, including, without limitation, under the section headed "Risk Factors".

Eligibility Criteria

Contracts Eligibility Criteria

The Auto Loan Contract from which each Receivable offered for purchase to the Issuer must meet the following Contracts Eligibility Criteria on the relevant Selection Date and the relevant Purchase Date:

(a) the Auto Loan Contract was executed by the Seller substantially in the form of the Seller's standard form contracts with one or several Private Debtor(s) or Commercial Debtor(s), to finance the acquisition of one New Car or one Used Car, in compliance with all applicable legal and regulatory provisions, including the Consumer Credit Legislation (in each case, to the extent a breach of any such laws and regulations would affect the validity and/or enforceability of the relevant Receivable or any related Ancillary Right) and the Seller is the sole holder of the relevant Auto Loan Contract and of the relevant Receivables, to which, prior to and on the Purchase Date, it has full and unrestricted title;

(b) the Auto Loan Contract was executed within the framework of an offer of credit, notwithstanding the amount of the Car financed, in accordance with applicable laws and regulations and in particular:

  (i) if the Debtor is a Private Debtor, the applicable provisions of the Consumer Credit Legislation; and

  (ii) the applicable legislation regarding usury and personal data protection;

(c) where the Auto Loan Contract has been executed with several Debtors, these Debtors are jointly liable (*debitori solidali*) for the full payment of the corresponding Receivable;

(d) each Debtor was resident, or, in case of a Commercial Debtor, had its registered office, in the Republic of Italy as of the signature date of the Auto Loan Contract;

(e) the Auto Loan Contract constitutes the legal, valid, binding and enforceable contractual obligations of the Seller and the relevant Debtor(s) and has been performed in compliance with all the applicable laws and regulations in Italy, is not contrary to any laws and regulations and public policies applicable in Italy and the relevant Receivable (including any related Ancillary Right) was originated in accordance with the applicable laws and regulations in Italy (in each case, to the extent a breach of any such laws and regulations would affect the validity and/or enforceability of the relevant Receivable or any related Ancillary Right);

(f) the Auto Loan Contract does not contain legal flaws making it avoidable, rescindable, or subject to legal termination;

(g) the Auto Loan Contract (i) was executed by the Seller in its ordinary course of business and pursuant to its normal procedures in respect of the acceptance of and extension of auto financing loans, (ii) within the scope of its normal or habitual credit activity and (iii) has been managed in accordance with the Servicing Procedures;

(h) to the best of the knowledge of the Seller, the Auto Loan Contract is not subject to a termination or rescission procedure started by the Debtor;

(i) the Seller has not begun a rescission claim on the Auto Loan Contract for a breach by the Debtor(s) of its (their) obligations under the terms of the Auto Loan Contract and namely for the timely payment of the Instalments;

(j) no authorization of deferred payment of principal and interest is provided in the Auto Loan Contract, after the first Instalment has been paid;

(k) the Auto Loan Contract has been executed for the financing of only one Car (so as to ensure an identical number of Auto Loan Contracts, Receivables and financed Cars);

(l) the Debtor under the Auto Loan Contract from which the Receivable arises is a Retail Customer;

(m) each Auto Loan Contract is a Standard Loan Contract;

(n) each Auto Loan has been entirely drawn and paid in accordance with the relevant Auto Loan Contract, and there are no residual disbursement obligations for the Seller under the relevant Auto Loan Contract;

(o) the Auto Loan Contract is subject to Italian Law and Italian courts have exclusive jurisdiction over any claims arising therefrom;

(p) the Auto Loan Contract from which the Receivable arises has an Effective Interest Rate equal to or higher than 2.0%;

(q) the Auto Loan Contract was executed in connection with the sale of (i) a New Car of either the Peugeot, Citroën or DS brand, or (ii) a Used Car;

(r) the Debtor is not (i) a member of the personnel of BPSA or a Car Dealer, or (ii) an Italian public entity (*ente pubblico*);

(s) if the Auto Loan Contract has been granted for the purchase of a Used Car, it has been granted to a Private Debtor;

(t) the Auto Loan Contract has an original term to maturity of not less than 6 months and not more than 84 months;

(u) the Auto Loan Contract has not been subject to any variation, amendment, modification, waiver or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Purchased Receivable;

(v) the loan to value ratio (corresponding to the original financed amount divided by the purchase price of the relevant Car, including options, up-front fees and VAT) of the Auto Loan Contract is not more than 100%;

(w) the payment of the Receivable is made by the Debtor through postal bulletin (*bollettino postale*) or direct debit;

(x) the Seller has not taken any deposit from the Debtor, except if the Issuer is protected against any risk arising from any potential set-off right that the relevant Debtor would be entitled to raise in respect of any Purchased Receivables, by any suitable means satisfactory to the Representative of Noteholders, the Issuer and the Rating Agencies;

(y) the relevant Car has been delivered to the Debtor; and

(z) each Insurance Policy complies with applicable laws and regulations.

Receivables Eligibility Criteria

Each Receivable offered for purchase to the Issuer must satisfy, on the relevant Selection Date and the relevant Purchase Date (or, with respect to items (j) and (k) below, on the relevant Selection Date only), the following Receivables Eligibility Criteria:

(a) the Receivable is denominated and payable in Euro;

(b) the Receivable gives rise to constant monthly Instalments of principal and interest at the relevant Contractual Interest Rate after its relevant Selection Date;

(c) the Outstanding Balance of the Receivable is comprised between Euro 600 and Euro 50,000;

(d) at least 1 (one) Instalment has been paid by the Debtor under the relevant Auto Loan Contract;

(e) the Auto Loan Contract has at least 2 (two) remaining Instalments not yet payable;

(f) the Receivable is existing in the relevant outstanding amount specified in the list of Receivables attached to the relevant Transfer Offer and arises from an Auto Loan Contract meeting the Contracts Eligibility Criteria;

(g) the Seller has full title to the Receivable and the Ancillary Rights and the Receivable and its Ancillary Rights are not subject, either totally or partially, to assignment, delegation or pledge, attachment, claim, set-off rights or encumbrance of whatever type such that there is no obstacle to the assignment of the Receivable and its Ancillary Rights and there is no restriction on the transferability of the Receivable (including, but not limited to, (i) the need for consent for transfer and assignment to any third party whether arising by operation of law, by contractual agreement or otherwise, and (ii) any confidentiality provision which may restrict the Issuer's rights as owner of the Purchased Receivables) to the Issuer and the Receivable may be validly transferred to the Issuer in accordance with the Master Receivables Transfer Agreement; the Seller has not waived any of its rights under the Auto Loan Contract, the Receivable or the relevant Ancillary Rights;

(h) the Receivable and the Ancillary Rights constitute valid and enforceable rights of the Seller and the Debtor and/or the Guarantor has no right to oppose any defence or counterclaim to the Seller in

respect of the payment of any amount that is, or shall be, payable under the Receivable and, more generally, the Receivable is free and clear of any right that could be exercised by third parties against the Seller or the Issuer;

(i) to the best of the knowledge of the Seller, the Receivable does not result from a behaviour constituting fraud, error, non-compliance with or violation of any laws or regulations in effect, which would allow the Debtor and/or the Guarantor not to perform any of its obligations in connection with such Receivable;

(j) the Receivable is *in bonis*;

(k) the Receivable is not a Delinquent Receivable;

(l) the Receivable is not a Defaulted Receivable, has not been accelerated and more generally is not doubtful, subject to litigation or frozen;

(m) no payment in respect of the Insurance Policies and the Optional Supplementary Services relating to the relevant Receivable has been financed by the Seller and no Debtor can bring a claim against the Seller (or any entities succeeding to the rights of Seller) for the payment of any amounts relating to the relevant Receivable including any set-off claims between payments in respect of the Receivable and payments in respect of the Insurance Policies and the Optional Supplementary Services;

(n) the Receivable is individualised and identified in the information systems of the Seller, at the latest before the Purchase Date, in such manner as to give third parties the means to individualise and identify the Receivables and the relevant Debtor and/or the Guarantor at any time on or after the Purchase Date;

(o) the Receivable has not been the subject of a writ being served by the relevant Debtor or by any other third party (including, but not limited to, any public authority, local government or governmental agency of any State or any sub-division thereof) on any ground whatsoever, and are not subject, in whole or in part, to any prohibition on payment, protest, lien, cancellation right, suspension, set-off, counter claim, judgement, claim, refund or any other similar events which are likely to reduce the amount due in respect of the Receivable, and there are not, in whole or in part, any such existing or potential prohibition on payment, protest, lien, cancellation right, suspension, set-offs, counter claim, judgement, claim, refund or similar events;

(p) the Receivable is fully and directly payable to the Seller, in its own name and for its own account;

(q) all the relevant information relating to the Receivable are complete, true, accurate and up-to-date;

(r) the payments due from each Debtor in connection with the Receivable are not subject to withholding tax.

Global Portfolio Limits

On each Purchase Date, the purchase of any Receivable, when aggregated with all other Purchased Receivables and after taking into account all Receivables to be purchased on such Purchase Date, shall not cause the Portfolio to breach any of the following limits:

(a) the Outstanding Balance of the Performing Receivables relating to one Debtor does not exceed 0.1% of the Outstanding Balance of all Performing Receivables;

(b) the Outstanding Balance of the Performing Receivables relating to the 10 largest Debtors does not exceed 1.0% of the Outstanding Balance of all Performing Receivables;

(c) the average remaining maturity of the Purchased Receivables (including the Additional Receivables), weighted by their respective Outstanding Balance, is not higher than 50 months;

(d) the Outstanding Balance of Performing Receivables arising from Auto Loan Contracts relating to the financing of New Cars to Commercial Debtors does not exceed 12.5% of the aggregate Outstanding Balance of all Purchased Receivables;

(e) the Outstanding Balance of Performing Receivables arising from Auto Loan Contracts relating to the financing Used Cars to Private Debtors does not exceed 15% of the aggregate Outstanding Balance of all Purchased Receivables;

(f) the average Effective Interest Rate of all Purchased Receivables, weighted by their respective Outstanding Balance is greater than or equal to 4.60%;

(g) the Outstanding Balance of Performing Receivables relating to Auto Loan Contracts granted to Debtors located/resident in the Italian regions of Puglia, Campania, Basilicata, Calabria, Sicilia and Sardegna, does not exceed 30% of the Outstanding Balance of all Performing Receivables;

(h) the Outstanding Balance of Performing Receivables arising from Auto Loan Contracts whose Debtors do not pay by direct debit (R.I.D.) does not exceed 10% of the Outstanding Balance of all Performing Receivables.

Insurance Policies

Certain Debtors have entered into the Insurance Policies with the Insurance Companies. The Insurance Policies cover the risks of death, accidents, invalidity and events related and/or connected to the employment relationship of the relevant Debtor (*sinistro impiego*). Any indemnity paid by the relevant Insurance Company to the relevant Debtor under any Insurance Policy may be used by the relevant Debtor to pay the amounts due in relation to the relevant Receivables.

Primary characteristics of the Portfolio

The primary characteristics of the Portfolio as of the First Selection Date are as follows.

Statistical Information regarding the Portfolio

The statistical information set out in the following tables shows the characteristics of the Initial Receivables arising from Auto Loan Contracts selected by the Seller on the First Selection Date (columns of percentages may not add up to 100% due to rounding). The Initial Receivables transferred by the Seller to the Issuer on the First Purchase Date has been randomly selected on the First Selection Date from a pool of Receivables complying with the Eligibility Criteria.

In addition:

(a) the composition of the Portfolio shall be modified as a result of the purchase of Additional Receivables, the amortisation of the Purchased Receivables, any prepayments, any losses related to the Purchased Receivables, any retransfer or repurchase of Purchased Receivables or the renegotiations entered into by the Servicer in accordance with the Servicing Procedures; and

(b) as some of the Purchased Receivables might be subject to the rescission and indemnification procedure provided for in the Master Receivables Transfer Agreement in case of non-conformity of such Purchased Receivables (if such non-conformity is not, or not capable of being remedied), the composition of the Portfolio will change over time.

In respect of the above, it must be noted that the Seller will represent and warrant that any Receivables transferred to the Issuer comply with the Eligibility Criteria and it is a condition precedent to each purchase of Additional Receivables by the Issuer that the Global Portfolio Limits are complied with on the immediately preceding Subsequent Selection Date (taking into account these Additional Receivables).

Portfolio cut-off 07/02/2018

Number of Loans	106,676
Weighted Average original LTV	73.83
Weighted Average Nominal Interest Rate (TAN)	4.38%
Weighted Average Effective Interest Rate	5.28%
Outstanding Balance of the Receivables	741,999,401
Average Outstanding Balance of the Receivables	6,956
Weighted Average Original Maturity (months)	54.86
Weighted Average Remaining Maturity (months)	40.03
Weighted Average Seasoning (months)	14.82
Largest Borrower Concentration (Euro)	70,710.74
Largest Borrower Concentration (%)	0,01%

Initial Outstanding Balance	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
[0.00 - 2,000.00 [	101	0%	76,405	0%
[2,000.00 - 4,000.00 [	684	1%	1,336,603	0%
[4,000.00 - 6,000.00 [	6,152	6%	19,404,068	3%
[6,000.00 - 8,000.00 [	19,705	18%	84,404,332	11%
[8,000.00 - 10,000.00 [	17,019	16%	97,844,173	13%
[10,000.00 - 12,000.00 [	24,946	23%	165,936,363	22%
[12,000.00 - 14,000.00 [	15,876	15%	126,235,971	17%
[14,000.00 - 16,000.00 [	10,886	10%	103,430,505	14%
[16,000.00 - 18,000.00 [	4,341	4%	47,146,423	6%
[18,000.00 - 20,000.00 [	2,873	3%	35,287,174	5%
[20,000.00 - 22,000.00 [	2,506	2%	33,168,302	4%
[22,000.00 - 24,000.00 [	687	1%	10,293,787	1%
[24,000.00 - 26,000.00 [	524	0%	9,327,330	1%
[26,000.00 - 28,000.00 [	166	0%	3,274,290	0%
[28,000.00 - 30,000.00 [	100	0%	2,201,612	0%
[30,000.00 - 32,000.00 [	83	0%	1,952,695	0%
[32,000.00 - 34,000.00 [	14	0%	328,900	0%
[34,000.00 - 36,000.00 [	6	0%	151,958	0%
[36,000.00 - 38,000.00 [	2	0%	34,290	0%
[38,000.00 - 40,000.00 [	1	0%	36,019	0%
[40,000.00 - 42,000.00 [	2	0%	73,018	0%
[42,000.00 - 44,000.00 [	-	0%	-	0%
[44,000.00 - 46,000.00 [	-	0%	-	0%
[46,000.00 - 48,000.00 [	-	0%	-	0%

[48,000.00 - 50,000.00 [	-	0%	-	0%
[50,000.00 - 52,000.00 [	-	0%	-	0%
[52,000.00 - 54,000.00 [	1	0%	46,394	0%
[54,000.00 - 56,000.00 [	-	0%	-	0%
[56,000.00 - 58,000.00 [	-	0%	-	0%
[58,000.00 - 60,000.00 [	-	0%	-	0%
[60,000.00 - 62,000.00 [	1	0%	8,789	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Outstanding Balance	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
[0.00 - 2,000.00 [	10,536	10%	13,865,950	2%
[2,000.00 - 4,000.00 [	17,447	16%	53,353,118	7%
[4,000.00 - 6,000.00 [	21,069	20%	104,952,512	14%
[6,000.00 - 8,000.00 [	20,344	19%	142,184,307	19%
[8,000.00 - 10,000.00 [	15,593	15%	139,843,571	19%
[10,000.00 - 12,000.00 [	9,497	9%	103,704,757	14%
[12,000.00 - 14,000.00 [	5,822	5%	75,076,085	10%
[14,000.00 - 16,000.00 [	3,002	3%	44,584,539	6%
[16,000.00 - 18,000.00 [	1,593	1%	26,979,124	4%
[18,000.00 - 20,000.00 [	875	1%	16,566,128	2%
[20,000.00 - 22,000.00 [	372	0%	7,742,450	1%
[22,000.00 - 24,000.00 [	235	0%	5,394,235	1%
[24,000.00 - 28,000.00 [	218	0%	5,562,415	1%
[28,000.00 - 30,000.00 [	59	0%	1,707,736	0%
[30,000.00 - 32,000.00 [	3	0%	94,347	0%
[32,000.00 - 34,000.00 [	6	0%	197,525	0%
[34,000.00 - 36,000.00 [	2	0%	69,418	0%
[36,000.00 - 38,000.00 [	1	0%	36,019	0%
[38,000.00 - 40,000.00 [	1	0%	38,769.28	0%
[40,000.00 - 42,000.00 [	-	0%	-	0%
[42,000.00 - 44,000.00 [	-	0%	-	0%
[44,000.00 - 46,000.00 [	-	0%	-	0%
[46,000.00 - 48,000.00 [	1	0%	46,394	0%
[48,000.00 - 50,000.00 [	-	0%	-	0%
[50,000.00 - 52,000.00 [	-	0%	-	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Original Loan to Value in %	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
[0% - 10.00% [	103	0%	82,903	0%
[10.00% - 20.00% [	218	0%	608,476	0%
[20.00% - 30.00% [	1,573	1%	5,483,817	1%
[30.00% - 40.00% [	5,208	5%	23,591,532	3%
[40.00% - 50.00% [	11,486	11%	57,875,791	8%

[50.00% - 60.00% [	15,910	15%	88,255,845	12%
[60.00% - 70.00% [	16,933	16%	111,777,009	15%
[70.00% - 80.00% [	18,339	17%	139,475,234	19%
[80.00% - 90.00% [	18,632	17%	155,404,578	21%
[90.00% - 100.00% [	11,220	11%	99,785,763	13%
[100.00%]	7,054	7%	59,658,454	8%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Original term to maturity in months	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
[06.00 - 12.00 [	-	0%	-	0%
[12.00 - 18.00 [	48	0%	195,471	0%
[18.00 - 24.00 [	19	0%	69,626	0%
[24.00 - 30.00 [	1,210	1%	5,295,074	1%
[30.00 - 36.00 [	115	0%	458,045	0%
[36.00 - 42.00 [	17,947	17%	90,046,685	12%
[42.00 - 48.00 [	101	0%	616,389	0%
[48.00 - 54.00 [	38,230	36%	236,405,319	32%
[54.00 - 60.00 [	70	0%	437,121	0%
[60.00 - 66.00 [	38,096	36%	304,609,308	41%
[66.00 - 72.00 [	37	0%	317,167	0%
[72.00 - 78.00 [	8,958	8%	89,370,153	12%
[78.00 - 84.00 [	45	0%	364,692	0%
[84.00 - 100.00 [	1,800	2%	13,814,350	2%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Remaining terms to maturity in months	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
[00.00 - 06.00 [	3,844	4%	4,008,080	1%
[06.00 - 12.00 [	9,431	9%	18,924,451	3%
[12.00 - 18.00 [	9,764	9%	32,860,488	4%
[18.00 - 24.00 [	12,061	11%	57,986,947	8%
[24.00 - 30.00 [	14,116	13%	81,417,210	11%
[30.00 - 36.00 [	12,563	12%	91,139,416	12%
[36.00 - 42.00 [	11,665	11%	96,249,481	13%
[42.00 - 48.00 [	13,269	12%	126,579,699	17%
[48.00 - 54.00 [	7,971	7%	84,214,747	11%
[54.00 - 60.00 [	7,854	7%	93,224,914	13%
[60.00 - 66.00 [	1,693	2%	21,398,388	3%
[66.00 - 72.00 [	2,067	2%	28,219,112	4%
[72.00 - 78.00 [	186	0%	2,744,203	0%
[78.00 - 84.00 [	192	0%	3,032,264	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Seasoning in months	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[00.00 - 06.00 [	16,823	16%	175,958,142	24%
[06.00 - 12.00 [	20,583	19%	189,248,097	26%
[12.00 - 18.00 [	17,004	16%	134,334,418	18%
[18.00 - 24.00 [	13,895	13%	90,916,949	12%
[24.00 - 30.00 [	11,662	11%	60,602,424	8%
[30.00 - 36.00 [	8,092	8%	35,972,912	5%
[36.00 - 42.00 [	6,712	6%	24,665,232	3%
[42.00 - 48.00 [	5,723	5%	16,148,263	2%
[48.00 - 54.00 [	2,873	3%	7,520,044	1%
[54.00 - 60.00 [	1,932	2%	3,517,615	0%
[60.00 - 66.00 [	601	1%	1,611,591	0%
[66.00 - 72.00 [	446	0%	940,319	0%
[72.00 - 78.00 [	198	0%	418,670	0%
[78.00 - 84.00 [	132	0%	144,728	0%
[84.00 - 100.00 [	-	0%	-	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Effective Interest Rate	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
[0% - 1.00% [	-	0%	-	0%
[1.00% - 2.00% [	-	0%	-	0%
[2.00% - 3.00% [	10,183	10%	54,862,218	7%
[3.00% - 4.00% [	22,671	21%	175,733,553	24%
[4.00% - 5.00% [	21,332	20%	176,113,145	24%
[5.00% - 6.00% [	18,660	17%	111,025,093	15%
[6.00% - 7.00% [	7,981	7%	60,735,169	8%
[7.00% - 8.00% [	11,325	11%	85,755,611	12%
[8.00% - 9.00% [	6,569	6%	38,329,934	5%
[9.00% - 10.00% [	4,793	4%	24,292,972	3%
[10.00% - 11.00% [	2,269	2%	10,675,900	1%
[11.00% - 12.00% [	768	1%	3,729,568	1%
[12.00% - 13.00% [	73	0%	404,026	0%
[13.00% - 14.00% [	22	0%	135,236	0%
[14.00% - 15.00% [	5	0%	24,093	0%
[15.00% - 16.00% [	9	0%	74,913	0%
> [16%	16	0%	107,969	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Nominal Interest Rate	Number of Contracts		Outstanding balance	
	Number	%	Amount in EUR	%
< 1% [	5,211	5%	24,830,077	3%
[1.00% - 2.00% [	8,826	8%	41,922,419	6%
[2.00% - 3.00% [	16,758	16%	138,165,597	19%

[3.00% - 4.00% [	21,203	20%	177,326,869	24%
[4.00% - 5.00% [	19,888	19%	122,931,750	17%
[5.00% - 6.00% [	19,561	18%	160,662,729	22%
[6.00% - 7.00% [	6,965	7%	44,173,958	6%
[7.00% - 8.00% [	3,883	4%	16,798,665	2%
[8.00% - 9.00% [	2,620	2%	9,128,046	1%
[9.00% - 10.00% [	1,208	1%	4,488,982	1%
[10.00% - 11.00% [	383	0%	1,101,598	0%
[11.00% - 12.00% [	149	0%	435,478	0%
[12.00% - 13.00% [	16	0%	28,095	0%
[13.00% - 14.00% [	3	0%	3,481	0%
[14.00% - 15.00% [	2	0%	1,655	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Origination Year	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
2011	282	0%	443,754	0%
2012	997	1%	2,342,752	0%
2013	4,236	4%	9,342,246	1%
2014	11,795	11%	37,366,381	5%
2015	18,708	18%	88,626,309	12%
2016	29,455	28%	208,102,510	28%
2017	40,886	38%	392,137,413	53%
2018	317	0%	3,638,036	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Maturity Year	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
2018	13,116	12%	22,516,469	3%
2019	21,766	20%	90,097,092	12%
2020	26,708	25%	172,245,361	23%
2021	24,897	23%	221,927,694	30%
2022	15,931	15%	178,292,609	24%
2023	3,843	4%	50,542,034	7%
2024	412	0%	6,320,823	1%
2025	3	0%	57,317	0%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Number of loans per borrower	**Number of borrower IDs**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
1	104,064	99%	720,751,951	97%
2	1,032	1%	16,674,569	2%
3	110	0%	2,965,968	0%
4	27	0%	782,031	0%

5	10	0%	449,224	0%
6	4	0%	201,363	0%
7	4	0%	117,172	0%
8	1	0%	57,125	0%
TOTAL	**105,252**	**100%**	**741,999,401**	**100%**

Purpose of financing	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
New	94,687	89%	668,220,825	90%
Used	11,989	11%	73,778,576	10%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Client Type	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
Corporate	7,703	7%	66,588,620	9%
Private	98,973	93%	675,410,781	91%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Car Manufacturer	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
Peugeot	60,796	57%	440,671,604	59%
Citroen	43,689	41%	289,556,533	39%
Others	2,191	2%	11,771,264	2%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Payment Mode	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
Direct debit	104,752	98%	730,707,422	98%
Not direct debit	1,924	2%	11,291,978	2%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Region of residence	**Number of Contracts**		**Outstanding balance**	
	Number	**%**	**Amount in EUR**	**%**
NORTH	54,699	51%	380,792,689	51%
CENTER	24,179	23%	163,720,714	22%
SOUTH	27,798	26%	197,485,997	27%
TOTAL	**106,676**	**100%**	**741,999,401**	**100%**

Historical Performance Data

The Seller has extracted data on the historical performance of the entire portions of its auto loan portfolio consistent with the type of receivables included in the Portfolio.

Static cumulative quarterly gross losses (in percentages)

The Seller has extracted data on the historical performance of the entire portions of its auto loan portfolio consistent with the type of receivables included in the Portfolio.

The tables below show historical data on gross defaults, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Private Debtors.

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Q1 2008	0.0%	0.0%	0.1%	0.2%	0.4%	0.6%	0.8%	1.0%	1.1%	1.3%	1.4%	1.6%	1.7%	1.8%	1.8%	2.0%	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Q2 2008	0.0%	0.0%	0.1%	0.3%	0.5%	0.7%	1.0%	1.2%	1.3%	1.5%	1.8%	2.0%	2.2%	2.3%	2.4%	2.6%	2.6%	2.8%	2.9%	2.9%	3.0%	3.1%	3.2%	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	
Q3 2008	0.0%	0.0%	0.1%	0.3%	0.5%	0.8%	1.1%	1.2%	1.4%	1.6%	1.7%	1.9%	2.1%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%		
Q4 2008	0.0%	0.0%	0.2%	0.4%	0.6%	0.7%	0.9%	1.1%	1.2%	1.4%	1.5%	1.7%	1.8%	2.0%	2.1%	2.2%	2.4%	2.5%	2.6%	2.7%	2.8%	2.8%	2.9%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%			
Q1 2009	0.0%	0.0%	0.2%	0.3%	0.4%	0.6%	0.8%	1.0%	1.1%	1.2%	1.4%	1.5%	1.7%	1.9%	2.0%	2.1%	2.3%	2.3%	2.5%	2.6%	2.6%	2.7%	2.7%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%				
Q2 2009	0.0%	0.0%	0.1%	0.2%	0.3%	0.5%	0.7%	0.7%	0.8%	0.9%	1.1%	1.3%	1.3%	1.5%	1.6%	1.7%	1.8%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%					
Q3 2009	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.4%	1.5%	1.6%	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%						
Q4 2009	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.5%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.3%	1.4%	1.4%	1.5%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%							
Q1 2010	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.4%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	0.9%	1.0%	1.1%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%								
Q2 2010	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.3%	1.4%	1.5%	1.5%	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%									
Q3 2010	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.3%	0.4%	0.5%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.2%	1.3%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%										
Q4 2010	0.0%	0.0%	0.0%	0.1%	0.1%	0.3%	0.3%	0.4%	0.6%	0.6%	0.7%	0.9%	1.0%	1.1%	1.2%	1.2%	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%											
Q1 2011	0.0%	0.0%	0.1%	0.2%	0.2%	0.4%	0.4%	0.5%	0.6%	0.7%	0.8%	0.8%	0.9%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%												
Q2 2011	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.4%	0.6%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%													
Q3 2011	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.8%	1.0%	1.2%	1.4%	1.5%	1.6%	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%														
Q4 2011	0.0%	0.0%	0.1%	0.2%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%	1.1%	1.2%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%															
Q1 2012	0.0%	0.0%	0.1%	0.2%	0.2%	0.3%	0.4%	0.6%	0.6%	0.7%	0.8%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%																
Q2 2012	0.0%	0.0%	0.2%	0.4%	0.4%	0.5%	0.7%	0.8%	0.9%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.5%	1.6%	1.6%	1.7%	1.7%	1.7%																	
Q3 2012	0.0%	0.0%	0.0%	0.1%	0.3%	0.4%	0.5%	0.5%	0.7%	0.8%	0.9%	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%																		
Q4 2012	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.5%	0.6%	0.6%	0.7%	0.8%	0.8%	0.9%	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%																			
Q1 2013	0.0%	0.0%	0.1%	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%																				
Q2 2013	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.3%	0.3%	0.4%	0.4%	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%																					
Q3 2013	0.0%	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.4%	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%																						
Q4 2013	0.0%	0.0%	0.1%	0.2%	0.3%	0.4%	0.4%	0.5%	0.5%	0.6%	0.7%	0.7%	0.7%	0.8%	0.8%																							
Q1 2014	0.0%	0.0%	0.1%	0.2%	0.2%	0.2%	0.4%	0.4%	0.4%	0.5%	0.6%	0.6%	0.7%	0.7%																								
Q2 2014	0.0%	0.0%	0.2%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.8%	0.8%																									
Q3 2014	0.0%	0.1%	0.3%	0.5%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%	0.9%	1.0%																										
Q4 2014	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%	0.3%	0.4%	0.4%	0.5%	0.6%																											
Q1 2015	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%																												
Q2 2015	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%																													
Q3 2015	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.3%																														
Q4 2015	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%																															
Q1 2016	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%																																
Q2 2016	0.0%	0.0%	0.0%	0.1%	0.1%																																	
Q3 2016	0.0%	0.0%	0.0%	0.1%																																		
Q4 2016	0.0%	0.0%	0.0%																																			
Q1 2017	0.0%	0.0%																																				

Q2 2017	0.0%																																					

The tables below show historical data on gross defaults, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Commercial Debtors.

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Q1 2008	0.0%	0.0%	0.0%	0.5%	0.8%	0.9%	1.3%	1.9%	2.2%	3.0%	3.4%	3.5%	3.6%	3.8%	4.0%	4.4%	4.4%	4.6%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Q2 2008	0.0%	0.0%	0.2%	0.5%	0.6%	1.0%	1.6%	2.1%	2.4%	2.8%	3.4%	3.5%	3.8%	3.9%	3.9%	4.1%	4.5%	4.6%	4.7%	4.7%	4.9%	5.0%	5.1%	5.1%	5.1%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	
Q3 2008	0.0%	0.0%	0.2%	0.4%	0.6%	1.0%	1.8%	3.2%	3.9%	4.1%	4.5%	5.0%	5.0%	5.6%	5.6%	5.7%	5.9%	5.9%	6.1%	6.2%	6.3%	6.3%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%		
Q4 2008	0.0%	0.0%	0.0%	0.4%	1.1%	1.6%	1.9%	2.8%	3.0%	3.1%	3.5%	3.6%	3.7%	3.8%	4.1%	4.2%	4.4%	4.6%	4.7%	4.9%	4.9%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%			
Q1 2009	0.0%	0.0%	0.2%	0.5%	0.5%	0.5%	0.7%	0.7%	1.4%	1.8%	2.1%	2.6%	2.7%	2.7%	2.9%	3.1%	3.3%	3.3%	3.3%	3.4%	3.5%	3.6%	3.6%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%				
Q2 2009	0.0%	0.0%	0.1%	0.4%	0.5%	0.6%	1.0%	1.2%	1.2%	1.4%	1.6%	1.8%	2.0%	2.3%	2.7%	2.7%	2.8%	2.8%	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%					
Q3 2009	0.0%	0.0%	0.4%	1.0%	1.3%	1.7%	2.3%	2.7%	2.9%	3.0%	3.1%	3.1%	3.3%	3.4%	3.8%	3.9%	4.0%	4.1%	4.3%	4.4%	4.4%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%						
Q4 2009	0.0%	0.0%	0.5%	0.6%	1.1%	1.2%	1.2%	1.5%	1.6%	1.8%	2.3%	2.4%	2.8%	3.0%	3.3%	3.4%	3.6%	3.8%	3.8%	3.9%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%							
Q1 2010	0.0%	0.0%	0.0%	0.4%	0.9%	0.9%	1.6%	1.8%	2.1%	2.1%	2.3%	2.6%	2.6%	3.0%	3.2%	3.5%	3.6%	3.6%	3.7%	3.8%	3.8%	3.8%	3.8%	3.8%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%								
Q2 2010	0.0%	0.0%	0.1%	0.7%	0.9%	1.3%	1.6%	2.0%	2.2%	2.8%	2.9%	3.2%	3.4%	3.7%	4.0%	4.5%	4.7%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%									
Q3 2010	0.0%	0.0%	0.1%	0.6%	0.9%	1.0%	1.2%	1.6%	2.2%	2.5%	2.6%	3.3%	4.0%	4.3%	4.3%	4.4%	4.5%	4.6%	4.8%	4.8%	4.8%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%										
Q4 2010	0.0%	0.0%	0.2%	0.9%	1.1%	1.4%	2.1%	2.3%	2.9%	3.3%	3.5%	4.1%	4.4%	4.5%	4.6%	4.9%	5.2%	5.3%	5.3%	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%											
Q1 2011	0.0%	0.0%	0.0%	0.1%	0.1%	0.4%	0.5%	0.6%	0.6%	0.8%	1.0%	1.6%	1.8%	2.0%	2.3%	2.5%	2.6%	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%												
Q2 2011	0.0%	0.0%	0.1%	0.1%	0.1%	0.4%	0.8%	1.2%	1.8%	2.4%	3.0%	3.1%	3.2%	3.5%	3.8%	3.9%	4.2%	4.4%	4.5%	4.6%	4.6%	4.7%	4.7%	4.7%	4.7%													
Q3 2011	0.0%	0.0%	0.0%	0.9%	0.9%	1.6%	2.4%	2.5%	2.9%	2.9%	2.9%	3.6%	4.6%	4.8%	4.9%	5.0%	5.0%	5.1%	5.1%	5.2%	5.2%	5.2%	5.2%	5.2%														
Q4 2011	0.0%	0.1%	0.2%	0.3%	0.5%	0.6%	0.9%	1.4%	1.7%	1.9%	2.5%	2.7%	2.9%	2.9%	3.1%	3.2%	3.2%	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%															
Q1 2012	0.0%	0.0%	0.5%	0.8%	1.1%	1.1%	1.2%	1.5%	1.5%	1.8%	1.9%	2.1%	2.4%	2.4%	2.5%	2.6%	2.7%	2.7%	2.7%	2.8%	2.8%	2.9%																
Q2 2012	0.0%	0.0%	0.5%	0.8%	2.6%	3.2%	3.7%	4.1%	4.4%	4.5%	4.5%	4.5%	4.7%	4.9%	4.9%	4.9%	5.0%	5.1%	5.2%	5.2%	5.2%																	
Q3 2012	0.0%	0.0%	0.4%	0.4%	0.7%	1.9%	2.6%	2.7%	3.1%	3.3%	3.3%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.7%	3.7%																		
Q4 2012	0.0%	0.0%	0.3%	0.7%	1.3%	1.4%	1.6%	1.6%	1.7%	1.7%	1.9%	2.0%	2.0%	2.0%	2.1%	2.2%	2.2%	2.3%	2.3%																			
Q1 2013	0.0%	0.0%	0.5%	0.5%	0.7%	0.9%	1.0%	1.0%	1.2%	1.8%	1.9%	1.9%	1.9%	1.9%	2.2%	2.3%	2.3%	2.3%																				
Q2 2013	0.0%	0.0%	0.0%	0.2%	0.2%	0.7%	0.7%	0.7%	1.0%	1.2%	1.2%	1.2%	1.2%	1.2%	1.3%	1.3%	1.3%																					
Q3 2013	0.0%	0.0%	0.0%	0.4%	1.1%	1.1%	1.4%	1.6%	1.9%	2.2%	2.2%	2.2%	2.5%	2.6%	2.6%	2.6%																						
Q4 2013	0.0%	0.0%	0.0%	0.6%	0.8%	0.8%	0.8%	0.8%	1.0%	1.0%	1.1%	1.3%	1.4%	1.4%	1.4%																							
Q1 2014	0.0%	0.0%	0.3%	0.3%	0.4%	0.7%	0.7%	0.9%	1.0%	1.4%	1.4%	1.4%	1.4%	1.6%																								
Q2 2013	0.0%	0.0%	0.8%	0.8%	0.8%	0.8%	0.9%	1.0%	1.0%	1.2%	1.2%	1.4%	1.5%																									
Q3 2013	0.0%	0.0%	0.2%	0.2%	0.4%	1.2%	1.2%	1.5%	1.5%	1.5%	1.8%	1.9%																										
Q4 2014	0.0%	0.0%	0.0%	0.5%	0.7%	0.7%	0.7%	0.8%	0.8%	1.0%	1.0%																											
Q1 2015	0.0%	0.0%	1.0%	1.3%	1.6%	1.6%	1.8%	2.2%	2.3%	2.3%																												
Q2 2015	0.0%	0.0%	0.2%	0.2%	0.2%	0.5%	0.5%	0.5%	0.5%																													
Q3 2015	0.0%	0.0%	0.4%	0.6%	0.6%	0.9%	1.2%	1.7%																														
Q4 2015	0.0%	0.0%	0.5%	1.2%	1.3%	1.6%	1.6%																															
Q1 2016	0.0%	0.0%	0.9%	1.2%	1.2%	1.2%																																
Q2 2016	0.0%	0.0%	0.0%	0.0%	0.0%																																	

Q3 2016	0.0%	0.0%	0.0%	0.0%																																	
Q4 2016	0.0%	0.0%	0.0%																																		
Q1 2017	0.0%	0.0%																																			
Q2 2017	0.0%																																				

The tables below show historical data on gross defaults, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of Used Cars to Private Debtors.

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Q1 2008	0.0%	0.0%	0.2%	0.7%	1.1%	1.6%	2.1%	2.3%	2.6%	2.8%	2.9%	3.1%	3.4%	3.7%	3.8%	4.0%	4.1%	4.3%	4.4%	4.4%	4.5%	4.5%	4.5%	4.6%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Q2 2008	0.0%	0.0%	0.1%	0.8%	1.6%	1.8%	2.2%	2.7%	3.5%	3.6%	4.0%	4.5%	5.0%	5.4%	5.6%	5.6%	5.8%	5.9%	5.9%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	
Q3 2008	0.0%	0.0%	0.2%	0.5%	0.9%	1.1%	1.7%	2.3%	2.4%	2.6%	3.0%	3.3%	3.6%	3.7%	3.9%	4.3%	4.3%	4.5%	4.6%	4.7%	4.7%	4.8%	4.8%	4.8%	4.8%	4.8%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%		
Q4 2008	0.0%	0.0%	0.4%	1.1%	1.3%	1.7%	2.5%	3.1%	3.5%	3.7%	3.8%	4.2%	4.5%	4.7%	5.0%	5.2%	5.3%	5.4%	5.6%	5.6%	5.6%	5.6%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%			
Q1 2009	0.0%	0.0%	0.3%	1.3%	1.8%	2.7%	3.1%	3.3%	3.6%	3.7%	3.8%	3.9%	4.5%	4.9%	5.0%	5.3%	5.3%	5.4%	5.4%	5.5%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%	5.6%				
Q2 2009	0.0%	0.0%	0.6%	0.6%	1.0%	1.4%	1.9%	2.3%	2.5%	2.5%	3.0%	3.2%	3.4%	3.5%	3.7%	3.8%	3.8%	4.0%	4.1%	4.2%	4.2%	4.2%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%					
Q3 2009	0.0%	0.0%	0.0%	0.1%	0.6%	1.0%	1.3%	1.8%	1.8%	1.9%	2.2%	2.3%	2.4%	2.5%	2.7%	2.8%	2.9%	3.1%	3.1%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%						
Q4 2009	0.0%	0.0%	0.2%	0.4%	0.9%	1.2%	1.5%	1.9%	2.0%	2.4%	2.9%	3.1%	3.4%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%							
Q1 2010	0.0%	0.0%	0.0%	0.2%	0.5%	0.9%	1.0%	1.2%	1.6%	1.8%	2.0%	2.3%	2.5%	2.6%	2.6%	2.7%	2.8%	2.9%	3.0%	3.0%	3.0%	3.0%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%								
Q2 2010	0.0%	0.0%	0.1%	0.5%	0.7%	1.0%	1.1%	1.4%	1.6%	1.7%	1.8%	2.1%	2.2%	2.7%	2.8%	2.8%	3.2%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%									
Q3 2010	0.0%	0.0%	1.1%	1.5%	1.7%	2.0%	2.0%	2.0%	2.4%	2.5%	2.8%	2.9%	3.0%	3.2%	3.5%	3.6%	3.7%	3.8%	4.0%	4.0%	4.0%	4.0%	4.0%	4.1%	4.1%	4.1%	4.1%	4.1%										
Q4 2010	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	1.2%	1.4%	1.8%	1.9%	2.4%	2.5%	2.6%	3.1%	3.3%	3.3%	3.3%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%											
Q1 2011	0.0%	0.0%	0.0%	0.7%	0.7%	1.0%	1.2%	1.7%	1.9%	2.5%	2.8%	2.8%	3.0%	3.1%	3.5%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%												
Q2 2011	0.0%	0.0%	0.0%	0.1%	0.6%	0.9%	1.3%	1.7%	1.8%	2.4%	2.9%	3.4%	3.5%	3.9%	4.0%	4.0%	4.0%	4.0%	4.1%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%													
Q3 2011	0.0%	0.0%	0.6%	1.2%	1.3%	1.5%	1.5%	1.8%	2.1%	2.5%	2.6%	2.7%	2.7%	2.8%	3.1%	3.3%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.5%	3.5%														
Q4 2011	0.0%	0.0%	0.1%	0.5%	0.7%	1.0%	1.2%	1.5%	1.7%	1.9%	2.1%	2.5%	2.6%	2.7%	2.7%	2.7%	2.7%	2.8%	2.8%	2.8%	2.8%	2.9%	2.9%															
Q1 2012	0.0%	0.0%	0.3%	0.4%	0.4%	0.7%	1.0%	1.5%	1.6%	1.7%	2.0%	2.1%	2.1%	2.2%	2.3%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%	2.6%																
Q2 2012	0.0%	0.0%	0.4%	0.5%	0.7%	1.1%	1.4%	1.8%	1.9%	2.3%	2.4%	2.4%	2.7%	3.0%	3.2%	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%																	
Q3 2012	0.0%	0.0%	0.2%	0.4%	0.8%	1.2%	1.4%	1.6%	1.7%	1.7%	1.8%	1.9%	1.9%	2.0%	2.1%	2.1%	2.1%	2.2%	2.2%	2.2%																		
Q4 2012	0.0%	0.0%	0.1%	0.2%	0.3%	0.3%	0.4%	0.5%	0.6%	0.9%	0.9%	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%																			
Q1 2013	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.4%	0.5%	0.5%	0.7%	0.8%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%																				
Q2 2013	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.8%	1.0%	1.0%																					
Q3 2013	0.0%	0.0%	0.0%	0.1%	0.1%	0.7%	0.8%	0.8%	0.9%	0.9%	1.0%	1.0%	1.1%	1.1%	1.3%	1.4%																						
Q4 2013	0.0%	0.0%	0.3%	0.5%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%																							
Q1 2014	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.5%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%																								
Q2 2014	0.0%	0.0%	0.3%	0.4%	0.6%	0.7%	0.7%	0.8%	0.8%	0.9%	1.0%	1.0%	1.1%																									
Q3 2014	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.3%	0.4%	0.4%	0.5%	0.7%	0.8%																										
Q4 2014	0.0%	0.0%	0.0%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.6%																											
Q1 2015	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%	0.4%	0.5%	0.6%																												
Q2 2015	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%																													
Q3 2015	0.0%	0.0%	0.0%	0.2%	0.5%	0.7%	0.7%	0.7%																														

Q4 2015	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%																																
Q1 2016	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%																																
Q2 2016	0.0%	0.0%	0.1%	0.1%	0.1%																																	
Q3 2016	0.0%	0.0%	0.2%	0.4%																																		
Q4 2016	0.0%	0.0%	0.0%																																			
Q1 2017	0.0%	0.0%																																				
Q2 2017	0.0%																																					

Static cumulative quarterly recoveries (in percentages)

The recovery data displayed below is in static format and shows cumulative recoveries from the quarter when the auto loans becomes defaulted or written off, expressed as a percentage of the original principal balance of each portfolio classified as defaulted in a given quarter. The cumulative recoveries are calculated from the recoveries from the Debtors (including car sales proceeds, if any) and the recoveries are shown in the quarter where cash flow is effectively received by the Seller.

The tables below show historical data on the recoveries, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Private Debtors.

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Q1 2008	1.5%	7.7%	8.7%	10.5%	12.2%	12.7%	14.2%	14.8%	17.2%	18.7%	19.8%	23.8%	24.8%	26.9%	27.7%	28.2%	28.9%	29.6%	32.7%	33.5%	36.2%	36.7%	37.0%	37.3%	37.7%	38.0%	38.5%	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%
Q2 2008	2.6%	3.4%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	14.4%	14.8%	31.6%	32.2%	32.5%	32.7%	32.9%	33.2%	33.5%	33.7%	34.0%	34.2%	34.5%	34.7%	35.0%	35.2%	35.4%	35.4%	35.4%	35.4%	35.4%	35.4%	35.4%	35.5%	36.1%	36.6%	37.0%	
Q3 2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	5.2%	5.4%	17.2%	17.6%	18.4%	18.6%	24.3%	24.6%	24.8%	25.3%	25.6%	25.8%	26.2%	26.4%	26.4%	26.4%	26.4%	26.5%	26.6%	27.0%	27.0%	27.0%	27.0%	27.2%	27.3%	28.1%	28.4%		
Q4 2008	8.6%	8.7%	8.7%	8.7%	8.7%	8.9%	10.0%	11.3%	21.5%	22.2%	22.5%	23.2%	32.6%	36.7%	37.2%	37.7%	37.8%	37.8%	37.8%	37.8%	38.9%	38.9%	38.9%	38.9%	38.9%	38.9%	38.9%	38.9%	38.9%	43.3%	43.3%	43.3%	43.3%	43.3%	43.3%			
Q1 2009	3.4%	3.9%	3.9%	3.9%	3.9%	3.9%	4.2%	10.3%	10.8%	13.4%	14.0%	19.5%	20.3%	21.9%	22.2%	22.5%	22.9%	23.3%	25.0%	25.3%	25.5%	25.7%	25.8%	25.9%	26.0%	26.1%	26.1%	26.2%	26.3%	26.5%	26.6%	26.8%	26.9%	27.2%				
Q2 2009	1.6%	1.6%	4.5%	5.2%	5.5%	9.8%	12.3%	12.5%	12.9%	13.3%	16.8%	17.4%	19.3%	22.2%	22.6%	23.1%	23.5%	24.1%	24.5%	24.7%	25.0%	25.5%	25.6%	25.7%	26.1%	27.0%	27.4%	27.9%	28.9%	29.4%	29.9%	30.8%	31.5%					
Q3 2009	2.7%	5.2%	5.7%	5.7%	8.7%	11.3%	12.9%	13.1%	13.3%	20.3%	22.4%	23.6%	23.8%	24.0%	24.0%	24.4%	24.5%	24.9%	25.1%	25.2%	25.4%	25.5%	25.5%	25.5%	25.5%	25.7%	26.7%	26.7%	27.4%	27.6%	27.7%	27.7%						
Q4 2009	3.6%	6.5%	6.5%	8.3%	16.2%	17.4%	19.1%	20.5%	25.4%	26.9%	27.3%	28.8%	30.1%	31.2%	31.4%	31.5%	31.5%	31.6%	31.9%	32.1%	32.5%	32.5%	32.8%	32.9%	33.1%	33.3%	33.5%	33.7%	33.9%	34.1%	35.2%							
Q1 2010	1.5%	4.9%	6.6%	9.0%	9.2%	10.0%	10.5%	13.3%	13.8%	15.5%	15.8%	16.0%	16.2%	16.5%	16.9%	16.9%	17.0%	17.0%	17.2%	17.7%	17.7%	17.8%	17.8%	17.8%	17.9%	18.0%	18.1%	18.3%	19.4%	19.7%								
Q2 2010	5.9%	11.3%	15.8%	16.6%	17.6%	19.2%	20.4%	22.3%	23.2%	24.2%	24.6%	25.8%	26.3%	26.7%	27.3%	28.3%	28.6%	29.8%	30.1%	30.4%	30.6%	32.3%	32.5%	32.6%	33.7%	33.8%	34.0%	34.5%	34.8%									
Q3 2010	4.2%	15.2%	18.6%	20.7%	22.7%	27.0%	29.1%	30.2%	31.0%	31.7%	32.5%	33.0%	33.3%	34.1%	34.7%	34.9%	35.4%	36.0%	36.4%	37.9%	38.1%	38.3%	38.7%	38.8%	38.9%	39.3%	39.4%	40.1%										
Q4 2010	3.0%	13.6%	16.4%	17.6%	18.8%	23.0%	24.3%	25.5%	26.6%	27.6%	28.1%	28.5%	29.0%	29.6%	30.1%	31.0%	31.8%	32.2%	32.9%	33.7%	34.3%	34.7%	36.3%	36.8%	37.6%	38.0%	38.7%											
Q1 2011	2.5%	11.5%	13.8%	14.8%	17.3%	18.7%	19.7%	20.7%	21.7%	22.3%	23.4%	24.1%	24.9%	25.5%	26.3%	26.9%	27.0%	27.3%	28.0%	28.6%	29.7%	30.2%	30.8%	31.4%	32.3%	34.0%												

Q2 2011	12.5%	25.5%	28.3%	30.8%	32.7%	35.5%	36.4%	37.4%	38.1%	38.7%	38.9%	39.7%	40.0%	40.3%	40.5%	40.9%	40.9%	40.9%	41.7%	42.1%	42.4%	42.7%	43.2%	43.7%	43.9%													
Q3 2011	4.7%	10.9%	16.2%	17.9%	18.6%	19.9%	21.4%	21.6%	23.1%	23.9%	24.9%	26.1%	27.1%	27.5%	27.7%	28.3%	28.6%	29.1%	29.7%	30.5%	30.8%	31.6%	32.2%	33.0%														
Q4 2011	7.0%	14.7%	18.9%	21.2%	22.7%	25.5%	26.8%	27.8%	29.4%	31.0%	31.7%	32.8%	33.6%	34.2%	34.5%	34.8%	35.3%	37.0%	38.2%	39.1%	39.4%	40.0%	40.4%															
Q1 2012	6.0%	16.9%	20.0%	21.1%	22.8%	25.1%	25.9%	27.1%	28.3%	28.7%	29.5%	30.3%	31.6%	32.4%	33.9%	35.8%	36.7%	37.2%	38.1%	38.5%	38.8%	39.2%																
Q2 2012	6.4%	15.6%	17.6%	20.4%	22.3%	23.1%	24.9%	25.8%	27.8%	29.4%	30.5%	31.0%	31.3%	32.1%	33.1%	33.6%	33.9%	34.2%	35.1%	35.5%	36.3%																	
Q3 2012	7.1%	13.8%	18.6%	20.9%	22.5%	24.6%	26.4%	27.6%	28.6%	29.5%	30.9%	31.9%	32.5%	33.8%	34.5%	35.3%	36.2%	36.9%	37.5%	38.1%																		
Q4 2012	8.5%	17.8%	21.3%	23.1%	25.4%	27.5%	29.3%	30.5%	31.5%	33.4%	34.4%	35.4%	36.6%	37.2%	38.0%	39.3%	40.5%	41.4%	42.4%																			
Q1 2013	4.6%	11.0%	12.4%	14.0%	16.1%	17.5%	18.7%	20.2%	21.8%	22.6%	23.8%	25.2%	26.4%	27.2%	27.8%	28.6%	30.0%	31.0%																				
Q2 2013	8.8%	14.4%	16.6%	18.5%	20.1%	21.5%	22.5%	23.5%	24.2%	25.9%	27.5%	29.5%	31.3%	32.5%	34.0%	35.2%	36.5%																					
Q3 2013	8.7%	17.9%	22.4%	24.3%	26.5%	28.0%	29.6%	30.7%	31.8%	33.0%	34.0%	35.2%	36.5%	37.4%	39.0%	41.0%																						
Q4 2013	11.3%	19.8%	22.4%	24.4%	26.5%	27.6%	28.6%	30.6%	32.0%	33.2%	33.9%	34.9%	36.4%	37.1%	38.1%																							
Q1 2014	6.9%	15.5%	17.8%	21.7%	23.8%	25.5%	26.8%	28.9%	31.4%	32.9%	33.9%	34.5%	35.3%	37.2%																								
Q2 2013	9.4%	15.8%	18.6%	22.4%	24.1%	26.1%	28.7%	31.0%	33.1%	34.3%	35.5%	37.7%	39.2%																									
Q3 2013	8.5%	14.6%	22.1%	26.0%	28.9%	31.4%	33.6%	35.3%	36.4%	38.0%	39.3%	40.6%																										
Q4 2013	7.6%	16.1%	19.4%	21.3%	24.0%	26.1%	28.2%	29.9%	30.9%	32.2%	33.1%																											
Q1 2015	6.6%	13.2%	16.1%	17.3%	18.7%	20.6%	22.0%	23.9%	25.2%	27.6%																												
Q2 2015	7.2%	14.1%	16.7%	19.3%	21.4%	22.4%	23.1%	24.3%	25.2%																													
Q3 2015	7.2%	12.6%	15.6%	16.7%	18.1%	19.8%	20.8%	21.7%																														
Q4 2015	9.3%	15.8%	20.2%	23.2%	25.1%	27.3%	28.9%																															
Q1 2016	8.0%	15.4%	18.0%	21.0%	23.0%	24.7%																																
Q2 2016	8.3%	14.8%	18.7%	21.5%	23.9%																																	
Q3 2016	6.0%	11.9%	13.7%	16.6%																																		
Q4 2016	5.5%	9.7%	16.2%																																			
Q1 2017	10.9%	16.6%																																				
Q2 2017	4.3%																																					

The tables below show historical data on the recoveries, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Commercial Debtors.

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Q1 2008	3.4%	23.2%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
Q2 2008	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	14.4%	18.9%	18.9%	18.9%	18.9%	18.9%	19.3%	25.1%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	26.9%	
Q3 2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	10.2%	10.2%	13.5%	13.5%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%		
Q4 2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	1.5%	2.5%	22.7%	23.7%	24.9%	26.0%	27.1%	28.3%	29.5%	30.7%	30.7%	30.7%	30.7%	30.7%	30.7%	30.7%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%	30.8%			
Q1 2009	2.4%	16.3%	16.3%	16.3%	16.3%	17.4%	34.7%	38.3%	38.3%	38.3%	38.3%	38.3%	38.3%	38.5%	39.0%	39.6%	40.3%	41.0%	41.6%	42.3%	43.0%	43.7%	44.3%	44.9%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%				
Q2 2009	13.3%	14.4%	18.8%	20.2%	24.9%	28.6%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.5%	30.0%	30.4%	30.9%	31.8%	32.2%	33.1%	41.1%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%	46.8%					
Q3 2009	2.8%	6.6%	6.6%	6.7%	12.9%	20.4%	20.4%	30.5%	32.7%	40.2%	40.6%	41.1%	49.2%	49.2%	49.2%	49.2%	49.2%	49.2%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%						
Q4 2009	3.3%	8.7%	8.7%	14.7%	19.9%	19.9%	36.8%	36.8%	36.9%	37.0%	37.0%	44.8%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%	46.0%							
Q1 2010	0.9%	5.6%	7.2%	9.1%	9.1%	14.9%	15.0%	26.9%	27.1%	27.2%	27.2%	27.5%	27.7%	29.6%	29.9%	31.9%	32.3%	32.7%	33.1%	33.5%	33.9%	34.3%	34.7%	35.1%	35.4%	35.7%	35.9%	36.3%	36.6%	36.8%								
Q2 2010	4.4%	8.7%	15.0%	17.2%	26.7%	27.2%	30.3%	34.0%	35.8%	37.9%	38.2%	38.4%	38.9%	41.3%	41.5%	41.5%	41.6%	41.6%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%	42.2%	42.8%									
Q3 2010	3.7%	4.1%	4.7%	6.3%	6.6%	7.0%	7.2%	7.6%	7.9%	8.4%	8.9%	10.4%	12.3%	15.5%	15.5%	16.8%	16.9%	16.9%	17.0%	17.8%	17.8%	17.8%	17.8%	17.8%	17.8%	20.4%	20.8%	24.0%										
Q4 2010	2.6%	7.1%	8.5%	9.4%	11.2%	11.5%	14.5%	15.2%	16.1%	16.3%	16.5%	16.5%	16.5%	27.9%	27.9%	28.1%	28.2%	28.4%	28.5%	28.6%	28.7%	28.9%	29.0%	29.1%	29.2%	29.4%	29.5%											
Q1 2011	12.1%	17.1%	17.9%	20.6%	20.7%	21.3%	21.7%	21.7%	21.7%	21.7%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%	22.2%												
Q2 2011	14.5%	28.3%	28.9%	29.4%	30.8%	31.8%	31.8%	32.7%	32.7%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%													
Q3 2011	2.4%	3.5%	3.8%	11.9%	12.2%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	13.0%	13.0%	13.0%	13.0%														
Q4 2011	0.0%	3.2%	4.0%	10.8%	11.1%	15.5%	16.4%	16.8%	19.0%	19.0%	19.0%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%	20.2%															
Q1 2012	11.0%	17.8%	23.0%	23.3%	23.7%	26.1%	26.3%	26.4%	26.6%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.9%																
Q2 2012	10.5%	18.8%	22.4%	26.0%	29.0%	30.1%	30.7%	31.1%	31.1%	31.1%	31.4%	31.6%	32.3%	34.1%	34.4%	34.6%	34.7%	34.8%	35.0%	35.0%	35.0%																	
Q3 2012	2.7%	12.3%	14.3%	14.7%	15.1%	17.5%	17.5%	18.7%	19.1%	21.4%	21.4%	21.4%	21.4%	22.7%	22.7%	22.7%	22.7%	22.7%	22.7%	23.6%																		
Q4 2012	1.2%	2.9%	3.4%	6.9%	9.8%	11.3%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.4%	14.5%	14.6%	18.5%	19.8%																			
Q1 2013	4.6%	8.1%	9.9%	11.7%	11.7%	12.1%	12.5%	12.7%	12.9%	13.2%	13.4%	13.4%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%																				
Q2 2013	4.3%	14.1%	14.8%	17.6%	19.4%	20.7%	20.8%	20.9%	21.5%	21.6%	22.4%	22.5%	23.3%	24.3%	24.7%	25.1%	25.1%																					
Q3 2013	5.4%	15.7%	20.4%	25.4%	25.6%	26.0%	26.7%	26.9%	27.2%	27.3%	27.8%	28.2%	28.4%	28.4%	28.6%	30.7%																						
Q4 2013	4.5%	14.1%	16.5%	19.2%	23.3%	23.7%	26.8%	27.1%	27.9%	28.3%	28.8%	29.1%	29.3%	29.5%	29.8%																							
Q1 2014	7.3%	10.2%	13.0%	15.2%	16.9%	17.9%	18.9%	20.8%	22.0%	22.0%	22.2%	30.4%	35.3%	35.6%																								

Q2 2014	2.6%	8.8%	9.7%	12.5%	13.3%	16.4%	18.9%	19.6%	19.6%	20.1%	20.3%	20.7%	20.9%																									
Q3 2014	1.4%	6.5%	10.6%	13.4%	13.4%	14.2%	14.9%	15.3%	15.4%	15.4%	15.5%	15.7%																										
Q4 2014	2.9%	8.8%	10.4%	13.5%	13.5%	14.3%	14.8%	16.3%	17.4%	18.2%	18.9%																											
Q1 2015	12.1%	22.7%	26.2%	26.3%	27.2%	27.9%	31.9%	32.5%	33.2%	33.7%																												
Q2 2015	3.7%	7.5%	7.9%	8.2%	8.4%	8.6%	8.8%	8.9%	9.6%																													
Q3 2015	1.7%	8.2%	10.8%	11.2%	11.2%	11.3%	11.3%	11.3%																														
Q4 2015	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%																															
Q1 2016	3.9%	5.7%	8.1%	8.2%	8.2%	8.2%																																
Q2 2016	5.9%	9.8%	16.3%	17.6%	19.2%																																	
Q3 2016	0.3%	5.2%	6.0%	6.7%																																		
Q4 2016	5.0%	9.5%	10.5%																																			
Q1 2017	0.0%	4.1%																																				
Q2 2017	3.5%																																					

The tables below show historical data on the recoveries, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of Used Cars to Private Debtors.

Quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Q1 2008	1.1%	15.8%	18.5%	21.0%	23.2%	26.9%	32.4%	35.4%	36.6%	37.3%	38.3%	39.2%	40.3%	41.8%	42.5%	43.1%	43.8%	48.2%	48.6%	48.6%	48.6%	49.1%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%	50.5%
Q2 2008	1.5%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	25.4%	25.4%	25.4%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	31.8%	
Q3 2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	1.7%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%		
Q4 2008	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	14.0%	16.1%	16.1%	16.1%	21.9%	21.9%	22.9%	22.9%	22.9%	22.9%	22.9%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%			
Q1 2009	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					
Q2 2009	1.2%	1.3%	2.2%	3.7%	3.9%	9.0%	12.2%	12.2%	12.2%	12.7%	12.7%	12.7%	13.3%	13.3%	13.5%	14.4%	15.0%	15.3%	15.7%	16.0%	16.3%	16.6%	16.9%	17.0%	17.1%	17.2%	17.3%	17.3%	17.3%	17.3%	17.3%	17.3%	17.4%					
Q3 2009	0.0%	1.1%	1.8%	2.5%	2.8%	4.4%	5.5%	5.7%	6.0%	10.0%	10.0%	10.3%	10.8%	11.0%	11.3%	11.4%	11.6%	11.6%	11.8%	11.8%	12.0%	12.0%	12.0%	12.1%	12.2%	12.3%	12.4%	12.5%	12.6%	12.7%	12.8%	13.1%						
Q4 2009	0.8%	2.3%	2.3%	2.4%	4.9%	7.4%	8.6%	9.7%	14.3%	21.2%	22.6%	22.9%	23.8%	23.8%	26.5%	26.9%	26.9%	27.0%	27.5%	27.8%	28.1%	28.6%	28.9%	29.3%	29.6%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%							
Q1 2010	3.4%	4.6%	5.9%	6.0%	7.7%	10.8%	11.9%	12.3%	12.3%	12.6%	12.8%	12.9%	13.1%	13.2%	13.3%	13.4%	13.5%	13.7%	14.0%	14.2%	14.4%	15.0%	15.3%	15.4%	15.4%	15.4%	15.7%	17.8%	17.9%	18.2%								
Q2 2010	1.3%	2.2%	3.8%	4.5%	6.6%	8.4%	10.0%	11.9%	12.5%	13.0%	13.4%	13.8%	14.2%	14.6%	14.9%	15.3%	15.7%	16.1%	16.5%	16.6%	18.9%	19.2%	19.6%	20.0%	20.1%	20.8%	21.1%	21.3%	21.6%									

Q3 2010	2.7%	12.4%	17.2%	18.7%	20.5%	22.2%	23.7%	25.1%	26.4%	26.8%	28.0%	28.9%	29.6%	33.3%	35.6%	36.2%	36.7%	36.9%	37.6%	37.6%	37.8%	37.9%	38.1%	38.3%	38.5%	38.9%	39.6%	39.8%										
Q4 2010	3.2%	13.5%	18.9%	20.1%	21.3%	22.9%	24.1%	25.6%	26.2%	26.6%	26.7%	26.9%	26.9%	27.2%	29.0%	29.9%	31.0%	32.1%	32.7%	33.6%	34.4%	35.0%	35.6%	36.3%	36.5%	36.7%	36.8%											
Q1 2011	3.0%	12.2%	13.4%	14.4%	15.1%	15.1%	15.1%	15.9%	16.2%	17.1%	18.0%	18.1%	18.1%	18.2%	20.1%	21.0%	21.0%	22.0%	22.0%	22.0%	22.0%	22.1%	22.1%	22.7%	24.6%	26.7%												
Q2 2011	5.2%	14.5%	17.5%	19.2%	19.9%	24.6%	25.2%	25.6%	26.1%	29.9%	30.2%	30.5%	30.8%	31.3%	31.7%	32.0%	32.7%	34.5%	34.8%	35.1%	35.4%	35.5%	35.5%	35.5%	35.5%													
Q3 2011	6.2%	11.5%	18.4%	19.1%	22.9%	24.9%	26.3%	28.4%	30.0%	30.0%	30.0%	30.0%	32.1%	32.3%	32.6%	32.6%	32.6%	32.6%	32.6%	32.7%	32.8%	33.1%	33.4%	34.1%														
Q4 2011	8.7%	14.5%	19.4%	22.4%	25.2%	30.1%	31.7%	32.4%	33.7%	36.2%	36.3%	36.3%	36.6%	36.9%	37.6%	37.9%	38.2%	38.5%	39.3%	39.3%	39.3%	39.3%	39.3%															
Q1 2012	3.3%	10.9%	18.3%	19.5%	21.7%	24.2%	26.2%	28.0%	28.8%	29.4%	30.2%	30.7%	31.5%	32.5%	33.1%	33.7%	35.3%	35.5%	35.8%	36.1%	36.5%	37.1%																
Q2 2012	5.4%	6.2%	10.7%	11.8%	15.5%	17.1%	17.7%	20.5%	21.1%	23.1%	23.5%	23.6%	23.7%	23.9%	24.2%	24.4%	24.7%	24.8%	25.0%	25.2%	25.6%																	
Q3 2012	6.9%	15.9%	18.1%	20.8%	23.1%	27.7%	29.5%	31.0%	32.5%	33.3%	34.2%	34.5%	34.5%	34.7%	36.2%	39.2%	39.5%	39.8%	40.2%	40.6%																		
Q4 2012	3.4%	8.8%	10.5%	10.8%	12.6%	16.4%	16.8%	17.0%	17.7%	18.0%	18.3%	18.8%	19.4%	20.2%	20.9%	21.3%	22.8%	23.4%	23.8%																			
Q1 2013	8.3%	16.1%	17.7%	18.7%	19.8%	20.3%	21.1%	21.9%	22.5%	23.1%	23.8%	24.3%	24.4%	24.7%	25.3%	25.7%	26.5%	30.0%																				
Q2 2013	4.2%	5.7%	8.9%	10.0%	10.5%	10.5%	11.2%	11.6%	12.1%	12.6%	12.8%	13.0%	13.3%	13.5%	13.6%	14.0%	14.9%																					
Q3 2013	2.1%	7.6%	8.3%	9.6%	10.9%	11.7%	12.4%	13.1%	13.8%	14.5%	17.0%	17.9%	20.1%	22.7%	24.0%	25.0%																						
Q4 2013	6.8%	19.3%	28.9%	31.3%	34.0%	35.8%	36.6%	38.1%	38.9%	40.2%	41.8%	46.6%	47.3%	48.1%	48.8%																							
Q1 2014	8.3%	16.1%	17.7%	18.7%	19.8%	20.3%	21.1%	21.9%	22.5%	23.1%	23.8%	24.3%	24.4%	24.7%																								
Q2 2014	4.2%	5.7%	8.9%	10.0%	10.5%	10.5%	11.2%	11.6%	12.1%	12.6%	12.8%	13.0%	13.3%																									
Q3 2014	5.7%	9.6%	13.0%	16.6%	18.6%	21.9%	22.6%	26.4%	28.5%	29.7%	32.2%	33.2%																										
Q4 2014	3.9%	10.6%	12.6%	16.4%	18.6%	20.8%	24.3%	25.1%	25.7%	27.0%	28.0%																											
Q1 2015	3.8%	8.9%	9.8%	11.4%	21.8%	22.7%	24.1%	30.1%	36.1%	37.8%																												
Q2 2015	4.3%	6.8%	9.2%	14.7%	16.1%	17.2%	17.3%	17.3%	17.4%																													
Q3 2015	3.1%	7.7%	13.7%	14.3%	14.3%	14.4%	14.6%	15.0%																														
Q4 2015	3.6%	10.5%	12.8%	15.3%	16.9%	18.3%	19.0%																															
Q1 2016	5.6%	22.8%	25.5%	28.6%	30.0%	31.4%																																
Q2 2016	11.2%	16.9%	22.4%	23.6%	27.7%																																	
Q3 2016	2.0%	11.1%	13.2%	14.6%																																		
Q4 2016	5.4%	14.0%	15.1%																																			
Q1 2017	4.6%	11.3%																																				


Q2 2017
9.2%

Dynamic quarterly delinquencies

The delinquency data displayed below is in dynamic format and shows at a given quarter the ratio of (i) the total outstanding balance of auto loans distributed in the appropriate delinquency bucket to (ii) the total outstanding balance of all auto loans (tested at the end of the indicated quarter)

The tables below historical data on delinquencies, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Private Debtors.

Quarter	Not Delinquent	Delinquencies Outstanding (1-10 days)	Delinquencies Outstanding (11-30 days)	Delinquencies Outstanding (31-60 days)	Delinquencies Outstanding (61-90 days)	Delinquencies Outstanding (91-120 days)	Delinquencies Outstanding (121-149 days)	Defaulted receivables (>=150 days)
Q1 2008	93.56%	4.85%	0.76%	0.53%	0.19%	0.02%	0.01%	0.06%
Q2 2008	91.87%	6.30%	0.89%	0.54%	0.21%	0.06%	0.04%	0.10%
Q3 2008	92.02%	5.71%	0.98%	0.68%	0.21%	0.12%	0.06%	0.22%
Q4 2008	90.83%	5.30%	2.10%	0.98%	0.30%	0.15%	0.09%	0.26%
Q1 2009	94.19%	3.43%	0.67%	0.78%	0.37%	0.11%	0.08%	0.37%
Q2 2009	92.28%	4.57%	0.90%	0.99%	0.47%	0.16%	0.12%	0.50%
Q3 2009	92.33%	4.13%	1.02%	1.14%	0.44%	0.17%	0.09%	0.69%
Q4 2009	92.10%	4.26%	0.98%	1.11%	0.50%	0.15%	0.08%	0.81%
Q1 2010	93.49%	2.86%	0.97%	0.99%	0.50%	0.20%	0.06%	0.92%
Q2 2010	93.11%	2.95%	0.86%	1.13%	0.59%	0.22%	0.09%	1.04%
Q3 2010	93.01%	2.98%	0.75%	1.04%	0.58%	0.27%	0.12%	1.25%
Q4 2010	92.91%	2.83%	0.83%	1.21%	0.51%	0.24%	0.10%	1.38%
Q1 2011	93.44%	2.46%	0.72%	1.14%	0.47%	0.17%	0.10%	1.50%
Q2 2011	92.72%	3.16%	0.76%	0.98%	0.46%	0.19%	0.11%	1.63%
Q3 2011	93.77%	2.07%	0.62%	0.95%	0.42%	0.21%	0.16%	1.80%
Q4 2011	93.59%	2.13%	0.63%	0.91%	0.46%	0.22%	0.12%	1.94%
Q1 2012	93.50%	2.07%	0.60%	1.03%	0.42%	0.18%	0.12%	2.09%
Q2 2012	93.20%	2.07%	0.68%	0.98%	0.47%	0.20%	0.14%	2.25%
Q3 2012	92.07%	3.00%	0.65%	1.01%	0.42%	0.23%	0.15%	2.46%
Q4 2012	92.48%	2.68%	0.57%	0.94%	0.37%	0.20%	0.15%	2.62%
Q1 2013	92.31%	2.50%	0.63%	1.09%	0.37%	0.19%	0.13%	2.78%
Q2 2013	92.03%	2.68%	0.64%	0.87%	0.42%	0.19%	0.15%	3.00%
Q3 2013	91.83%	2.69%	0.61%	0.79%	0.41%	0.21%	0.15%	3.32%
Q4 2013	91.63%	2.80%	0.54%	0.88%	0.32%	0.18%	0.11%	3.54%
Q1 2014	91.56%	2.62%	0.59%	0.97%	0.29%	0.17%	0.12%	3.67%
Q2 2014	90.94%	2.96%	0.69%	0.85%	0.38%	0.19%	0.14%	3.86%
Q3 2014	91.26%	2.56%	0.60%	0.90%	0.38%	0.22%	0.13%	3.96%
Q4 2014	92.87%	2.42%	0.59%	0.80%	0.30%	0.16%	0.12%	2.75%
Q1 2015	93.32%	2.21%	0.41%	0.73%	0.25%	0.12%	0.11%	2.85%
Q2 2015	93.34%	2.31%	0.47%	0.60%	0.24%	0.12%	0.11%	2.81%
Q3 2015	93.90%	2.07%	0.38%	0.50%	0.20%	0.14%	0.09%	2.72%
Q4 2015	94.78%	1.79%	0.33%	0.49%	0.19%	0.11%	0.08%	2.23%
Q1 2016	95.02%	1.74%	0.29%	0.51%	0.20%	0.09%	0.06%	2.09%
Q2 2016	95.30%	1.72%	0.29%	0.42%	0.17%	0.10%	0.07%	1.95%
Q3 2016	95.48%	1.67%	0.25%	0.37%	0.14%	0.08%	0.07%	1.94%

Q4 2016	96.09%	1.41%	0.24%	0.34%	0.14%	0.06%	0.04%	1.67%
Q1 2017	96.52%	1.24%	0.19%	0.33%	0.11%	0.07%	0.05%	1.49%
Q2 2017	96.82%	1.18%	0.20%	0.26%	0.11%	0.05%	0.05%	1.34%

The tables below historical data on delinquencies, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Commercial Debtors.

Quarter	Not Delinquent	Delinquencies Outstanding (1-10 days)	Delinquencies Outstanding (11-30 days)	Delinquencies Outstanding (31-60 days)	Delinquencies Outstanding (61-90 days)	Delinquencies Outstanding (91-120 days)	Delinquencies Outstanding (121-149 days)	Defaulted receivables (>=150 days)
Q1 2008	97.37%	1.23%	0.41%	0.46%	0.23%	0.11%	0.11%	0.07%
Q2 2008	95.72%	2.70%	0.50%	0.39%	0.22%	0.02%	0.09%	0.37%
Q3 2008	96.19%	1.56%	0.60%	0.40%	0.30%	0.24%	0.16%	0.54%
Q4 2008	95.36%	1.78%	0.85%	0.82%	0.27%	0.20%	0.05%	0.68%
Q1 2009	96.28%	0.87%	0.42%	1.00%	0.29%	0.27%	0.00%	0.86%
Q2 2009	94.63%	1.60%	0.74%	1.04%	0.82%	0.24%	0.17%	0.76%
Q3 2009	94.37%	1.65%	0.61%	0.81%	0.71%	0.51%	0.19%	1.15%
Q4 2009	93.78%	1.87%	0.60%	1.24%	0.47%	0.29%	0.13%	1.61%
Q1 2010	93.15%	1.70%	0.68%	1.30%	0.80%	0.35%	0.11%	1.92%
Q2 2010	93.08%	1.29%	0.65%	1.11%	0.88%	0.29%	0.32%	2.38%
Q3 2010	92.12%	1.90%	0.56%	1.12%	0.74%	0.44%	0.28%	2.83%
Q4 2010	91.53%	1.85%	0.75%	1.40%	0.63%	0.56%	0.20%	3.09%
Q1 2011	92.45%	1.34%	0.34%	1.41%	0.52%	0.43%	0.20%	3.30%
Q2 2011	91.89%	1.83%	0.67%	0.92%	0.62%	0.25%	0.33%	3.48%
Q3 2011	92.21%	1.36%	0.37%	0.76%	0.66%	0.31%	0.27%	4.05%
Q4 2011	92.50%	1.09%	0.48%	0.96%	0.47%	0.29%	0.16%	4.06%
Q1 2012	92.05%	1.25%	0.46%	1.11%	0.56%	0.28%	0.18%	4.11%
Q2 2012	91.60%	1.50%	0.59%	0.92%	0.48%	0.33%	0.17%	4.42%
Q3 2012	90.19%	2.24%	0.47%	1.10%	0.61%	0.36%	0.27%	4.75%
Q4 2012	90.43%	1.66%	0.60%	1.07%	0.56%	0.33%	0.26%	5.08%
Q1 2013	89.36%	1.78%	0.70%	1.11%	0.81%	0.38%	0.29%	5.58%
Q2 2013	88.36%	2.16%	0.67%	0.95%	0.80%	0.54%	0.20%	6.32%
Q3 2013	88.11%	1.85%	0.56%	1.03%	0.41%	0.61%	0.41%	7.02%
Q4 2013	88.46%	1.89%	0.43%	0.92%	0.42%	0.37%	0.24%	7.28%
Q1 2014	87.72%	1.93%	0.71%	1.13%	0.54%	0.30%	0.24%	7.42%
Q2 2014	87.83%	1.81%	0.64%	0.88%	0.52%	0.32%	0.34%	7.67%
Q3 2014	88.75%	1.42%	0.74%	1.00%	0.44%	0.34%	0.16%	7.15%
Q4 2014	91.42%	1.51%	0.50%	0.72%	0.31%	0.16%	0.05%	5.34%
Q1 2015	91.96%	1.16%	0.55%	0.73%	0.26%	0.22%	0.12%	4.99%
Q2 2015	92.54%	1.24%	0.37%	0.57%	0.33%	0.18%	0.17%	4.62%
Q3 2015	92.81%	1.15%	0.35%	0.33%	0.30%	0.20%	0.16%	4.71%
Q4 2015	95.15%	0.92%	0.30%	0.32%	0.20%	0.06%	0.04%	3.01%
Q1 2016	95.20%	0.88%	0.25%	0.41%	0.25%	0.21%	0.04%	2.76%
Q2 2016	95.04%	1.03%	0.28%	0.31%	0.16%	0.20%	0.15%	2.83%
Q3 2016	95.07%	0.97%	0.22%	0.23%	0.13%	0.08%	0.15%	3.14%
Q4 2016	95.68%	0.98%	0.16%	0.26%	0.14%	0.03%	0.06%	2.69%

Q1 2017	95.78%	0.94%	0.15%	0.26%	0.15%	0.02%	0.07%	2.63%
Q2 2017	96.30%	0.70%	0.20%	0.19%	0.12%	0.06%	0.05%	2.37%

The tables below historical data on delinquencies, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of Used Cars to Private Debtors.

Quarter	Not Delinquent	Delinquencies Outstanding (1-10 days)	Delinquencies Outstanding (11-30 days)	Delinquencies Outstanding (31-60 days)	Delinquencies Outstanding (61-90 days)	Delinquencies Outstanding (91-120 days)	Delinquencies Outstanding (121-149 days)	Defaulted receivables (>=150 days)
Q1 2008	90.80%	5.68%	1.59%	1.11%	0.35%	0.14%	0.05%	0.28%
Q2 2008	88.20%	8.09%	1.61%	1.19%	0.42%	0.15%	0.10%	0.24%
Q3 2008	88.28%	6.74%	1.99%	1.43%	0.53%	0.29%	0.23%	0.52%
Q4 2008	86.12%	6.64%	3.34%	1.94%	0.62%	0.35%	0.14%	0.85%
Q1 2009	89.92%	4.40%	1.60%	1.69%	0.74%	0.27%	0.27%	1.11%
Q2 2009	87.85%	5.44%	1.78%	1.75%	1.15%	0.27%	0.23%	1.53%
Q3 2009	87.49%	5.05%	1.73%	2.02%	1.09%	0.43%	0.24%	1.95%
Q4 2009	87.42%	4.51%	1.85%	2.04%	1.06%	0.47%	0.26%	2.40%
Q1 2010	87.72%	3.55%	1.83%	2.24%	1.09%	0.43%	0.27%	2.88%
Q2 2010	87.40%	3.57%	1.29%	2.27%	1.11%	0.62%	0.22%	3.53%
Q3 2010	86.91%	3.69%	1.37%	1.98%	1.19%	0.66%	0.26%	3.94%
Q4 2010	86.55%	2.89%	1.32%	2.52%	1.41%	0.66%	0.24%	4.41%
Q1 2011	87.25%	2.73%	1.23%	2.21%	0.97%	0.45%	0.25%	4.91%
Q2 2011	86.23%	3.88%	1.42%	1.69%	0.88%	0.47%	0.25%	5.17%
Q3 2011	88.09%	2.45%	0.94%	1.66%	0.63%	0.48%	0.36%	5.38%
Q4 2011	88.88%	2.12%	0.83%	1.34%	0.77%	0.43%	0.31%	5.31%
Q1 2012	89.52%	1.70%	0.87%	1.58%	0.72%	0.35%	0.18%	5.06%
Q2 2012	89.40%	1.92%	0.71%	1.25%	0.87%	0.38%	0.26%	5.21%
Q3 2012	88.48%	2.76%	0.79%	1.54%	0.54%	0.32%	0.31%	5.25%
Q4 2012	89.58%	2.12%	0.68%	1.31%	0.60%	0.31%	0.20%	5.19%
Q1 2013	90.20%	2.07%	0.50%	1.21%	0.45%	0.36%	0.14%	5.07%
Q2 2013	89.87%	2.34%	0.57%	1.02%	0.53%	0.38%	0.24%	5.06%
Q3 2013	89.75%	2.10%	0.64%	0.94%	0.52%	0.23%	0.28%	5.53%
Q4 2013	89.71%	2.53%	0.49%	0.99%	0.34%	0.29%	0.19%	5.45%
Q1 2014	89.65%	2.54%	0.56%	1.09%	0.35%	0.20%	0.18%	5.43%
Q2 2014	88.91%	2.95%	0.72%	0.92%	0.41%	0.18%	0.23%	5.69%
Q3 2014	89.31%	2.35%	0.78%	1.02%	0.42%	0.25%	0.15%	5.72%
Q4 2014	91.69%	2.40%	0.71%	0.94%	0.34%	0.14%	0.12%	3.64%
Q1 2015	92.35%	1.94%	0.66%	0.95%	0.22%	0.13%	0.08%	3.66%
Q2 2015	92.16%	2.40%	0.59%	0.72%	0.27%	0.12%	0.19%	3.55%
Q3 2015	92.33%	2.38%	0.60%	0.63%	0.24%	0.13%	0.10%	3.59%
Q4 2015	93.50%	1.93%	0.44%	0.60%	0.20%	0.10%	0.10%	3.14%
Q1 2016	93.69%	2.07%	0.44%	0.62%	0.18%	0.11%	0.09%	2.80%
Q2 2016	93.93%	2.05%	0.43%	0.59%	0.22%	0.12%	0.04%	2.62%
Q3 2016	94.16%	2.00%	0.40%	0.47%	0.16%	0.17%	0.08%	2.55%
Q4 2016	94.57%	1.91%	0.28%	0.49%	0.26%	0.05%	0.08%	2.36%
Q1 2017	94.95%	1.67%	0.39%	0.50%	0.18%	0.05%	0.04%	2.20%
Q2 2017	95.35%	1.60%	0.37%	0.40%	0.20%	0.05%	0.09%	1.93%

Dynamic quarterly prepayments

The prepayments data displayed below is in dynamic format and shows for a given quarter (i) the total outstanding balance of all auto loans at the start of the relevant quarter, (ii) the total outstanding balance of auto loans that prepayed in the relevant quarter, (iii) the ratio of (i) to (ii) (the **Quarterly Prepayment Rate**), and (iv) the number of contracts that terminated early in the relevant quarter.

The tables below show historical data on prepayments, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Private Debtors.

Quarter	Starting Balance	Prepayments (Amount)	Prepayment Rate	Number of Early Terminated Contracts
Q1_ 2008	260,944,291	1,104,805	0.42%	129
Q2_ 2008	348,527,952	1,386,646	0.40%	158
Q3_ 2008	406,194,443	1,699,275	0.42%	198
Q4_ 2008	470,034,139	2,521,449	0.54%	301
Q1_ 2009	531,279,805	3,537,344	0.67%	413
Q2_ 2009	588,031,810	3,803,550	0.65%	498
Q3_ 2009	630,987,162	3,834,294	0.61%	487
Q4_ 2009	677,087,785	5,199,099	0.77%	715
Q1_ 2010	731,495,427	5,839,101	0.80%	791
Q2_ 2010	747,099,443	7,536,149	1.01%	1,056
Q3_ 2010	743,950,509	6,040,860	0.81%	908
Q4_ 2010	749,907,876	7,771,463	1.04%	1,165
Q1_ 2011	755,223,943	7,697,729	1.02%	1,214
Q2_ 2011	752,131,994	8,221,650	1.09%	1,329
Q3_ 2011	734,040,211	6,407,352	0.87%	1,100
Q4_ 2011	734,835,038	7,641,933	1.04%	1,324
Q1_ 2012	735,432,788	6,498,105	0.88%	1,176
Q2_ 2012	724,663,555	7,132,054	0.98%	1,287
Q3_ 2012	713,896,513	5,058,983	0.71%	973
Q4_ 2012	722,434,249	5,925,658	0.82%	1,110
Q1_ 2013	711,367,378	6,044,121	0.85%	1,157
Q2_ 2013	695,776,236	6,134,189	0.88%	1,143
Q3_ 2013	673,760,570	4,926,902	0.73%	1,013
Q4_ 2013	657,631,475	5,452,359	0.83%	1,092
Q1_ 2014	649,834,163	5,118,771	0.79%	1,031
Q2_ 2014	635,326,588	5,610,217	0.88%	1,066
Q3_ 2014	616,466,898	4,699,044	0.76%	948
Q4_ 2014	599,953,633	6,069,061	1.01%	1,174
Q1_ 2015	582,158,549	5,485,243	0.94%	1,069
Q2_ 2015	568,010,932	5,870,178	1.03%	1,182
Q3_ 2015	565,916,017	4,803,003	0.85%	944
Q4_ 2015	575,949,095	5,798,341	1.01%	1,141
Q1_ 2016	586,832,379	5,946,591	1.01%	1,182

Q2_ 2016	603,163,395	6,773,766	1.12%	1,260
Q3_ 2016	605,937,174	5,319,779	0.88%	1,023
Q4_ 2016	632,177,450	6,931,706	1.10%	1,254
Q1_ 2017	667,744,669	6,571,917	0.98%	1,187
Q2_ 2017	699,088,019	7,172,142	1.03%	1,277

The tables below show historical data on prepayments, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of New Cars to Commercial Debtors.

Quarter	Starting Balance	Prepayments (Amount)	Prepayment Rate	Number of Early Terminated Contracts
Q1_ 2008	25,605,048	14,220	0.06%	1
Q2_ 2008	33,860,746	100,753	0.30%	6
Q3_ 2008	38,903,935	54,533	0.14%	5
Q4_ 2008	45,086,504	125,693	0.28%	10
Q1_ 2009	48,848,222	144,156	0.30%	16
Q2_ 2009	53,268,864	175,677	0.33%	17
Q3_ 2009	55,579,113	149,284	0.27%	19
Q4_ 2009	60,115,593	240,025	0.40%	31
Q1_ 2010	63,211,790	174,410	0.28%	22
Q2_ 2010	64,235,334	330,980	0.52%	42
Q3_ 2010	63,140,988	166,630	0.26%	28
Q4_ 2010	65,620,850	264,064	0.40%	36
Q1_ 2011	67,686,255	393,825	0.58%	53
Q2_ 2011	68,198,603	374,517	0.55%	55
Q3_ 2011	66,010,832	255,604	0.39%	37
Q4_ 2011	71,512,278	294,262	0.41%	50
Q1_ 2012	74,645,752	412,043	0.55%	58
Q2_ 2012	75,592,540	304,391	0.40%	55
Q3_ 2012	74,747,830	259,751	0.35%	37
Q4_ 2012	77,595,208	346,832	0.45%	61
Q1_ 2013	76,282,349	350,068	0.46%	55
Q2_ 2013	73,812,855	207,326	0.28%	38
Q3_ 2013	70,272,261	211,744	0.30%	39
Q4_ 2013	70,786,624	432,407	0.61%	71
Q1_ 2014	70,294,053	276,270	0.39%	44
Q2_ 2014	69,807,732	262,693	0.38%	50
Q3_ 2014	68,381,812	189,613	0.28%	39
Q4_ 2014	71,604,119	325,730	0.45%	54
Q1_ 2015	70,492,199	394,405	0.56%	69
Q2_ 2015	69,147,133	393,499	0.57%	63
Q3_ 2015	66,122,623	282,858	0.43%	42
Q4_ 2015	66,575,801	370,533	0.56%	64
Q1_ 2016	65,606,186	253,425	0.39%	49
Q2_ 2016	66,140,567	207,802	0.31%	40
Q3_ 2016	65,520,493	321,524	0.49%	45

Q4_ 2016	73,423,522	428,558	0.58%	70
Q1_ 2017	73,612,728	403,762	0.55%	69
Q2_ 2017	75,649,682	334,249	0.44%	49

The tables below show historical data on prepayments, for the period from the first quarter of 2008 to the second quarter of 2017, for Auto Loan Contracts relating to the financing of Used Cars to Private Debtors.

Quarter	Starting Balance	Prepayments (Amount)	Prepayment Rate	Number of Early Terminated Contracts
Q1_ 2008	18,676,340	92,436	0.49%	16
Q2_ 2008	25,712,804	196,627	0.76%	34
Q3_ 2008	31,891,481	251,365	0.79%	41
Q4_ 2008	37,170,401	346,274	0.93%	58
Q1_ 2009	42,141,646	454,069	1.08%	72
Q2_ 2009	45,997,354	469,021	1.02%	83
Q3_ 2009	48,211,797	464,455	0.96%	83
Q4_ 2009	49,152,227	593,931	1.21%	107
Q1_ 2010	50,404,009	656,572	1.30%	123
Q2_ 2010	50,827,565	828,231	1.63%	144
Q3_ 2010	50,249,088	692,164	1.38%	134
Q4_ 2010	49,197,238	690,445	1.40%	140
Q1_ 2011	49,372,667	717,104	1.45%	143
Q2_ 2011	49,886,416	811,298	1.63%	177
Q3_ 2011	51,451,812	622,796	1.21%	133
Q4_ 2011	54,648,066	624,605	1.14%	129
Q1_ 2012	61,335,072	530,047	0.86%	131
Q2_ 2012	64,644,415	707,481	1.09%	137
Q3_ 2012	68,636,208	469,206	0.68%	100
Q4_ 2012	73,642,069	705,474	0.96%	151
Q1_ 2013	77,830,692	682,162	0.88%	134
Q2_ 2013	80,805,503	789,846	0.98%	152
Q3_ 2013	80,314,181	761,445	0.95%	144
Q4_ 2013	83,537,218	755,203	0.90%	161
Q1_ 2014	85,698,977	865,219	1.01%	167
Q2_ 2014	84,167,822	948,242	1.13%	187
Q3_ 2014	82,543,672	828,891	1.00%	159
Q4_ 2014	82,572,835	1,089,264	1.32%	205
Q1_ 2015	82,693,018	1,034,267	1.25%	191
Q2_ 2015	80,365,074	1,096,829	1.36%	222
Q3_ 2015	77,924,529	861,261	1.11%	174
Q4_ 2015	77,496,382	1,119,796	1.44%	223
Q1_ 2016	79,572,854	1,167,669	1.47%	226
Q2_ 2016	81,580,525	1,136,453	1.39%	256
Q3_ 2016	81,314,007	1,154,534	1.42%	218
Q4_ 2016	82,323,830	1,061,234	1.29%	214
Q1_ 2017	86,927,441	1,224,084	1.41%	238

Q2_ 2017	91,461,199	1,158,610	1.27%	234

THE SELLER, THE SERVICER, THE CASH MANAGER, THE CLASS B NOTES SUBSCRIBER AND THE SUBORDINATED LOAN PROVIDERS

Banca PSA Italia S.p.A. (**BPSA**) is the result of the joint venture between Banque PSA Finance S.A. (**BPF**) and Santander Consumer Finance Bank S.p.A., with an equal relationship. BPSA is subject to the management and coordination of Santander Consumer Bank S.p.A. The joint venture (**BPF – SCF Agreement**) is present also in other 11 countries in Europe and with an entity in Brazil.

With more than 40 years of experience and professionalism at the service of the clients' wishes as Italian branch of BPF, BPSA has been today became an Italian bank with the authorisation to exercise the bank activity that has been obtained by the Bank of Italy on 24 September 2015.

BPSA commenced its activities as a bank in 2016, receiving as transferee of the Italian consumer lending activities carried out BPF, Succursale di Italia until the end of 2015. BPSA offers a full range of retail financing products to customers of the brands Peugeot, Citroën and DS as well as floor-stock and replacement parts financing for the carmakers' dealers.

More than two thirds of the financing is made for the purchase of new vehicles and the rest for leasing operations financial and for purchase of used vehicles. It is not substantially involved in any other type of financing activities.

BPSA Italia's activities are totally based in Italy.

It has a key function in Peugeot Automobili Italia S.p.A.'s strategy to offer customers integrated products, financing and service packages that meet their needs. BPSA strengthens relationships with car dealers by providing them with a full array of specially tailored financing and services sales support systems.

BPSA has been also developing integrated products including such automobile-related services as maintenance and extended warranties, whose subscription-based delivery makes them more attractive to customers and long term rental[1]. These integrated products are also offered to buyers of used vehicles.

In terms of wholesale financing, BPSA finances the new vehicles and replacement parts inventories of Peugeot, Citroën and DS brands and all car dealer networks, as well as meeting certain other working capital and equipment financing needs.

BPSA's head office is located at Via Gallarate 199, 20151 Milan, Italia.

The share capital consists of 140,309,000 fully paid ordinary shares with a nominal value of Euro 1.00 each, for a total of Euro 140,309,000 fully paid. The totality of the capital is held by BPF, which owns 70,154,500 shares (equal to 50% of the share capital), and Santander Consumer Bank S.p.A., which holds the remaining 50%.

[1] Service offered by PSA Renting Italia S.p.A.

UNDERWRITING AND SERVICING PROCEDURES

1. ORIGINATION

General Information

Description of the Seller's dealer network

BPSA products are marketed and distributed through the points of sale of Peugeot, Citroën's and DS dealers.

BPSA's network is composed of 18 geographical areas, mixed between Peugeot, Citroen and DS dealership. Every area is followed by a "Business Manager", that is responsible of the animation and follow up of the entire area.

Each dealer enters into a "convention network" according to which it has to fulfil specific criteria (material, human and financial) required from Peugeot, Citroën or DS depending on its status. BPSA primary network includes dealers that distribute products of BPSA, secondary network includes points of sale that can distribute products of BPSA and points of sale that don't distribute financial products of BPSA. In Italy, there are 288 dealers and 195 points of sale (as of November 2017).

To belong to the primary network dealers must comply with financial criteria defined by the two brands: analysis of their balance sheet is performed, a scoring is assigned and controls of their performance are monitored frequently.

The admission of dealers to the secondary network requires some checks with public external databases (Chamber of Commerce) using CRIF provider. Monitoring of this data is done regularly.

BPSA's Business Managers are responsible for training (together with Efficar Specialists – Internal Training Team) dealers' salesmen and for monitoring their performances.

In order to promote vehicle sales on finance, Peugeot and Citroen SA (and sometimes the dealer), may subsidise certain products offered by BPSA. The payment of the subsidy by the manufacturer or the dealer to BPSA is made up front, at the start of the contract:

- If the dealer pays a subsidy, the subsidy amount is deducted from the amount BPSA pays the dealer for the vehicle.

- If the manufacturer is paying the subsidy, the subsidy amount is invoiced to the manufacturer in the month following the start of the contract.

2. LOAN UNDERWRITING

Underwriting process

The underwriting process is under the responsibility of the underwriting department that employs 22 staff members.

The underwriting process consists of the operational management of all end-user credit applications that are sent via car dealers to the bank.

The global underwriting responsibility is separated in two main areas:

- the risk direction by the retail credit risk manager defines the acceptance policy to be applied by the underwriting department and manages the score system tool that assigns a score to all retail contracts in order to run the operational process for the loan applications.

- The operations direction by the underwriting service, under the above mentioned rules, is in charge of managing the process with main focus on the credit risk but also on the level of service, the service quality and in general on the process efficiency.

Four different underwriting teams are in charge of the process supported by the ICT tools named OPV and GP.

OPV is the front-end tool that allows the car dealer to make an appropriate offer to the customer, formalise all documents needed to be delivered or signed by the customer and send all data and scanned documents to the underwriting department.

GP supports the underwriting department to manage the controls, the approval and the pay-out of the applications by merging OPV data with complementary data provided by the SIC (external providers of credit behaviour information), anti-fraud public databank and the score issued by the scoring tool. GP also provides several preliminary checks regarding anti-money laundering, conflicts of interest, payment rejection register and others.

The GP manages the credit approval powers with regard to the amount and score level according to the approved mandates.

There are two credit analysis centres, one located in Milan (central headquarters) and one in Rome. They are mainly in charge of checking the document accuracy, their coherence with the registered data and providing the credit analysis and the credit decisions.

The Milan credit analysis centre coordinates a third analyst team ("Green Team") that is in charge of checking the document accuracy, their coherence with the registered data of the applications which are automatically approved by the score system.

A fourth team is the middle office that is based in Milan. It is in charge of the pay-out activity and of the financial leasing but only for car purchases and property registrations. It represents the final controlbefore the fund transfer takes place.

The procedure for the origination and the assessment of a loan application until its approval or decline is as follows:

Stages of the underwriting process	**Controls performed by**	**Description**
Transfer of the financing request by the dealer	Credit Analyst	The dealer transfers the credit application and the related customer documents by intranet.
Complementary data acquisition	System	At the same time of data transmission, complementary data is obtained from external databases.
Automatic Checks	System	The system checks if the customer is mentioned in terrorist lists, justice lists, conflict of interest list and verifies specific data with anti-fraud public

		check systems. In case of a negative outcome or uncertainty the process requires manual intervention.
Credit Scoring	System	The specific IT tool (Scorix) records the application data, calculates the score and sends the final result to GP.
Data and documents check	Credit analysts (Milan & Rome) and "Green Team" Analysts	The agents check: - the coherence between recorded data and documents provided; - the genuineness of the provided documents - the complete fulfilment of the contracts.
Decision	System or credit analyst	In case of a scoring approval, the system registers the decision and sends the information to the car dealer. In all other cases, by applying the credit policy, the credit analysts run their analysis and make a decision or, if needed, submit to the competent body the decision and register into GP. The decision is sent to the dealer by the system.
Pay-out of the credit	Middle Office Agent	Before the customer car delivery, the dealer sends the pay-out demand and the car figures via OPV. The agent verifies the completeness of the document dossier, the coherence with the recorded data and the car figures to be delivered. There is also a verification of any pending tasks. The activity is recorded in the GP system and the funds are transferred to the car dealer.

3. RISK ASSESMENT

Origination sources

The channels of acquisition of BPSA are as follows:

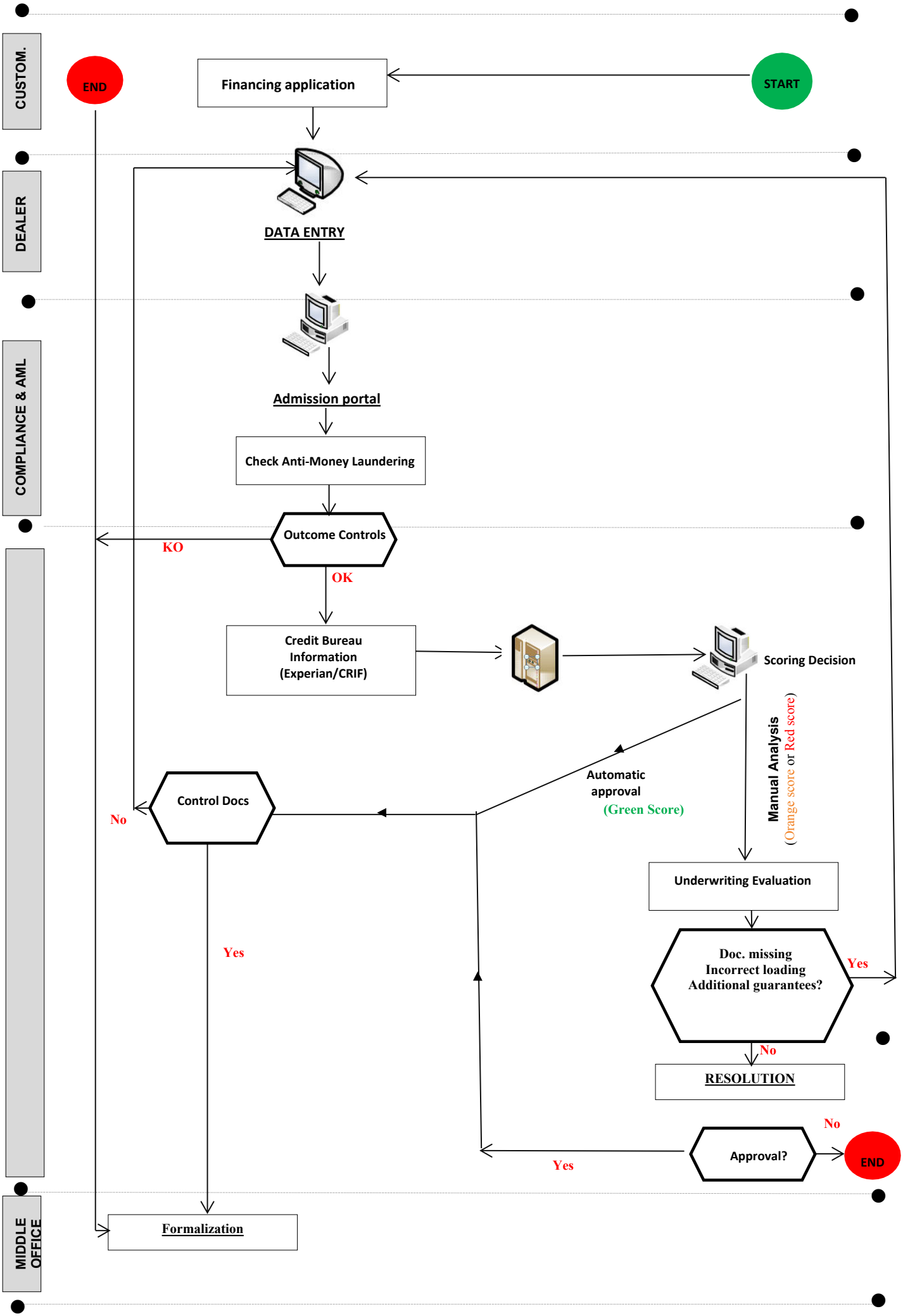
1. retail network owned by BPSA Group;
2. dealers of the three brands (Peugeot, Citroën and DS);
3. secondary network of the three brands (authorized repair centers).
4. "white label" dealers, companies affiliated with our dealers, that sell only used cars.

These subjects load the applications on the front-office portal and require the customer the necessary documentation. In the evaluation phase, additional documentation might be required by the Underwriting Office.

The applicant is required to provide the following documents:

	ID DOCUMENT	FISCAL CODE	RESIDENCE PERMIT	PRIVACY DOC.	INCOME DOCUMENTATION	CCIAA
Individual / Self-employed person	X	X	X for non-EU citizens	X	X (latest pay slip for employees, latest pension for pensioner and latest income tax return for self-employed)	-
Legal Entity				X	X Financial statement of the last financial year (automatically captured by external credit bureau CRIF)	X Automatically captured by external credit bureau CRIF

The diagram below describes the path that follows an application with the different steps:


CUSTOM.
DEALER
COMPLIANCE & AML
MIDDLE OFFICE
END
START
Financing application
DATA ENTRY
Admission portal
Check Anti-Money Laundering
Outcome Controls
KO
OK
Credit Bureau Information (Experian/CRIF)
Scoring Decision
Manual Analysis
(Orange score or Red score)
Automatic approval
(Green Score)
Control Docs
No
Yes
Underwriting Evaluation
Doc. missing
Incorrect loading
Additional guarantees?
Yes
No
RESOLUTION
Approval?
No
Yes
END
Formalization

Database checks

Searches in several databases to find information on the creditworthiness of potential customers are carried out, and each database allows for different classification criteria and draws from different sources. Searches always concern potential customers and their guarantors.

Once the data from the relevant application form has been entered in the electronic information system, the system starts an automatic search in the following databases:

- *BPSA's database* (internal information)

  The analysis is carried out to check the customer's behavior in relation to any previous loans granted by BPSA. The main evaluation parameters include: the number of overdue payments; the analysis of the customer's past behavior over a certain period of time; the residual amount and the financed amount. No sociological data are taken into account. Scores in this database are classified under seven levels (score called "*FIP"* or "*Fichier des Incidents de Paiement*"). Even when negative, the outcome of this search does not prejudice the search in the other databases.
- *CRIF's and Experian's database* (external information)

  The databases are managed privately and contains information on individuals who took out loans from Italian financial institutions (banks and finance companies) in the past. These database enable an evaluation of the total debt of the relevant individual towards the entire financial system (any unpaid instalments; the historical payment series; the loans rejected/active/required with other banks; the total exposure of the customers; the type of the contracts required by the customers).
  For each database a behavioral score is assigned, to highlight the strength, performance and ultimately the creditworthiness of each customer in a single score.
- *Scipafi's database* (external information)

  It is the public prevention system, that allows the identification of the data contained in the main documents of identity and income, with those registered in the public databases (*Agenzia delle Entrate*; *Ministero dell'Interno*; *Mistero delle Infrastrutture e dei Trasporti*; *INPS* and *INAIL*). The *Ministero dell'Economia e delle Finanze* (MEF) is the owner of the system, while *Consap S.p.A* is the management body.

Credit Scoring System

The credit scoring system (assignment of a score to each loan application) is managed and developed by Retail Risk Management of BPSA with the support of PSA Banque Finance HQ.

The risk technical platform (the decision engine) is centralised at PSA Banque Finance HQ.

The final score is based on *scorecards* and *policy rules*, the mix of the score and the policy rules issues a final system decision.

Scorecards

The credit scoring system is processed on the basis of BPSA's experiences. The system uses 4 scoring grids: 2 for individuals and 2 for Small Medium Enterprises.

Development overview	Individuals VN	Individuals VO	Partnership	Limited Company
Target Population	Individuals / self employed	Individuals / self employed	Small Companies	Medium Companies

Segment	New Car/Leasing	Used Car	New Car / Leasing / Used Car	New Car / Leasing / Used Car
Developer	Banque PSA Finance	Banque PSA Finance	Experian Decision Analytics	Experian Decision Analytics

The grids have been developed on the basis of a number of variables, which may be classified under three main categories:

- ✓ sociological (age, marital status, occupation, etc.);
- ✓ loan-related (amount, instalments, instalments/income, number of instalments, term, type of payment etc.);
- ✓ behavioural (customers'behaviour in respect of loan payments, acquired from various databases).

The result of the scorecard can be:

Scorecard Rating	Risk Grade
RED	**HIGH**
ORANGE	**MEDIUM**
GREEN	**LOW**

The grids are redeveloped (or calibrated with a fine tuning analysis) if inconsistencies appear during the periodical monitoring. The scorecard monitoring is carried out on a half-yearly basis and it is developed by BPF HQ (with the best practices of SCF). The report is based on stability and predictive power of each scorecard and of each its variables.

Policy Rules

The policy rule system is used to intercept any criticality on the applications, that the scorecards can not intercept.

The policy rules can be "*manual review"* (orange policy rules, where the application needs an analyst's intervention for approval) or "*rejection policies"* (red policy rules).

A summary description of each policy rule is present on the acceptance portal (called GP).

The system uses 3 sets of policy rules: 2 for individuals (new car/leasing with approx. 37 rules; used car, with approx. 43 rules) and 1 for Small Medium Enterprises (all products, with approx. 32 rules).

The policy rules are constantly monitored, and if it is necessary are changed (to optimize and to streamline the admission process).

Final Rating

Below the scheme of the final system decision (the rating of the applications):

Scorecard Rating	Policy Rules	Final System Decision	
GREEN	None	**GREEN**	Automatic Approval
	Manual	**ORANGE 02-03**	Manual Revision
	Reject	**RED**	Manual Reject
ORANGE 01	None	**ORANGE 01**	Manual Revision
	Manual	**ORANGE 02-03**	Manual Revision

	Reject	**RED**	Manual Reject
RED	None	**RED**	Manual Reject
	Manual	**RED**	Manual Reject
	Reject	**RED**	Manual Reject

In BPSA, there is only an automatic approval and not an automatic rejection.

Each zone has a different underwriting process (with different sets of controls, the Underwriting Analyst has to follow the Retail Risk Procedure):

- **Green** (automatic decision): a simplified analysis is made by the credit analyst on order to verify the correct data entry made by the dealers;
- **Orange01/02/03** (manual decision): these ratings are due to the score of the scorecard or to an active policy rule;
- **Red** (manual reject decision): this rating is due to the score of the scorecard or to an active policy rule. The applications obtaining a negative score may be overridden and accepted, but the analyst has to follow a "positive override procedure" (written by the Retail Risk Management and introduced in Sept. 2016). The Underwriting Analyst with the favorable opinion of the Head Underwriting Team (it signature on GP), inserting the necessary reasons on the admission portal, enclosing the necessary documentary evidence or uploading possible additional guarantees, can approve these applications. The Risk Department (Retail Risk Management and the Risk Management) constantly will check the level of override and the respect of the procedure.

Authorization levels

The following table describes the authorization levels (approved by CDA 18 October 2016) for BPSA:

Subject	Delegation Level
Underwriting Analyst (Operations Dept.)	Total exposure < 40,000€
Underwriting Manager (Operations Dept.)	40.000€ ≤ Total exposure < 80.000€
Underwriting Manager (Operations Dept.) + Retail Risk Manager (Risk Dept.)	80.000€ ≤ Total exposure < 100.000€

The delegation levels are inserted in the admission portal and they are actived automatically (in addition there is a policy rule that warns the analyst).

To evaluate all the applications, the Underwriting Office has to follow the credit risk procedure (called "*Norme relative al processo di accettazione pratiche Retail*"), written by the Retail Risk Management, where there are the rules to evaluate the applications. The Risk Department is the manager to control the respect of this procedure.

4. MANAGEMENT OF PERFORMING LOANS AND COLLECTION PROCEDURES

Collections

The payment methods of the debtors are: direct debit (more than 90%), postal payments (c. 2%) and other (less than 1%).

For postal payments, the client has to go to the post office on a monthly basis to make the payment.

Prepayments

Partial or full prepayments are allowed at any time during the life of the loan. For all the contracts originated before June 2011, full prepayments are subject to penalties equal to 1% of the outstanding balance of the loan if the remaining maturity is over 1 year and 0.5% if the remaining maturity is less than 1 year. For all the contracts originated after June 2011, full prepayments are not subject to penalties if the prepayment is made in execution of a CPI insurance and if the residual loan amount is lower than Euro 10.000,00.

Late payments and litigation

BPSA Collection department comprises 2 services, the Pre-Litigation Service (19 people) and the Litigation Service (7 people).

- ✓ Pre-Litigation Service is responsible for arrears between 1 and 150 days. The Pre-Litigation Service is mainly responsible for:
  - The Management of Phone Collection, for arrears between 1 and 89 days;
  - the Management Field Collection Service which is responsible for arrears between 90 and 150 days.
- ✓ the Litigation Service (7 people), manages the customers after the resolution of the contracts.

The Collection activity combines internal and external management, prioritizing the execution under an "integral client vision" and a risk approach: for outstanding amount and for the days of delay.

The recovery process is constituted of 3 main phases:

1) <u>Telephonic recovery process (arrears from 1 to 89 days)</u>

BPSA outsources the first phase of retail collections to the JV Platform based in Madrid (PSA Financial Services Spain E.F.C. SA), composed by 19 Italian FTE. The results of the telephone calls are registered in the system EKIP and the activity is supervised daily. The JV Platform manages the account up to 65 days past due after which the account is transferred to the Italian telephonic platform (Personalised Phone Collection) which is in charge of the recovery process for arrears from 65 to 89 days.

2) <u>Recovery actions performed by recovery inspectors and external agencies through direct contact (arrears from 90 to 150 days)</u>

Contracts are allocated to inspectors or agencies depending on the risk assessment.

The riskiest contracts are allocated to inspectors according to their geographical area competence. In particular, contracts are automatically transferred to inspectors in the following cases:

- 3 consecutive unpaid instalments when payments are made by direct debit;
- An instalment is due for 90 days;
- Files that are difficult to manage by phone.

Upon appointment, the inspectors or agencies (as the case may be) directly contact the client and a site visit takes place in accordance with BPSA's officer in charge of the specific geographical area.

The type of intervention, either by telephone or via internal inspector / external agencies depends also on the type of priority.

Phone calls and inspecting activities are prioritized on the basis of outstanding amount and of the days of delay.

The management actions are detailed and reported in the Ekip application.

3) Litigation and Write Offs (arrears of more than150 days)

The recovery process in the Litigation Department is the following:

When a contract is more than 150 days past due (it has the code "DTCA" that identifies this phase) it is managed in an extrajudicial way for the maximum period of 6 months. Successively the contract is entrusted to the management of the collection agencies for the maximum period of 4 months. If necessary and if there are no other activities to put in place, the contract is successively assigned to another agency for the maximum period of 4 months. At last, the contract, is entrusted for a legal activity that can be an extrajudicial or judicial action.

The contract is written-off by BPSA 48 months after the contract has taken the code DTCA. Position to be marked as Write-off contracts are monthly analysed with the approval of the Director of Collection.

RETENTION REQUIREMENTS

Under the Intercreditor Agreement, the Seller has undertaken to the Issuer, the Arranger and the Representative of the Noteholders that it will:

(a) retain a material net economic interest of not less than 5 (five) per cent. in the Securitisation by holding all the Principal Amount Outstanding of the Class B Notes, in accordance with each of article 405(d), Part 5 of Regulation (EU) no. 575/2013 (as amended, supplemented and/or replaced from time to time, the **CRR**), article 51(d) of Regulation (EU) no. 231/2013 (as amended, supplemented and/or replaced from time to time, the **AIFM Regulation**) and article 254(d) of Regulation (EU) no. 35/2015 (as amended, supplemented and/or replaced from time to time, the **Solvency II Regulation**);

(b) comply with the disclosure obligations imposed on sponsor and originator credit institutions under articles 405-409 (inclusive) of the CRR, chapter 3, section 5 of the AIFM Regulation and chapter VIII, section 9 of the Solvency II Regulation, subject always to any requirement of law;

(c) not change the manner in which the net economic interest is held, unless a change is required due to exceptional circumstances and such change is not used as a means to reduce the amount of retained interest in the Securitisation;

(d) procure that any change to the manner in which such retained interest is held in accordance with paragraph (c) above will be notified to the Calculation Agent to be disclosed in the Investor Report;

(e) upon request of the Noteholders and any prospective investors in the Notes, make available the loan-by-loan information regarding each Auto Loan included in the Portfolio; and

(f) make available to the Noteholders and any prospective investors in the Notes any further information which from time to time may be deemed necessary under articles 405-409 of the CRR, chapter 3, section 5 of the AIFM Regulation and chapter VIII, section 9 of the Solvency II Regulation, and the domestic implementing regulations to which the Noteholders and any prospective investors are subject, in accordance with the market practice,

provided that the Seller is only required to do so to the extent that the retention and disclosure requirements under the CRR, the AIFM Regulation and the Solvency II Regulation are applicable to the Securitisation. Under the Intercreditor Agreement, the Seller has undertaken that the retention requirement shall not be subject to any credit risk mitigation or any short position or other hedge, as required by articles 405 (inclusive) of the CRR, article 51 of the AIFM Regulation and article 254 of the Solvency II Regulation.

In addition, the Seller has undertaken that:

(a) on the Issue Date, the manner in which the material net economic interest is held shall be disclosed in this section of the Prospectus;

(b) following the Issue Date and as long as the retention and disclosure requirements under the CRR, the AIFM Regulation and the Solvency II Regulation are applicable to the Securitisation, it will provide the Calculation Agent, on or prior to each relevant Calculation Date, with the information relating to the Portfolio and the Notes which is necessary to comply with such retention and disclosure requirements, including, *inter alia*:

(iv) statistics on prepayments, Delinquent Receivables, Defaulted Receivables, late payments claims, recoveries and other statistical information in relation with the Purchased Receivables comprised in the Portfolio;

(v) details relating to repurchases of Purchased Receivables by the Seller pursuant to the terms of the Master Receivables Transfer Agreement;

(vi) details with respect to the Class A Notes Interest Rate and the Class B Notes Interest Rate, Interest Payment Amount, Principal Amount Outstanding of each Class of Notes, Principal Payment on each Class of Notes and other payments made by the Issuer; and

(vii) information on the material net economic interest held by the Seller in accordance with paragraph (a) above or any permitted alternative method or change thereafter,

provided that each such information will be included by the Calculation Agent in the relevant Investors Report and will be generally made available by the Calculation Agent to the Noteholders and prospective investors at the offices of the Calculation Agent.

THE ITALIAN ACCOUNT BANK AND PAYING AGENT

The information contained herein relates to and has been obtained from BNP Paribas Securities Services. The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of BNP Paribas Securities Services since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to such date.

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

BNP Paribas Securities Services has a local presence in 34 countries across five continents, effecting global coverage of more than 100 markets.

At 31 March 2017 BNP Paribas Securities Services has USD 9,549 billion of assets under custody, USD 2,241 billion assets under administration, 10,166 administered funds and 10,080 employees.

BNP Paribas Securities Services currently has long-term senior debt ratings of "A" (stable) from S&P's, "Aa3" (stable) from Moody's and "A+" (stable) from Fitch.

Fitch	Moody's	S&P
Short term F1	Short term Prime-1	Short term A-1
Long term senior debt A+	Long term senior debt Aa3	Long term senior debt A
Outlook Stable	Outlook Stable	Outlook Stable

BNP Paribas Securities Services, Milan branch has offices at Piazza Lina Bo Bardi, 3, 20124 Milan, Italy, and registered with the companies' register held in Milan, at number 13449250151, fiscal code and VAT no. 13449250151 and enrolled in register of banks held by the Bank of Italy at no. 5483.

BNP Paribas Securities Services, Milan branch shall act as Italian Account Bank and Paying Agent pursuant to the Cash Allocation, Management and Payments Agreement.

THE SPANISH ACCOUNT BANK

The information contained in this section related to Banco Santander, S.A. has been obtained from Banco Santander, S.A. and is furnished solely to provide limited information regarding Banco Santander, S.A. and does not purport to be comprehensive.

Banco Santander, S.A. was established on March 21, 1857 and is incorporated, with limited liability, under the Laws of the Kingdom of Spain, with its headquarters in Ciudad Grupo Santander, Avda. de Cantabria s/n, 28660 Boadilla del Monte (Madrid), Spain, and corporate offices at Paseo de Pereda, numbers 9 to 12, Santander, Spain.

Banco Santander, S.A. is the parent bank of Grupo Santander (**Santander**), a financial group operating principally in Spain, the United Kingdom, other European countries, Brazil and other Latin American countries and the United States.

Its corporate purpose is to engage in all kinds of activities, operations and services that are typical of the banking business in general. Its business model focuses on commercial banking products and services with the objective of meeting the needs of its 121 million customers - private individuals, SMEs and businesses, through its global network of branch offices, as well as digital channels, in order to provide top-quality service and greater flexibility.

Additional information is available at www.santander.com.

THE SWAP COUNTERPARTY

The information contained in this section related to ING Bank N.V.has been obtained from ING Bank N.V. and is furnished solely to provide limited information regarding ING Bank N.V. and does not purport to be comprehensive.

ING Bank N.V. is a public limited company (*naamloze vennootschap*) incorporated under the laws of The Netherlands on 12 November 1927, with its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands (ING Bank). ING Bank is registered at the Chamber of Commerce of Amsterdam under No. 33031431.

ING Bank is part of ING Groep N.V. (ING Group). ING Group is the holding company of a broad spectrum of companies (together called ING) offering banking services to meet the needs of a broad customer base. ING Bank is a wholly-owned, non-listed subsidiary of ING Group and currently offers retail banking services to individuals, small and medium-sized enterprises and mid-corporates in Europe, Asia and Australia and commercial banking services to customers around the world, including multinational corporations, governments, financial institutions and supranational organisations. ING Group currently serves approximately 36.9 million retail and wholesale banking customers through an extensive network in more than 40 countries. ING Bank has more than 51,000 employees.

ING Bank is directly supervised by the European Central Bank (ECB) as part of the Single Supervisory Mechanism (SSM). The SSM comprises of the ECB and national competent authorities of participating Member States. The SSM is responsible for 'prudential supervision' (the financial soundness of financial institutions). The ECB is responsible for specific tasks in the area of prudential supervision while the Dutch Central Bank, De Nederlandsche Bank (DNB), remains responsible for prudential supervision in respect of those powers that are not conferred to the ECB, which includes supervision on payment systems and financial crime supervision. The Netherlands Authority for the Financial Markets (AFM), is responsible for 'conduct of business supervision' (assessing the behaviour of players in the Dutch financial markets) of ING Bank.

The information in the preceding four paragraphs has been provided by ING Bank for use in this Prospectus and ING Bank is solely responsible for the accuracy of the preceding three paragraphs. Except for the preceding three paragraphs, ING Bank in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and do not accept responsibility for, this Prospectus.

THE ISSUER

Introduction

Auto ABS Italian Loans 2018-1 S.r.l., was incorporated on 20 October 2017 as a limited liability company with a sole quotaholder (*società a responsabilità limitata con unico socio*) under the laws of the Republic of Italy and pursuant to the Securitisation Law. The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities and operates under the laws of the Republic of Italy. The Issuer has no employees and no subsidiaries.

The Issuer's registered office is situated at Conegliano (TV), via Vittorio Alfieri n. 1, telephone no. +39 0438.360926. The Issuer is registered in the Register of Enterprises held in Treviso-Belluno, under number 04906260262 and in the register of special purpose vehicles held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017.

The by-laws (*statuto*) of the Issuer provide that the present life of the company ends on December 2100.

The authorised and issued capital of the Issuer is Euro 10,000.00, fully paid up. The current Quotaholder of the Issuer is Stichting Passito, which holds the entire quota capital of the Issuer. The corporate capital of the Quotaholder is not directly or indirectly controlled by any other entity.

Issuer's principal activities

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

As long as any of the Notes remains outstanding, the Issuer shall not, without the prior consent of the Representative of the Noteholders, incur any other indebtedness for borrowed monies (including in relation to any further securitisation transaction) or engage in any business (other than acquiring and holding the assets on which the Notes are secured, issuing the Notes and entering into the Transaction Documents), pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its assets to any person (otherwise than as contemplated in the Conditions or the Intercreditor Agreement) or increase its capital.

The Issuer has undertaken to observe, *inter alia*, those restrictions in Condition 3 (*Covenants*).

Capitalisation and indebtedness statement

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

Capital	*Euro*
Issued, authorised and fully paid-up capital	10,000
Loan Capital	*Euro*
Class A Notes	675,220,000
Class B Notes	66,780,000
Total Capitalisation and Indebtedness	742,010,000

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

Sole director and Auditors

The Issuer is managed by a sole director whose name is Paolo Gabriele, appointed at the Issuer's incorporation until resignation or revocation. The domicile of Paolo Gabriele, in his capacity of sole director of the Issuer, is at Via Vittorio Alfieri, 1, 31015 Conegliano (TV), Italy. There are no relevant activities carried out (other than that of sole director) by the sole director to be reported.

The Issuer confirms that the sole director has appropriate expertise and experience for the management of the Issuer's business.

No statutory auditors (*sindaci*) have been appointed.

Administration

Pursuant to the Corporate Services Agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer, the Corporate Servicer has agreed to provide certain corporate administration, management, accounting and administrative services to the Issuer including, *inter alia*, the safekeeping of documentation pertaining to meetings of the Issuer's quotaholder and directors, maintaining the quotaholder's register, preparing VAT and other tax and accounting records, preparing the Issuer's annual financial statements and administering all matters relating to the taxation of the Issuer.

The Corporate Services Agreement contains provisions requiring that no resignation by or termination of the appointment of the Corporate Servicer shall take effect unless and until a new entity is appointed as Corporate Servicer.

Quotaholder's Agreement

Pursuant to the Quotaholder's Agreement to be entered into on or prior to the Issue Date between the Issuer, the Quotaholder and the Representative of the Noteholders, the Quotaholder shall assume certain undertakings with respect to, *inter alia*, the exercise of its voting rights in the Issuer, and shall undertake not to dispose of its interest in the Issuer. The undertakings assumed in the Quotaholder's Agreement and the covenants made in the Transaction Documents are intended to prevent any abuse of control of the Issuer by the Quotaholder.

No material litigation

Since the date of incorporation of the Issuer, there have been no pending or threatened governmental, legal or arbitration proceedings which may have or which have had material effects on the Issuer's financial position or profitability.

Financial Statements and Auditors' Report

Since its date of incorporation the Issuer has not commenced operations and no financial statements have been made up as at the date of this Prospectus. The Issuer's financial year end is 31 December of each calendar year.

USE OF PROCEEDS

The proceeds arising from the issue of the Notes on the Issue Date (being Euro 742,000,000) will be applied by the Issuer on the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer on the Issue Date as subscription monies in relation to the Class B Notes, Retention Amount, Commingling Reserve Required Amount, General Reserve Required Amount and Subsidised Interest Balance in respect of the Initial Receivables pursuant to the Class B Notes Subscription Agreement, the Subordinated Loan Agreements and the Master Receivables Transfer Agreement, and (ii) the amount due by the Issuer to BPSA on the Issue Date as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, as follows:

(a) to pay Euro 638,567,779.42 to the Seller as Principal Component Purchase Price for the Initial Receivables;

(b) to credit Euro 15,000 to the Expenses Account as Retention Amount;

(c) to credit Euro 18,096,835.18 to the Commingling Reserve Account as Commingling Reserve Required Amount;

(d) to credit Euro 7,420,000 to the General Reserve Account as General Reserve Required Amount;

(e) to credit Euro 11,119,786.03 to the Additional Interest Account as Subsidised Interest Balance in respect of the Initial Receivables; and

(f) to transfer any amount remaining after making payments due under paragraphs from (a) to (e) above (inclusive) into the Collection Account.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

The description of the Transaction Documents set out below is an overview of certain features of those agreements and is qualified by reference to the detailed provisions of the Transaction Documents.

1. MASTER RECEIVABLES TRANSFER AGREEMENT

On 21 February 2018, the Seller, the Issuer, the Calculation Agent and the Representative of the Noteholders entered into a Master Receivables Transfer Agreement which sets out the conditions under which the Seller shall, on the First Purchase Date, and may, on each Subsequent Purchase Date falling during the Revolving Period, make an offer to the Issuer to purchase all of the Seller's title to and rights and interest in the Receivables identified in the relevant Transfer Offer, without recourse (*pro soluto*), in accordance with Articles 1 and 4 of the Securitisation Law and the articles of the Italian Factoring Law referred to therein and subject to the terms and conditions of the Master Receivables Transfer Agreement.

Selection and offer of Receivables

On the First Purchase Date, the Seller has proposed to the Issuer to purchase, without recourse (*pro soluto*) on the First Purchase Date, the Initial Receivables selected on the First Selection Date.

No later than 3 (three) Business Days after each Information Date during the Revolving Period, the Calculation Agent shall calculate the Maximum Purchase Amount and notify the Seller of such amount for the relevant Subsequent Purchase Date.

No later than 5:00 p.m. (Italian time) on each Subsequent Purchase Date during the Revolving Period, the Seller may (in its sole discretion) propose to the Issuer to purchase from it without recourse (*pro soluto*) Additional Receivables selected on the Subsequent Selection Date.

The offer to transfer the Initial Receivables has been, and any offer to transfer Additional Receivables shall be, made by the Seller by delivering to the Issuer and the Calculation Agent, with copy to the Servicer, a Transfer Offer substantially in the form attached in the Master Receivables Transfer Agreement, including an Offer File setting out the main information of the relevant Receivables.

Each Transfer Offer shall constitute an irrevocable offer by the Seller to sell and assign pursuant to the Securitisation Law to the Issuer without recourse against the Seller in case of default by the relevant Debtor (*pro soluto*) in accordance with Article 1267 of the Italian Civil Code and with economic effect from the relevant Selection Date (included), all of the Seller's rights and title to the Receivables included in the Receivables to which such Transfer Offer relates.

Each Offer File shall include the details of each Receivable offered for sale and shall include, *inter alia*, the following information:

(a) the identification code of the Auto Loan Contract from which the relevant Receivable arises;

(b) the identification code of the relevant Debtor together with the indication of the taxpayer's code number and/or VAT number of the relevant Debtor;

(c) the Outstanding Balance of the relevant Receivable as at the relevant Selection Date and the original outstanding balance of the relevant Receivable as at the date of disbursement of the relevant Auto Loan; and

(d) the Individual Purchase Price of the relevant Receivable, with separate indication of (A) the Individual Principal Component Purchase Price and (B) the Individual Interest Component Purchase Price.

In addition to each Offer File and each Transfer Offer, the Seller shall deliver to the Issuer, the Servicer and the Calculation Agent at least the following information:

(a) the Contractual Interest Rate applicable to the relevant Auto Loan;

(b) the Effective Interest Rate applicable to the relevant Auto Loan, as determined in accordance with schedule 9 of the Master Transfer Agreement;

(c) the amount of the Instalments of the relevant Auto Loan;

(d) whether the relevant Auto Loan was granted to finance the purchase of a New Car or a Used Car;

(e) the brand of the Car which is financed by the relevant Auto Loan Contract;

(f) whether the relevant Auto Loan was granted to a Private Debtor or a Commercial Debtor;

(g) the Province of the relevant Debtor;

(h) the relevant RAE (*Ramo di attività economica*) and SAE (*Settore di attività economica*) code of the relevant Commercial Debtor pursuant to the applicable Bank of Italy's regulations;

(i) the origination date and the maturity date of the relevant Receivable;

(j) the method of payment of the relevant Auto Loan agreed with the relevant Debtor;

(k) the purchase price of the Car financed by the relevant Auto Loan;

(l) the accounting/management status of the relevant Auto Loan;

(m) the Subsidised Interest Balance of the relevant Auto Loan (if any).

Acceptance of the Transfer Offers and transfer of Receivables

Subject to the terms of the Master Receivables Transfer Agreement and, in particular, the conditions precedent set out thereunder, the Issuer shall accept any relevant Transfer Offer by delivering a Transfer Acceptance to the Seller (with copy to the Servicer and the Calculation Agent) substantially in the form attached in the Master Receivables Transfer Agreement.

Upon the acceptance of any Transfer Offer pursuant to the Master Receivables Transfer Agreement, all of the Seller's rights, title and interests to the Receivables included in the relevant Transfer Offer shall, on the relevant Purchase Date, pass and be assigned to the Issuer without recourse against the Seller in case of default by the relevant Debtors (*pro soluto*) and with economic effect from the relevant Selection Date (included), on the terms and conditions of the Master Receivables Transfer Agreement and the relevant Transfer Agreement.

Under the Master Receivables Transfer Agreement, for the purposes of Article 4, paragraph 1 of the Securitisation Law, the Parties have expressly confirmed that the provisions of Article 5, paragraph 1, 1-bis and 2 of the Italian Factoring Law shall apply to the transfer of Receivables to be carried out by the Seller to the Issuer pursuant to the Master Receivables Transfer Agreement and, as a

consequence thereof, *inter alia*, as from the date of publication of the notice of assignment in the Official Gazette in respect of the Purchased Receivables or upon payment of all or part of the Purchase Price of the Purchased Receivables by the Issuer to the Seller being made in accordance with the provisions of the Italian Factoring Law, the transfer of the relevant Purchased Receivables from the Seller to the Issuer will become enforceable (*opponibile*) against (i) any prior assignees of the Purchased Receivables, who have not perfected their assignment by way of (A) notifying the relevant Debtors or (B) making the relevant Debtors acknowledge the assignment by an acceptance bearing a date certain at law (*data certa*) or in any other way permitted by applicable law, in each case prior to the date of the payment of the Purchase Price; (ii) a receiver in the insolvency of the Seller, to the extent that such state of insolvency has been declared after the date of the payment of all or part of the Purchase Price; and (iii) any creditors of the Seller who have not commenced enforcement by means of obtaining an attachment order (*pignoramento*) in respect of the relevant Purchased Receivable prior to the date of the payment of all or part of the Purchase Price of such Purchased Receivables.

Transfer Formalities in relation to the Initial Receivables

Pursuant to Article 4 of the Securitisation Law, a notice of the assignment of the Initial Receivables will be published in the Italian Official Gazette on or about the Issue Date.

Purchase Price

The Purchase Price for the Receivables included in the relevant Transfer Offer shall be equal to the aggregate of (a) the Individual Interest Component Purchase Price and (b) the Individual Principal Component Purchase Price of the relevant Receivable included in the relevant Transfer Offer.

Payment of the Purchase Price in respect of the Initial Receivables

The Principal Component Purchase Price and the Interest Component Purchase Price of the Initial Receivables has been calculated as at the First Selection Date. The Seller shall transfer to the Collection Account, on the Issue Date, all Available Collections received in respect of the Initial Receivables purchased on the First Purchase Date from (and including) the First Selection Date to (and excluding) the Issue Date.

Subject to the formalities provided for under the Master Receivables Transfer Agreement having been perfected and completed in respect of the Initial Receivables, the Principal Component Purchase Price of the Initial Receivables will be paid to the Seller on the Issue Date out of the proceeds of the issue of the Notes. On the Issue Date, following the set-off between (i) the Principal Component Purchase Price of the Initial Receivables due by the Issuer to BPSA pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, and (ii) the amount due by BPSA to the Issuer on the Issue Date as subscription monies in relation to the Class B Notes, Retention Amount, Commingling Reserve Required Amount, General Reserve Required Amount and Subsidised Interest Balance in respect of the Initial Receivables pursuant to the Class B Notes Subscription Agreement, the Subordinated Loan Agreements and the Master Receivables Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 638,567,779.42 will be paid to the Seller as Principal Component Purchase Price out of the Collection Account.

The Interest Component Purchase Price of the Initial Receivables will be paid by the Issuer to the Seller on each Payment Date on which there are Available Interest Amounts applicable to such payment subject to and in accordance with the applicable Priority of Payments.

Payment of the Purchase Price in respect of Additional Receivables

Subject to the satisfaction of the conditions precedent applicable to each Subsequent Purchase Date, the Principal Component Purchase Price of any Additional Receivables transferred to the Issuer on any Subsequent Purchase Date will be paid to the Seller on the Payment Date immediately falling after the relevant Subsequent Purchase Date, in accordance with the applicable Priority of Payments.

The Interest Component Purchase Price of Additional Receivables transferred to the Issuer on any Subsequent Purchase Date will be paid to the Seller on each Payment Date on which there are Available Interest Amounts applicable to such payment in accordance with the applicable Priority of Payments.

Subsidised Amounts

Under the Master Receivables Transfer Agreement, the Seller has undertaken to pay to the Issuer, on each Settlement Date, the aggregate of the Subsidised Interest Instalment Amounts which have arisen during the immediately preceding Collection Period in respect of all relevant Purchased Receivables (whether or not received by the Seller from the relevant Car Dealer or Car Manufacturer, as applicable), by crediting the Additional Interest Account (the **Subsidised Interest Instalment Amounts Payment Undertaking**).

Pursuant to the Master Receivables Transfer Agreement, the Seller has undertaken to transfer to the credit of the Additional Interest Account an amount equal to the Subsidised Interest Balance in respect of all Initial Receivables, as a security for its financial obligation towards the Issuer under its undertaking set out in the paragraph above. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as Subsidised Interest Balance in respect of the Initial Receivables pursuant to the Master Receivables Transfer Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 11,119,786.03 will be transferred from the Collection Account into the Additional Interest Account as Subsidised Interest Balance in respect of the Initial Receivables.

For all the Additional Receivables which are transferred to the Issuer, on any Subsequent Purchase Date, the Seller shall transfer to the credit of the Additional Interest Account on the immediately following Settlement Date, an amount equal to the Subsidised Interest Balance in respect of all Additional Receivables purchased on such Subsequent Purchase Date, as a security for its financial obligation towards the Issuer under the Subsidised Interest Instalment Amounts Payment Undertaking. This security shall be deemed to be a title transfer financial collateral arrangement under the Financial Collateral Directive.

On each Settlement Date, the Issuer shall transfer the sums standing to the credit of the Additional Interest Account to the Interest Account, up to an amount equal to the amount to be paid by the Seller pursuant to the Subsidised Interest Instalment Amounts Payment Undertaking.

On each Settlement Date, the Issuer shall return to the Seller any amounts standing to the credit of the Additional Interest Account in excess of the Additional Interest Required Amount as determined on the previous Calculation Date by the Calculation Agent, corresponding to the aggregate of the Subsidies Interest Balance of all Purchased Receivables: (i) which have been prepaid in full; (ii) which have been repurchased by the Seller in accordance with the terms of the Master Receivables Transfer Agreement; or (iii) which have become Defaulted Receivables, in each case during the immediately preceding Collection Period.

Repurchase in case of Non-Permitted Renegotiations

Under the Master Receivables Transfer Agreement, the Seller has undertaken to repurchase any Purchased Receivable in respect of which the Servicer has entered into any renegotiations which are Non-Permitted Renegotiations under the terms of the Servicing Agreement. The Seller has undertaken to complete such repurchase on the second Subsequent Purchase Date following the Collection Period in which such Non-Permitted Renegotiation was made (the **Non-Permitted Renegotiation Repurchase Date**). At completion of any such repurchase, the Seller shall pay to the Issuer on the Non-Permitted Renegotiation Repurchase Date (by transferring the relevant amount to the Collection Account) an amount equal to the Repurchase Amount for the relevant Purchased Receivables and, promptly following such payment, the Issuer shall execute and deliver to the Seller (in such place as the Seller shall reasonably direct, subject to the Seller's indemnification, on an after-tax basis, against any costs (including Taxes) associated therewith) any document the Seller may reasonably specify to give effect to such repurchase.

Representations, Warranties and Undertakings of the Seller

Under the Master Receivables Transfer Agreement, the Seller has represented, warranted and undertaken, as applicable, to the Issuer, the matters set out thereunder, as indicated below.

Each representation and warranty of the Seller relating to itself has been made on the date of signing of the Master Receivables Transfer Agreement, has been repeated on the First Purchase Date and shall be deemed to be repeated on each Subsequent Purchase Date on which a Transfer Offer is delivered and on each Payment Date, with reference to the facts and circumstances existing on any of such dates.

Each representation and warranty of the Seller relating to the Receivables has been made and shall be made, in respect of each Receivable comprised in a Transfer Offer, by reference to the Selection Date and the Purchase Date relating to such Receivables, with reference to the facts and circumstances existing on such dates. If, at any time after the execution of the Master Receivables Transfer Agreement, the Seller or the Issuer becomes aware that any of the representations and warranties relating to the Receivables was false or incorrect in any material respect by reference to the facts and circumstances existing on the date on which the said representation or warranty was made, then the procedures described below regarding the Affected Receivables shall apply.

Each undertaking of the Seller has been given on the date of signing of the Master Receivables Transfer Agreement, shall be complied with at all times from the date of signing of the Master Receivables Transfer Agreement until the liabilities of the Seller under the Master Receivables Transfer Agreement have been fully discharged and shall be deemed to be confirmed as fully complied with on each Selection Date, Purchase Date and Payment Date.

Under the Master Receivables Transfer Agreement, the parties have expressly acknowledged and agreed that each representation and warranty of the Seller are 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 shall not apply in respect thereto and the relevant remedies and indemnity obligations as set out in the Master Receivables Transfer Agreement, shall remain valid until the later of (i) the date on which the Class A Notes have been repaid or cancelled in full or (ii) the date on which all Purchased Receivables owned by the Issuer have been either written off or paid in full and no sums are due and payable by any Obligor or the Seller to the Issuer under the Master Receivables Transfer Agreement. Moreover, the Seller has acknowledged and agreed that all such representations, warranties and undertakings are of essence to the Issuer and are considered as one of the essential and determining conditions to the Issuer for the purpose of entering into the Master Receivables Transfer Agreement.

The representations and warranties granted by the Seller to the Issuer under the Master Receivables Transfer Agreement include, *inter alia*:

(a) the following representations in respect of the Seller and the execution of the Transaction Documents:

(i) the Seller is a joint stock company (*società per azioni*) duly incorporated and validly existing under the laws of the Republic of Italy;

(ii) the execution, signing and delivery of the Master Receivables Transfer Agreement and the performance of any of its obligations under the Master Receivables Transfer Agreement have been duly authorised by all necessary corporate bodies and do not require any additional approvals or consents or any other action by or any notice to or filing with any person and do not contravene any limitation imposed by or contained in (a) any law, statute, decree, rule or regulation to which it or any of its assets or revenues is subject, (b) any agreement, indenture, mortgage, deed of trust, bond, or any other document, instrument or obligation to which it is a party or by which any of its assets or revenues is bound or affected, or (c) any document which contains or establishes its constitution. The assignment of the Receivables pursuant to the Master Receivables Transfer Agreement complies with the Securitisation Law;

(iii) the Seller is not Insolvent, nor an order is made or an effective resolution is passed for the Winding-Up of the Seller in accordance with the applicable laws, nor is it unable to pay its debt as they fall due and would not become unable to do so in consequence of entering into the Master Receivables Transfer Agreement or performing of any of its obligation hereunder.

(iv) the Seller has duly performed all of its obligations and undertakings under the Auto Loan Contracts and any other documents, deeds or agreements related thereto.

(v) the Seller recognises and accepts that the Issuer shall not have any obligation in connection with, or arising from, any Auto Loan Contract and it may not be required to perform any of the obligations whatsoever (including, but not limited to, any obligation of reimbursement in favour of the Debtor) of the Seller (or one of its agents) under the terms of the said Auto Loan Contract, with the exception of any obligations which are consequent to the application of Article 125-*quinquies* of the Italian Banking Act, in which case the provisions described in section "*Failure to conform and remedies*" below shall apply;

(b) the following representations in respect of the Receivables:

(i) on the relevant Selection Date and Purchase Date, each Receivable complies with (i) the Receivables Eligibility Criteria and (ii) when aggregated with all other Purchased Receivables and after taking into account all Receivables to be purchased on such Purchase Date, the Global Portfolio Limits;

(ii) any Receivable is validly transferred on the relevant Purchase Date pursuant to, and in compliance with, the terms and conditions of the Master Receivables Transfer Agreement;

(iii) no Debtor:

(A) is subject to judicial or insolvency proceedings; and

(B) is, or has been, since the date of the relevant Auto Loan Contract, in material breach of any obligation owed in respect of the relevant Auto Loan Contract;

(iv) any Tax in relation to the Receivables has been duly and timely paid by the Seller.

In addition, the Seller has, *inter alia*, undertaken:

(a) **Continuation of the Auto Loan Contract**: not to terminate or act in a manner that could lead to the termination of any Auto Loan Contract, save where such termination results from the default of the relevant Debtor under that Auto Loan Contract;

(b) **Rights of the Issuer in the Purchased Receivables**: not to act in a manner or make a decision that could prejudice the collectability, the substance or the rights of the Issuer in respect of any Purchased Receivable (whether existing or future);

(c) **Auto Loan Contracts**: not to modify under any circumstance and for any reason whatsoever the terms and conditions of any Auto Loan Contract after the Purchase Date, except for any minor amendment which is made for the purposes of correcting manifest errors, save in its capacity as Servicer, in accordance with and subject to the terms and conditions of the Servicing Agreement, and only in its capacity as an agent of the Issuer thereunder; not to sell or otherwise dispose of any Auto Loan Contract after the Purchase Date;

(d) **Sales, Liens**: except as otherwise provided for in the Master Receivables Transfer Agreement, not to sell, assign or otherwise dispose of, or create or allow to exist any ownership interest, lien, security interest, charge, encumbrance or any similar right upon or with respect to any Receivable (whether existing or future), any Ancillary Right, any Car or any goods or services subject of any Receivable or any related Auto Loan Contract, and not to assign any right to receive income in respect thereof or not to attempt, purport or agree to do any of the foregoing;

(e) **Direction, Orders and Instructions**: to comply with any reasonable directions, orders and instructions that the Issuer (or its agents) and the Representative of Noteholders may from time to time give to it in accordance with the Master Receivables Transfer Agreement and which would not result in it committing a breach of its obligations under the Master Receivables Transfer Agreement or an illegal act;

(f) **Inaccuracy**: to immediately inform the Issuer of any inaccuracy in any material respect of any representation or warranty made or deemed to be repeated, and of any breach in any material respect of the undertakings given by it under the terms of the Master Receivables Transfer Agreement and any of the Transaction Documents to which it is or will be a party, as soon as it becomes aware of any such inaccuracy or breach;

(g) **No Initiative**: not to take any initiative or action in respect of the Receivables or the Auto Loan Contracts that could affect the validity or the recoverability of the Receivables in whole or in part, or which could harm, in any other way, the interest of the Issuer in the Receivables or in the corresponding rights, except if and where expressly permitted by the Transaction Documents to which it will be a party or the Servicing Procedures;

(h) **Performance**: to duly perform all its obligations under each of the Transaction Documents to which it is a party;

(i) **Taxes**: to pay any Taxes which may become due in respect of the Purchased Receivables and/or the Auto Loan Contracts.

Failure to conform and remedies

The Master Receivables Transfer Agreement provides that if at any time the Representative of Noteholders, the Issuer, the Calculation Agent, the Servicer or the Seller (each a **Relevant Party**) becomes aware that (A) any of the representations or warranties relating to the Receivables given or deemed to be repeated by the Seller, was false or incorrect in any material respect or (B) the relevant Auto Loan Contract is terminated as a consequence of the default by the Seller, including in the circumstances provided for under Article 125-*quinquies* of the Italian Banking Act, the Relevant Party will promptly send a notice in writing (the **Non-Conformity Notice**) to the other Relevant Parties of the non-conformity of the relevant Receivables (the **Affected Receivables**).

If capable of remedy, any non-conformity may be remedied by the Seller by taking, as soon as practicable, any appropriate steps to rectify such non-conformity and ensure that the relevant Auto Loan Contract complies with the Contract Eligibility Criteria and/or that the relevant Purchased Receivable complies with the Receivables Eligibility Criteria. The Master Receivables Transfer Agreement provides that to the extent that the non-conformity is not remedied within 7 Business Days from the date of the Non-Conformity Notice, the Issuer may, by sending notice in writing to the Seller, rescind (*risolvere*), pursuant to Article 1456 of the Italian Civil Code, the transfer of the Affected Receivable(s) with effect from the second Subsequent Purchase Date immediately following the sending of the Non-Conformity Notice (the **Non-Conformity Repurchase Date**). Subject to receipt by the Issuer of the relevant Non-Conformity Rescission Amount (as defined below), title to the Affected Receivables will be retransferred to the Seller and any costs or expenses in connection therewith shall be borne exclusively by the Seller.

The amount payable by the Seller to the Issuer as a consequence of such rescission will be equal to the sum of (i) the Outstanding Balance in respect of the relevant Affected Receivables, (ii) accrued and outstanding interest, and (iii) any Arrears Amounts relating to those Affected Receivables as of the Determination Date preceding the Non-Conformity Repurchase Date (the **Non-Conformity Rescission Amount**). The Non-Conformity Rescission Amount shall be paid by the Seller to the Issuer on the Non-Conformity Repurchase Date immediately following the sending of the Non-Conformity Notice.

Governing law and jurisdiction

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

Any disputes arising in respect of the Master Receivables Transfer Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

2. SERVICING AGREEMENT

On 21 February 2018, the Issuer, the Servicer, the Calculation Agent and the Representative of the Noteholders entered into the Servicing Agreement, pursuant to which the Issuer has appointed BPSA as Servicer.

The Servicer will be the "*soggetto incaricato della riscossione dei crediti ceduti dei servizi di cassa e di pagamento*" pursuant to the Securitisation Law and in compliance with the Implementing Regulations. In its capacity as Servicer, BPSA is also responsible for ensuring that such operations comply with the provisions of Article 2, paragraph 3, letter (c), and paragraph 6 of the Securitisation Law.

Under the Servicing Agreement, the Servicer has agreed, *inter alia*:

(a) to collect all amounts to be paid by the Obligors in relation to the Purchased Receivables and to transfer all amounts in relation to the collection of the Purchased Receivables and all amounts payable by the Servicer under the Servicing Agreement to the Issuer in accordance with the provisions set out in the Servicing Agreement;

(b) to do all things necessary for the collection and possible recovery of all the Purchased Receivables, including exercising all remedies provided by law and under the Auto Loan Contracts, including the enforcement of any Ancillary Rights and/or other related security with the level of care and diligence it would employ if the Purchased Receivables were its own property;

(c) to conduct monitoring activities in relation to the Portfolio and the Securitisation and to administer, preserve and enforce all rights of the Issuer generally in relation to the Portfolio (including the Ancillary Rights (and the Other Rights, if applicable)), according to the Servicing Procedures;

(d) if any Purchased Receivable becomes a Defaulted Receivable, to initiate, prosecute and manage, in accordance with the terms of the Servicing Agreement, all Foreclosure Proceedings, Enforcement Proceedings and Insolvency Proceedings, on behalf and, if necessary, in the name of the Issuer;

(e) to prepare and deliver all notices, communications and documents to be sent by the Issuer, in its capacity as owner of the Purchased Receivables, to the relevant Obligors;

(f) to prepare and maintain on behalf of the Issuer the electronic data storage system (*Archivio Unico Informatico*) or any equivalent database if requested by applicable laws;

(g) to effect, on behalf of the Issuer, the to the *Centrale dei Rischi* and to the *Segnalazioni di vigilanza delle istituzioni creditizie e finanziarie*, and provide any assistance which may be required in order to enable the Corporate Servicer to effect, on behalf of the Issuer, the reporting provided for by the Bank of Italy's supervisory system applicable to companies established pursuant to the Securitisation Law;

(h) to maintain on behalf of the Issuer the "*contabilità sezionale clienti*" relating to the Debtors of the Purchased Receivables and to promptly deliver (i) to the Issuer and the Calculation Agent all data relating to the Purchased Receivables and the relevant Available Collections which are necessary to the maintenance and updating of the Issuer's accounting books and records and (ii) to the Corporate Servicer all information and data necessary to it for preparing the financial statements of the Issuer;

(i) to comply with Italian anti-money laundering law and regulations with reference to the Securitisation;

(j) to provide accurate, complete and punctual information with regard to the Portfolio to enable the Corporate Servicer to effect its duties on behalf of the Issuer;

(k) if and to the extent any of the Purchased Receivables and/or the Auto Loan and/or the Auto Loan Contract and/or the Obligors fall into one of the categories to which Law no. 136 of 13 August 2010 on financial flow traceability relating to public-works or public-supply contracts and the relevant implementing regulations (the **Traceability Law**) applies or otherwise any of the transactions contemplated by the Servicing Agreement and/or any other Transaction Document triggers the applicability of the Traceability Law, comply with all obligations, conditions and requirements provided for by the Traceability Law, including, without limitation, by making all payments to and from dedicated bank or postal accounts

(*conti dedicati*) by means of bank or postal wires or other payment instruments which ensure full traceability and, where relevant, by indicating in the relevant Receivable assignment agreement and/or payment instrument the relevant work or supply identification codes (CIG and, where necessary, CUP);

(l) to perform all other servicing activities and functions (within the meaning given to such expression under the Securitisation Law and the Implementing Regulations) relating to the Securitisation and not specified herein, which must be performed by the Servicer pursuant to the terms of the Securitisation Law and the Implementing Regulations; and

(m) to perform all its duties under the Servicing Agreement with diligence and in accordance with all applicable laws and regulations, including the Securitisation Law, the Servicing Procedures and pursuant to specific instructions that, on certain conditions, may be given to it by the Issuer and/or by the Calculation Agent and/or by the Representative of the Noteholders in accordance with the terms of the Transaction Documents.

Servicing Procedures

Under the Servicing Agreement, the Servicer has undertaken that it shall take into consideration the interests of the Noteholders and shall refer, at all times, to the Servicing Procedures, the instructions agreed with or provided by, *inter alios*, the Issuer and /or the Calculation Agent and/or the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) and shall act in such a manner as it would be reasonable to expect a reasonably prudent servicer of auto loans of similar portfolios in Italy to act in providing services similar to those of the Servicer herein and more generally with the standard of care that it applies to its own business.

In performing its obligations under the Servicing Agreement in relation to the administration, the recovery and the collection of the Receivables, the Servicer shall strictly comply with:

(a) the provisions of the Servicing Agreement;

(b) the provisions of the relevant Auto Loan Contracts; and

(c) the Servicing Procedures, as they may be amended from time to time in accordance with the provisions of the Servicing Agreement.

The Servicer may make amendments at any time to the Servicing Procedures provided that:

(a) the Servicer reasonably believes that to do so is unlikely to cause a Material Adverse Effect; or

(b) the amendment is required to be made to comply with any applicable law and regulation (including for the avoidance of doubt the Securitisation Law and the Implementing Regulations), *provided that* the Servicer shall not make any material amendment to or substitution of the Servicing Procedures where such amendment relates directly to:

(i) the write-off policy, early termination policy or the categorisation of Delinquent Receivables or Defaulted Receivables;

(ii) the collection procedures in respect of Delinquent Receivables;

(iii) the categorisation of any type of Debtor and/or Auto Loan Contract as a New Car or Used Car; and

(iv) the dunning procedures and recovery of collateral following a Debtor default,

unless the Servicer has received the prior written approval of, *inter alios*, the Issuer and the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) for any such amendment or substitution.

Permitted Renegotiations

The Servicing Agreement provides that, in accordance with all the applicable laws and regulations, the Servicer may enter into a Permitted Renegotiation in respect of an Auto Loan Contract corresponding to a Purchased Receivable, provided that:

(a) such Permitted Renegotiation shall not be a modification in the number, the amounts (including any change of interest rate) or the dates of payment of the Instalments initially scheduled under the relevant Auto Loan Contract (other than for the dates of payments as described in the definition of Permitted Renegotiation); and

(b) the relevant Purchased Receivable shall comply with the applicable Eligibility Criteria after such Permitted Renegotiation.

In the event that the Servicer enters into any renegotiations which are Non-Permitted Renegotiations, the Servicer shall notify, *inter alios*, the Seller, the Issuer, the Calculation Agent, the Representative of the Noteholders promptly of such event), following which the Seller shall repurchase the corresponding Purchased Receivables in accordance with the terms of the Master Receivables Transfer Agreement.

Collection of the Receivables

The Servicer shall procure that, on each Instalment Due Date on which a payment has to be made by a Debtor through direct debit on a current account under the terms of the relevant Auto Loan Contract, the current account indicated by such Debtor is debited for an amount equal to the sum due in relation to the relevant Purchased Receivable pursuant to the relevant Auto Loan Contract and the Servicer Collection Account is credited for that amount.

If, under the terms of the relevant Auto Loan Contract, the Debtor is required to make the relevant payments through postal bulletin (*bollettino postale*), the Servicer shall provide in a timely manner the relevant Debtor with a pre-filled (or new pre-filled) set of postal bulletins or the details of the Servicer postal account into which the payments shall be credited (the **Servicer Postal Account**).

The Servicer shall, as soon as reasonably practicable, and in any case by no later than the second Business Day following the date of receipt, transfer the amounts so received from the relevant Debtors from the Servicer Postal Account to the Servicer Collection Account.

Servicer Collection Account

The Servicer has opened the Servicer Collection Account with the Servicer Collection Account Bank, for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law, and, under the Servicing Agreement, has undertaken to credit all Available Collections in respect of the Purchased Receivables to the Servicer Collection Account Bank.

The Servicer Collection Account is intended to be a segregated account for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law, opened by the Servicer in the context of the Securitisation and all amounts collected on behalf of the Issuer and other amounts pertaining to the Securitisation and credited to the Servicer Collection Account will be treated to all intents and purposes as

indicated in article 3, paragraph 2-*ter* of the Securitisation Law. The Servicer has undertaken to keep full and complete and separate accounting evidence of the sums and collections received in respect of each Purchased Receivable.

Transfer of Available Collections to the Collection Account

Under the Servicing Agreement, the Servicer has undertaken to transfer into the Collection Account all the Available Collections by no later than the second Business Day following receipt of such amounts.

Adjustments

On each Information Date, the Calculation Agent shall verify the amount of the Collections transferred to the Collection Account in relation to the preceding Collection Period and, as the case may be, will determine any adjustments to the amount of Available Collections in relation to the preceding Collection Period as a result of any Adjusted Available Collections in order to ensure that the correct amount of Collections in relation to such preceding Collection Period has been transferred to the Collection Account. As the case may be, such adjustment amount will either be transferred (i) by the Servicer to the Collection Account on the immediately following Settlement Date following such Information Date, if the corresponding amount of Collections received by the Issuer was less than the Collections that have been paid by Customers in respect of such Collection Period or (ii) by the Issuer (or by the Calculation Agent acting on behalf of the Issuer) to the Servicer on the next Settlement Date following such Information Date if the corresponding amount of Collections received by the Issuer exceeded the Collections that has been paid by Customers in respect of such Collection Period.

Monthly Servicing Report

On or prior to each Information Date, the Servicer shall prepare the Monthly Servicing Report for the Collection Period immediately preceding such Information Date, in the form of a data file containing the information set out in the Servicing Agreement and deliver it to, *inter alios*, the Issuer, the Representative of the Noteholders, the Cash Manager and the Calculation Agent. The parties to the Servicing Agreement may agree on any amendment to the form of the Monthly Servicing Report which may be deemed necessary or appropriate in the interest of the Securitisation, provided that any such amendment is notified in writing to all the recipients.

Servicing Fees

In consideration for the services provided under the Servicing Agreement, the Servicer will receive on each Payment Date a fee equal to the sum of:

(i) 1/12 of Euro 10,000 (plus VAT), for technical and advisory activities (including, without limitation, the delivery of the *segnalazioni di vigilanza* and the maintenance of records);

(ii) for the collection and administration of the Performing Receivables, 1/12 of 0.09 per cent. of the aggregate Outstanding Balance of all Performing Receivables which are not Delinquent Receivables, serviced by the Servicer as at the beginning of the relevant Collection Period; and

(iii) for the collection, administration and recovery of the Delinquent Receivables and the Defaulted Receivables, 1/12 of 0.09 per cent. of the aggregate Outstanding Balance of all Delinquent Receivables and all Defaulted Receivables serviced by the Servicer as at the beginning of the relevant Collection Period (plus VAT if applicable),

provided that the aggregate of the fees paid to the Servicer in respect of any Collection Period under paragraphs (ii) and (iii) shall not exceed 1/12 of 0.60 per cent. of the aggregate Outstanding Balance of all Performing Receivables serviced by the Servicer as at the beginning of the relevant Collection Period (plus VAT, if applicable). It is understood that any excess amount will be allocated proportionally between the fees under paragraphs (ii) and (iii) above.

Termination of the appointment and resignation of the Servicer

Upon the occurrence of any of the Servicer Termination Events indicated in the Servicing Agreement, the Issuer, if so directed by the Representative of the Noteholders (in accordance with the terms of the Transaction Documents), shall terminate the appointment of the Servicer and promptly (and in any case within 30 calendar days from the occurrence of any of such Servicer Termination Events) appoint a substitute servicer.

The Servicer Termination Events include the following events:

(a) the Servicer is Insolvent and/or an order is made or an effective resolution is passed for the Winding-Up of the Servicer in accordance with the applicable laws; or

(b) the Servicer fails to transfer any amount due to be transferred pursuant to the Servicing Agreement and such default is not remedied within 3 Business Days from the date of notification of the non-payment, provided that a delay or failure to make such transfer will not constitute a Servicer Termination Event if such dealy or failure is caused by an event of force majeure (*evento di forza maggiore*); or

(c) the Servicer fails to deliver a Monthly Servicing Report, which is true and correct in all material respects and such default is not remedied within 5 Business Days from the due date;

(d) the Servicer breaches any of its other obligations under the Servicing Agreement or any other Transaction Document to which the Servicer is a party and such failure is materially prejudicial to the interests of the Noteholders (as determined by the Representative of Noteholders) and continues for thirty (30) calendar days in the case of any failure to perform, in each case after the date on which the Representative of Noteholders gives written notice thereof to the Issuer and the Servicer, or the Servicer otherwise has notice or actual knowledge of such failure (whichever is earlier), provided, however, that a delay or failure to perform any obligation will not constitute a Servicer Termination Event if such delay or failure is caused by an event of force majeure (*evento di forza maggiore*); or

(e) any of the representations and warranties made by the Servicer under the Servicing Agreement is false or incorrect in any material respect (other than to the extent that any such representation, warranty, certification or statement made by the Servicer already contains any materiality qualifier) when made or deemed to be made and, where such representation or warranty can, in the opinion of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents), be remedied by the Servicer, is not remedied in a satisfactory manner within 10 Business Days after notification in writing to the Servicer by the Representative of the Noteholders to remedy such false or incorrect representation or warranty; or

(f) it becomes unlawful for the Servicer to perform the activities it is required to perform under the Servicing Agreement and any other Transaction Document to which it is a party.

In addition, the Servicer may resign from its role pursuant to the Servicing Agreement, by giving a 6-month prior written notice to the Issuer (with copy to the Representative of the Noteholders).

Both termination of and resignation from the appointment of the Servicer pursuant to the Servicing Agreement will be effective as of the Business Day following the date on which the successor servicer appointed by the Issuer has (i) executed an agreement substantially in the form of the Servicing Agreement; and (ii) become a party to the Intercreditor Agreement, or, should such days not fall on a Business Day, such termination or resignation shall be effective as of the first following day that is a Business Day.

Successor Servicer

The entity appointed as Successor Servicer shall be a bank or a company enrolled in the register held by the Bank of Italy pursuant to Article 106 of the Italian Banking Act, operating in Italy and with offices in Italy:

(a) having at least 3 (three) years' experience in the administration of claims similar to the Receivables and/or in the business of in-court and out-of-court recovery of claims for substantial amounts on behalf of banks and financial companies in Italy;

(b) which adopts a software system for its business compatible with that of the Servicer at such time;

(c) in the position to ensure, directly or indirectly, the efficient and professional upkeep of the electronic data storage system (*Archivio Unico Informatico*) provided for by Italian laws and regulations on money laundering and, if and to the extent applicable, enable the Issuer to comply with the Bank of Italy's Automated Interbank Risk Service (*Centrale dei Rischi*), and Bank of Italy's supervisory system applicable to financial intermediaries enrolled in the register provided for by Article 106 of the Italian Banking Act (*Segnalazioni di Vigilanza*), if and to the extent applicable; and

(d) whose appointment, to be notified in writing to the Rating Agencies by the Issuer and/or the Representative of the Noteholders, does not entail any material adverse effect on the Notes or the Securitisation.

If a Back-up Servicer is appointed in accordance with the Servicing Agreement, the Back-up Servicer shall be the Successor Servicer.

Cooperation of the Servicer

The Servicer has undertaken, for a period of time not longer than 12 (twelve) months starting from the date of termination of the Servicer's appointment pursuant to the provisions of the Servicing Agreement, to take all requested actions and make all efforts in order to enable the Successor Servicer to perform its duties as a servicer pursuant to the new Servicing Agreement.

Back-up Servicer

Under the Servicing Agreement, the Servicer has undertaken that, as soon as possible and in any event within 30 days following the occurrence of a Back-up Servicer Implementation Event or a Servicer Termination Event, it shall identify and propose to, *inter alios*, the Issuer and the Representative of the Noteholders one or more entities, having the characteristics indicated under the Servicing Agreement, which would be prepared to act as Back-up Servicer in the context of the Securitisation, it being understood that, in case of failure by the Servicer to identify and propose a Back-up Servicer, the Representative of the Noteholders shall do so at the costs and expenses of the Servicer.

Upon receipt of a notification from the Servicer (or the Representative of the Noteholders (as the case may be)) identifying one or more Back-up Servicers and indicating the commercial terms pursuant to which such entities may act as such and as Successor Servicer (upon termination of the appointment of the Servicer), the Issuer (subject to the prior written approval of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)), as soon as possible and in any event within 60 days from the occurrence of the relevant Back-up Servicer Implementation Event, will designate one of those entities to act as Back-up Servicer and enter into a Back-up Servicing Agreement with the entity so designated. If the Servicer fails to procure the entry by the Back-up Servicing into Back-up Servicing Agreement within 60 days from the occurrence of a Back-up Servicer Implementation Event, the Issuer (with the consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)) shall do so.

The Back-up Servicer shall be paid a Back-up Servicing Fee to be agreed between the Back-up Servicer, the Seller and the Issuer (with the consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents)) in accordance with reasonable market practice. The fees of the Back-up Servicer shall be paid directly by the Seller.

Notification to Obligors

Upon the occurrence of any of the Notification Events indicated under the Servicing Agreement, the Servicer or the Issuer (as applicable) shall promptly (and in any case within 30 calendar days) notify each Obligor the transfer of the relevant Purchased Receivable to the Issuer, and instruct each Obligor to make any payment in respect of the relevant Purchased Receivable directly to the Collection Account in the name of the Issuer.

Governing law and jurisdiction

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

Any disputes arising in respect of the Servicing Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

3. CASH ALLOCATION, MANAGEMENT AND PAYMENT AGREEMENT

On 21 February 2018, the Issuer, the Cash Manager, the Seller, the Servicer, the Calculation Agent, the Spanish Account Bank, the Italian Account Bank, the Paying Agent and the Representative of the Noteholders entered into the Cash Allocation, Management and Payment Agreement, pursuant to which, *inter alia*:

(a) BPSA has been appointed by the Issuer as Cash Manager to manage and administer all amounts standing to the credit of the Issuer Accounts;

(b) Banco Santander, S.A. has been appointed by the Issuer as Spanish Account Bank to provide account management and administration services in relation to the operations of the Issuer Accounts opened with it;

(c) BNP Paribas Securities Services S.C.A. has been appointed by the Issuer as Calculation Agent to make certain verification and calculations in relation to the Purchased Receivables, to prepare reports, including the Investor Report, on behalf of the Issuer and to operate the Issuer Accounts (other than making payments due under the Notes and to the Issuer Secured Creditors); and

(d) BNP Paribas Securities Services, Milan Branch has been appointed by the Issuer as (i) Italian Account Bank to provide account management and administration services in relation to the operations of the Issuer Accounts opened with it and (ii) Paying Agent to make payments due under the Notes and to the Issuer Secured Creditors according to the Priority of Payments.

Operation of the Issuer Accounts

Under the Cash Allocation, Management and Payment Agreement, each of the parties thereto have agreed to make the payments into and withdrawals from the Issuer Accounts as set out thereunder and that no other payments into or withdrawals from the Issuer Accounts other than those set out thereunder shall be permitted (for a description of the operation of the Issuer Accounts, please see section headed "Issuer Accounts").

Interest will accrue on the balance from time to time held to the credit of each of the Issuer Accounts at the rate separately agreed between the Issuer and the relevant Account Bank, on the basis of actual days elapsed during a 360 (three hundred and sixty) day year, by crediting the relevant Issuer Account with the amount thereof on and for value on the last Business Day of each month.

Under the Cash Allocation, Management and Payment Agreement, each of the Account Banks shall be an Eligible Institution.

Purchase Process, Verifications and Calculations

Under the Cash Allocation, Management and Payment Agreement, the Calculation Agent has undertaken to determine, on the Information Date immediately following the end of a Collection Period, using the information in the Monthly Servicing Report provided by the Servicer on such Information Date and the statements of account provided by the Spanish Account Bank, whether all Collections which fell due during such Collection Period were collected by the Servicer. If any such Collections were not collected by the Servicer and transferred to the Issuer in accordance with the terms of the Servicing Agreement (taking into account any adjustments to the Collections), the Calculation Agent shall consult with the Servicer with a view to understanding the reasons for the shortfall in the Collections and making the relevant arrangements in respect of those Collections which were not paid by the Debtors, failing which it shall notify the Issuer, the Cash Manager and the Representative of the Noteholders on or prior to the immediately following Calculation Date.

The Calculation Agent will give the necessary instructions to the relevant Account Bank to ensure that the Principal Component Purchase Price of the Initial Receivables purchased by the Issuer from the Seller in accordance with the Master Receivables Transfer Agreement and subject to, *inter alia*, the perfection formalities provided thereunder, will be debited from the Collection Account on the Issue Date and that the Interest Account is debited from the Interest Component Purchase Price on each Payment Date on which there are Available Interest Amounts applicable to such payment in accordance with the applicable Priority of Payments.

Following each Subsequent Purchase Date on which Additional Receivables have been purchased by the Issuer from the Seller in accordance with the Master Receivables Transfer Agreement, the Calculation Agent will give the necessary instructions to the Account Banks to ensure that the Principal Component Purchase Price of the Receivables will be debited from the Principal Account on the Payment Date immediately following the relevant Subsequent Purchase Date and that the Interest Account is debited from the Interest Component Purchase Price on each Payment Date on which there are Available Interest Amounts applicable to such payment in accordance with the applicable Priority of Payments.

Investor Report

On or prior to each Calculation Date and subject to the Calculation Agent having received details of each amount or item of information listed in the Cash Allocation, Management and Payment Agreement, the Calculation Agent shall prepare an Investor Report substantially in the form set out in the Cash Allocation, Management and Payment Agreement with respect to the Payment Date immediately succeeding such Calculation Date.

The draft Investor Report shall be transmitted to the Servicer for review and validation prior to distribution to the other parties.

On each Calculation Date, the Calculation Agent shall deliver the Investor Report to the Issuer, the Account Banks, the Paying Agent, the Servicer, the Cash Manager, the Representative of the Noteholders, the Swap Counterparty and the Rating Agencies.

Each Investor Report shall be deemed to constitute an instruction from the Issuer to the Account Banka and the Paying Agent to make the payments and transfers set in such Investor Report (including any payment to be made to any Other Issuer Secured Creditors).

On each Calculation Date, the Calculation Agent shall calculate the following ratios concerning the Purchased Receivables:

(a) the Delinquency Ratio;

(b) the Average Delinquency Ratio;

(c) the Default Ratio; and

(d) the 3m Default Ratio,

and determine whether or not any Portfolio Performance Trigger is breached.

The Issuer (or the Corporate Servicer on its behalf) shall ensure that copies of the Investor Reports are made available, on each Calculation Date, to the holders of the Class A Notes (and prospective holders of the Class A Notes, subject to the consent of the Seller and the Servicer) on the website of the Stock Exchange (www.bourse.lu) and for collection from its office during usual office hours on any weekday and in compliance with any requirements in the Conditions.

At the request of any Noteholder made from time to time, the Paying Agent will deliver to such Noteholder copies of this Prospectus which has been prepared in connection with the listing of the Class A Notes on the Luxembourg Stock Exchange.

Remuneration

The Issuer shall pay to the Cash Manager, the Calculation Agent, the Account Banks and the Paying Agent such remuneration in respect of the services to be provided by each of them under the Cash Allocation, Management and Payment Agreement as agreed between the Issuer and such agent or bank under a separate fee letter executed on or prior to the date of execution of the Cash Allocation, Management and Payment Agreement.

Termination and resignation

Upon the occurrence of any of the termination events indicated under the Cash Allocation, Management and Payment Agreement, the Issuer (with the consent of the Representative of the

Noteholders (in accordance with the terms of the Transaction Documents)) or the Representative of the Noteholders shall (in accordance with the terms of the Transaction Documents), by notice in writing to the relevant party, terminate the appointment of the Cash Manager, the Calculation Agent, the relevant Account Bank and/or the Paying Agent (as the case may be) with effect from a date (not earlier than the date of the notice) specified in the notice.

Each of the Calculation Agent, the Paying Agent, the Cash Manager and the Account Banks may at any time resign from its respective appointment under the Cash Allocation, Management and Payment Agreement by giving to, *inter alios*, the Issuer and the Representative of the Noteholders, not less than 60 (sixty) days' prior written notice to that effect.

Upon the resignation by or termination of the appointment of the Cash Manager, the Calculation Agent, any Account Bank and/or the Paying Agent, the Issuer will, with the prior written consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) and with prior notice to the Rating Agencies, immediately appoint a relevant successor, provided that no resignation or termination of the appointment of the Cash Manager, the Calculation Agent, any Account Bank and/or the Paying Agent shall take effect until the relevant successor has been appointed and has agreed to be bound by the provisions of the Intercreditor Agreement and has entered into an agreement on the same terms *mutatis mutandis* as the Cash Allocation, Management and Payment Agreement or on such other terms as the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) may approve.

If any Account Bank ceases to be an Eligible Institution, it shall have the right, within 30 (thirty) calendar days from the date on which it has ceased to be an Eligible Institution (the **Grace Period**) to, at its own costs and expenses:

(a) arrange for a guarantee with an Eligible Institution which is in substance acceptable to the Representative of the Noteholders (so that the then current rating of the Class A Notes is not negatively affected); or

(b) procure the transfer of the relevant Issuer Accounts to any other institution which is an Eligible Institution, subject to establishing arrangements substantially similar to those contained in the Cash Allocation, Management and Payment Agreement.

Governing law and jurisdiction

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

Any disputes arising in respect of the Cash Allocation, Management and Payment Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

4. INTERCREDITOR AGREEMENT

On 21 February 2018, the Issuer and the other Transaction Parties entered into the Intercreditor Agreement in order, *inter alia* (a) to agree the cash flow allocation of the proceeds in respect of the Portfolio, (b) to agree the rights of the Representative of the Noteholders in respect of the Issuer Security, (c) for the Other Issuer Secured Creditors to acknowledge the rights and obligations of the Issuer and the Representative of the Noteholders under the Conditions, the Rules and the other Transaction Documents, (d) for the Issuer to covenant to the Other Issuer Secured Creditors in the terms set out in the Conditions, the Rules and in relation to the Issuer Accounts, and (e) for the Issuer to grant a mandate to the Representative of the Noteholders, pursuant to which, *inter alia*, following service of a Trigger Event Notice, the Representative of the Noteholders shall be authorised under

Article 1723, second paragraph, of the Italian Civil Code, to exercise, in the name of the Issuer but in the interest and for the benefit of the Noteholders and the Other Issuer Secured Creditors, all the Issuer's contractual rights arising out of the Transaction Documents to which the Issuer is a party and in respect of the Portfolio, including the right to sell it in whole or in part, in the interest of the Noteholders and the Other Issuer Secured Creditors.

Representative of the Noteholders – Mandate by the Issuer

Under the Intercreditor Agreement, the Issuer has irrevocably appointed, from the Issue Date, the Representative of the Noteholders, as its true and lawful agent (*mandatario con rappresentanza*) in the interests, and for the benefit of the Noteholders and the Other Issuer Secured Creditors pursuant to Article 1411 and Article 1723, second paragraph of the Italian Civil Code, to exercise, in the name and on behalf of the Issuer, all and any of the Issuer's rights arising from each of the Transaction Documents to which the Issuer is or will be a party, including (without limitation) the right:

(a) to exercise the rights of the Issuer in relation to the Portfolio pursuant to the Transaction Documents (other than, in respect to the Servicing Agreement, the collection and recovery of the Purchased Receivables which shall continue to be performed by the Servicer pursuant to the Servicing Agreement) and in particular, to dispose of the Portfolio in accordance with the Conditions and the Rules and to enforce the Issuer Security;

(b) 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;

(c) to carry out any ancillary transaction or arrangement in connection with a disposal of the Portfolio in accordance with paragraph (a) above which the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) may, in its absolute discretion, consider appropriate;

(d) to receive any amounts payable to the Issuer in relation to the Purchased Receivables and/or under the Transaction Documents;

(e) to operate the Issuer Accounts;

(f) to require performance by each of the Other Issuer Secured Creditors of any of its obligations under the Transaction Documents, or its rights to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Portfolio or the Transaction Documents;

(g) to distribute any amounts received by the Issuer in respect of the Portfolio and under or in connection with the Transaction Documents, in accordance with the applicable Priority of Payments.

The mandate from the Issuer to the Representative of the Noteholders shall take effect upon the earlier to occur of:

(a) the occurrence of a Trigger Event; and

(b) the occurrence of a Specified Event (but in this case, such mandate and the related power of attorney shall be limited to authorising and empowering the Representative of the Noteholders to exercise or enforce the rights, entitlements, or remedies, or to exercise the discretions, authorities, or powers to give any direction or make any determination which the

Issuer failed to exercise or enforce, and which gave rise to the occurrence of the Specified Event).

Representative of the Noteholders – Mandate by the Other Issuer Secured Creditors

Under the Intercreditor Agreement, the Other Issuer Secured Creditors have jointly appointed the Representative of the Noteholders as their agent (*mandatario con rappresentanza*) to act in accordance with the provisions of Articles 1723, second paragraph and 1726 of the Italian Civil Code and have authorised the Representative of the Noteholders to, inter alia, do any act, matter or thing which it considers necessary to exercise or protect the Other Issuer Secured Creditors' rights under any of the Transaction Documents, including to dispose of the Portfolio, enforce the Issuer Security and receive, following the service of a Trigger Event Notice, all monies payable by the Issuer to the Other Issuer Secured Creditors, such monies to be timely paid to the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments.

Conflict of interests

Under the Intercreditor Agreement, each of the Issuer Secured Creditors (other than the Representative of the Noteholders) has acknowledged and agreed that, in accordance with the provisions of the Conditions and the Rules, the Representative of the Noteholders shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Class A Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class, as the case may be, and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post Enforcement Priority of Payments.

Priorities of Payments

Each party to the Intercreditor Agreement have agreed and acknowledged that funds available to the Issuer will be applied in accordance with the Priorities of Payments provided for under the Conditions.

Undertakings

Pursuant to the Intercreditor Agreement, the Issuer has, *inter alia*, undertaken to (i) grant a Spanish law pledge over the Securities Account and the Swap Securities Collateral Account upon first deposit of securities into the relevant account, by entering into a pledge agreement substantially in the form of the Spanish Pledge Agreement, and (ii) procure that a leading international law firm issues a legal opinion as to the validity and the enforceability of such pledge, provided that the pledge agreement and the related legal opinion shall be notified in advance to the Rating Agencies.

Subordination, Limited Recourse, Deferral and Non-Petition

Each party to the Intercreditor Agreement has acknowledged and agreed (i) that its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall at all times be subject to the subordination provisions set out in the Conditions, and (ii) that, pursuant thereto, *inter alia*:

(a) its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall, in accordance with the Priorities of

Payments, at all times be subordinated to the rights, claims and remedies of all the Noteholders, all other Issuer Secured Creditors and all Connected Third Party Creditors in the manner provided therein; and

(b) no amount payable by the Issuer to any Noteholder or any Other Issuer Secured Creditor under the Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it other than the manner provided therein.

Each party to the Intercreditor Agreement has acknowledged and agreed (i) that its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall be subject to the provisions of Condition 17 (*Non Petition and Limited Recourse*) and (ii) that, pursuant thereto, *inter alia*, in certain circumstances (as specified therein) where the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application in or towards any payment obligation are not sufficient to discharge such payment obligation in full, only a *pro rata* share of the funds which available therefor shall be due and payable, and the balance which would otherwise have been due and payable in respect thereof shall cease to be due and payable and shall be definitively cancelled, all subject to and in accordance with Condition 17 (*Non Petition and Limited Recourse*). The Parties to the Intercreditor Agreement have also acknowledged and agreed that the provisions above shall not apply to any Swap Collateral which may be posted by the Swap Counterparty and that any Swap Collateral Account shall be operated in accordance with Condition 4.5 (*Order of Priority – Payments to Connected Third Party Creditors and Swap Collateral Account Priority of Payments*).

Each Party to the Intercreditor Agreement has acknowledged and agreed that (i) its respective rights, claims and remedies under the Transaction Documents in respect of the obligations owed to it (if any) by the Issuer shall be subject to the deferral provisions of Condition 4.6 (*Order of Priority – Deferral under the applicable Priority of Payments*) and (ii) no interest shall accrue on the amounts subject to deferral payments.

Each Party to the Intercreditor Agreement has acknowledged and agreed to be bound by the non-petition provisions of Condition 11 (Enforcement) and that pursuant thereto, *inter alia*:

(a) following the occurrence of a Trigger Event the Representative of the Noteholders has the right to enforce the Issuer Security, including without limitation by disposing of the Portfolio in whole or in part, but shall not be obliged to do so other than in the limited circumstances specified in such Condition;

(b) other than in the limited circumstances specified in the Conditions, the Representative of the Noteholders shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to enforce or to exercise any rights in connection with the Issuer Security and otherwise in respect of amounts due under the Notes and/or the Transaction Documents and no Other Issuer Secured Creditor shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer;

(c) it shall not at any time exercise against the Issuer any right of netting, set-off, counterclaim or subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code.

Governing law and jurisdiction

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

Any disputes arising in respect of the Intercreditor Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

5. GENERAL RESERVE SUBORDINATED LOAN AGREEMENT

On 21 February 2018, the Issuer, the Cash Manager, the General Reserve Subordinated Loan Provider, the Calculation Agent and the Representative of the Noteholders entered into the General Reserve Subordinated Loan Agreement, pursuant to which the General Reserve Subordinated Loan Provider has agreed to make available to the Issuer the General Reserve Loan Facility.

On the Issue Date, the General Reserve Subordinated Loan Provider will advance to the Issuer an amount equal to the General Reserve Required Amount calculated as at the Issue Date (the **General Reserve Advance**), for the purposes of funding the General Reserve. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as General Reserve Required Amount pursuant to the General Reserve Subordinated Loan Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 7,420,000 will be transferred from the Collection Account into the General Reserve Account as General Reserve Required Amount.

Interest shall accrue from and including the date of the General Reserve Advance and be payable by the Issuer to the General Reserve Subordinated Loan Provider in arrears on each Payment Date on the outstanding principal amount of the General Reserve Advance in an amount equal to the General Reserve Interest Amount.

No interest shall be paid, except in any such case to the extent that: (i) such payment is permitted by the provisions of the General Reserve Subordinated Loan Agreement and (ii) the Issuer has funds available for that purpose in accordance with the applicable Priority of Payments.

Repayment of the outstanding General Reserve Advance shall be made by the Issuer on each Payment Date up to an amount equal to the General Reserve Repayment Amount, to the extent that the Issuer has funds available for that purpose, on the relevant Payment Date, in accordance with the applicable Priority of Payments.

Governing law and jurisdiction

The General Reserve Subordinated Loan Agreement and any non-contractual obligations arising out of, or in connection with, the General Reserve Subordinated Loan Agreement are governed by, and shall be construed in accordance with, Italian law.

Any disputes arising in respect of the General Reserve Subordinated Loan Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

6. COMMINGLING RESERVE SUBORDINATED LOAN AGREEMENT

On 21 February 2018, the Issuer, the Cash Manager, the Commingling Reserve Subordinated Loan Provider, the Calculation Agent and the Representative of the Noteholders entered into the Commingling Reserve Subordinated Loan Agreement, pursuant to which the Commingling Reserve

Subordinated Loan Provider has agreed to make available to the Issuer a commingling reserve loan facility, on the following terms:

(a) on the Issue Date, the Commingling Reserve Subordinated Loan Provider will advance to the Issuer an amount equal to the Commingling Reserve Required Amount calculated as at the Issue Date (the **Commingling Reserve Closing Date Advance**), for the purposes of funding the Commingling Reserve. On the Issue Date, following the set-off between (i) the amount due by BPSA to the Issuer as Commingling Reserve Required Amount pursuant to the Commingling Reserve Subordinated Loan Agreement, and (ii) the amount due by the Issuer to BPSA as Principal Component Purchase Price for the Initial Receivables pursuant to the Master Receivables Transfer Agreement and the relevant Transfer Agreement, a portion of the proceeds of the issue of the Notes equal to Euro 18,096,835.18 will be transferred from the Collection Account into the Commingling Reserve Account as Commingling Reserve Required Amount;

(b) on the immediately following Settlement Date after the date specified in the relevant Utilisation Request delivered to the Commingling Reserve Subordinated Loan Provider during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, pursuant to the Commingling Reserve Subordinated Loan Agreement (each a **Commingling Reserve Utilisation Date**), the Commingling Reserve Subordinated Loan Provider will advance to the Issuer, as specified in the relevant Utilisation Request, the amount in Euro equal to the portion of the Commingling Reserve Required Amount remaining to be funded on such Settlement Date (each a **Commingling Reserve Additional Advance**).

Interest shall accrue from and including the date of the relevant Commingling Reserve Advance and be payable by the Issuer to the Commingling Reserve Subordinated Loan Provider in arrears on each Payment Date on the outstanding principal amount of each Commingling Reserve Advance in an amount equal to the Commingling Reserve Interest Amount.

No interest shall be paid, except in any such case to the extent that: (i) such payment is permitted by the provisions of the Commingling Reserve Subordinated Loan Agreement and (ii) the Issuer has funds available for that purpose in accordance with the applicable Priority of Payments.

Repayment of the outstanding Commingling Reserve Advances shall be made by the Issuer on each Payment Date up to an amount equal to the applicable Commingling Reserve Repayment Amount, to the extent that the Issuer has funds available for that purpose, on the relevant Payment Date, in accordance with the applicable Priority of Payments.

Governing law and jurisdiction

The Commingling Reserve Subordinated Loan Agreement and any non-contractual obligations arising out of, or in connection with, the Commingling Reserve Subordinated Loan Agreement are governed by, and shall be construed in accordance with, Italian law.

Any disputes arising in respect of the Commingling Reserve Subordinated Loan Agreement shall be deferred to the exclusive jurisdiction of the Courts of Milan.

7. SPANISH PLEDGE AGREEMENT

Pursuant to the Spanish Pledge Agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties,

the Issuer will grant a Spanish law pledge over the Collection Account, the General Reserve Account, the Additional Interest Account and the Swap Cash Collateral Account.

The Spanish Pledge Agreement, and any non-contractual obligations arising out of or in connection with the Spanish Pledge Agreement, are expressed to be governed by and shall be construed in accordance with Spanish law.

8. DEED OF CHARGE

Pursuant to the Deed of Charge to be entered into on or about the Issue Date, the Issuer will, *inter alia*, as security for the payment or discharge of the Issuer Secured Liabilities (as defined under the Deed of Charge):

(a) assign by way of a first fixed security all its rights, title and interest present and future, in, to and under the Swap Agreement; and

(b) charge by way of a first floating charge, all its rights, title and interest present and future, in, to and under the Swap Agreement other than those otherwise effectively charged or assigned by way of fixed charge or assignment,

in favour of the Representative of the Noteholders (which the Representative of the Noteholders shall hold on trust for the benefit of itself, the Noteholders and the other Issuer Secured Creditors).

In terms of the Deed of Charge, the Issuer will covenant to the Representative of the Noteholders that it will not, so long as any of the Issuer Secured Liabilities (as defined under the Deed of Charge) remain outstanding, create or permit to subsist any Security Interest (unless arising by operation of law) over any of its assets or undertaking other than as provided for under the Transaction Documents.

The Deed of Charge, and any non-contractual obligations arising out of or in connection with the Deed of Charge, are expressed to be governed by and shall be construed in accordance with English law.

9. SWAP AGREEMENT

On or about the Issue Date, the Issuer has entered into a hedging transaction (the **Swap Transaction**) with the Swap Counterparty. The Swap Transaction is governed by a 1992 ISDA Master Agreement (Multicurrency-Cross Border) and Schedule thereto, as published by the International Swaps and Derivatives Association, Inc., as supplemented by a 1995 Credit Support Annex (Bilateral Form- Transfer) (such documents together with the confirmation evidencing the Swap Transaction, the **Swap Agreement**). The Issuer entered into the Swap Transaction in order to hedge itself against the interest rate exposure arising in respect of its floating rate obligations under the Class A Notes.

Payments

Pursuant to the Swap Transaction, on each Payment Date:

(a) the Swap Counterparty will pay to the Issuer a floating rate of interest equal to Euribor (as determined in accordance with the Conditions) plus a margin of 0.25 per cent. per annum, subject to a floor of zero; and

(b) the Issuer will pay to the Swap Counterparty a fixed rate equal to 0.34%,

each calculated on a notional amount equal to the Principal Amount Outstanding of the Class A Notes in respect of the relevant Calculation Period.

The Swap Counterparty will transfer Swap Collateral, in accordance with the terms of the Swap Agreement, to the applicable Swap Collateral Account. The Issuer will make transfers from such Swap Collateral Accounts in accordance with the Swap Collateral Account Priority of Payments.

Unless terminated early in accordance with its terms, the Swap Transaction will terminate on the Legal Final Maturity Date.

Withholding Tax

In the event of a withholding tax being imposed on payments required to be made under the Swap Agreement, which are: (a) due to be made by the Issuer to the Swap Counterparty, the Issuer will not be obliged to gross up such payments; or (b) due to be made by the Swap Counterparty to the Issuer, the Swap Counterparty will be obliged to gross up such payments. The Swap Counterparty will be entitled, under certain circumstances, to terminate the Swap Agreement if: (i) it is obliged to gross up payments following any withholding or deduction for or on account of any taxes or (ii) it receives a payment in respect of which an amount is required to be deducted or withheld for or on account of any taxes.

Downgrade

Under the terms of the Swap Agreement, in the event that the ratings of the Swap Counterparty are downgraded by Fitch or DBRS below the relevant ratings specified in the Swap Agreement, the Swap Counterparty shall be required to take certain remedial measures in accordance with the Swap Agreement. This may include transferring collateral, obtaining a guarantee, procuring a replacement swap counterparty or taking such other action as may be required to satisfy the Rating Agencies. If the Swap Counterparty fails to take such measures within the time period specified in the Swap Agreement, then the Swap Agreement may be terminated by the Issuer.

Termination of the Swap Agreement

A Swap Agreement may be terminated prior to its maturity in certain circumstances including, but not limited to:

- the failure of either party to make payments when due;
- the insolvency of either party;
- illegality;
- the imposition of certain taxes on payments under such agreement;
- the acceleration of the Class A Notes upon the service of a Trigger Event Notice;
- the early redemption or cancellation in full of the relevant Class A Notes due to the occurrence of a Trigger Event or for tax reasons;
- certain amendments to the Transaction Documents having an adverse effect on the Swap Counterparty being made without the Swap Counterparty's consent;
- the failure of the Swap Counterparty to take a necessary remedial action as described under "Downgrade" above; or

- any other applicable event of default, termination event or additional termination event under the Swap Agreement.

If the Swap Agreement is terminated for any reason, the Swap Counterparty or the Issuer may be required to pay an amount to the other party as a result of the termination. Following such a termination, any payments by the Issuer to the Swap Counterparty will be made in accordance with the applicable Priority of Payments. If the Class A Notes are redeemed early for reasons other than the occurrence of a Trigger Event or tax reasons, the Swap Transaction will terminate with no additional amounts payable by either party.

Accordingly, to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments:

(a) any termination payment payable by the Issuer to the Swap Counterparty – other than any termination payments due if the relevant early termination results from (i) an "Event of Default" (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party or (ii) following a Swap Counterparty Rating Event – will be made in accordance with item (e) (*fifth*) of the Interest Priority of Payments, item (d) (*foruth*) of the Accelerated Amortisation Period Priority of Payments or item (d) (*foruth*) of the Post-Enforcement Priority of Payments, as applicable; and

(b) any termination payment payable by the Issuer to the Swap Counterparty following the occurrence of early termination resulting from (i) an "Event of Default" (as defined in the Swap Payment) in respect of which the Swap Counterparty being the Defaulting Party or (ii) following a Swap Counterparty Rating Event, will be made in accordance with item (j) (*tenth*) of the Interest Priority of Payments, item (i) (*ninth*) of the Accelerated Amortisation Period Priority of Payments or item (h) (*eighth*) of the Post-Enforcement Priority of Payments, as applicable.

Governing Law

The Swap Agreement, and any non-contractual obligations arising out of or in connection with the Swap Agreement, are expressed to be governed by and shall be construed in accordance with English law.

10. CORPORATE SERVICES AGREEMENT

On 21 February 2018, the Issuer and the Corporate Servicer entered into the Corporate Services Agreement, pursuant to which the Corporate Servicer agreed to provide certain administrative and accountancy services to the Issuer.

The services include the safe-keeping of the documents pertaining to the meetings of the Issuer's quotaholder, directors and auditors, maintaining the quotaholder's register, preparing tax and accounting records, preparing the Issuer's annual financial statements and, more generally, providing every other corporate service which is relevant for the maintenance of the corporate existence, the licenses of or compliance by the Issuer with applicable provisions of law that may be necessary in connection with the Securitisation, cooperating, if necessary or requested by the Issuer, with the other parties involved in the Securitisation.

The Corporate Services Agreement contains provisions to the effect that upon the resignation by or termination of the appointment of the Corporate Servicer, the Issuer will, with the prior written consent of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents), immediately appoint a successor Corporate Servicer provided that no resignation or termination of the appointment of the Corporate Servicer shall take effect until a new Corporate

Servicer has been appointed and has agreed to be bound by the provisions of the Intercreditor Agreement and the related Transaction Documents and entered into an agreement on the same terms, *mutatis mutandis*, of the Corporate Services Agreement.

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

11. QUOTAHOLDER'S AGREEMENT

Pursuant to the Quotaholder's Agreement entered into on 21 February 2018 between the Issuer, the Quotaholder and the Representative of the Noteholders, the Quotaholder has (i) assumed certain undertakings with respect to, *inter alia*, the exercise of its voting rights with respect to the Issuer, and (ii) undertaken not to dispose of its interest in the Issuer.

The Quotaholder's Agreement, and any non-contractual obligations arising out of or in connection with it, is governed by and shall be construed in accordance with Italian law.

12. STICHTING CORPORATE SERVICES AGREEMENT

Pursuant to the Stichting Corporate Services Agreement entered into on 21 February 2018 between the Issuer, the Quotaholder and the Stichting Corporate Servicer, the Stichting Corporate Servicer has undertaken to provide certain management and administration services in relation to the Quotaholder.

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

ISSUER ACCOUNTS

From the Issue Date the Issuer is required at all times to maintain the following accounts in its name with:

(a) the Italian Account Bank:

(i) the Principal Account;

(ii) the Interest Account;

(iii) the Expenses Account; and

(iv) the Commingling Reserve Account;

(b) the Spanish Account Bank:

(i) the Collection Account;

(ii) the General Reserve Account;

(iii) the Additional Interest Account;

(iv) the Securities Account;

(v) the Swap Cash Collateral Account; and

(vi) the Swap Securities Collateral Account.

The General Reserve Account and the Commingling Reserve Account shall be closed once the amounts standing to the credit thereof have been fully withdrawn following the redemption in full of all of the Class A Notes, in accordance with the provisions of the Cash Allocation, Management and Payment Agreement.

Pursuant to the Cash Allocation, Management and Payment Agreement, the Issuer Accounts will be held with an Eligible Institution.

Pursuant to the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement, the Issuer Accounts shall be operated as follows:

1. THE COLLECTION ACCOUNT

The Calculation Agent will ensure that the Collection Account shall be:

(a) on the Issue Date, credited with:

(i) the proceeds of the Class A Notes subscribed for by the Class A Notes Subscriber, pursuant to the terms of the Class A Notes Subscription Agreement;

(ii) the proceeds of the Class B Notes subscribed for by the Class B Notes Subscriber (to the extent not subject to set-off with the amounts due to the Seller as Principal Component Purchase Price for the Initial Receivables), pursuant to the terms of the Class B Notes Subscription Agreement; and

(iii) the Collections in respect of the Initial Receivables sold to the Issuer on the First Purchase Date, received by the Seller from (and including) the First Selection Date to (but excluding) the Issue Date;

(b) on the Issue Date, debited by the Principal Component Purchase Price of the Initial Receivables (to the extent not subject to set-off with the amount due by BPSA to the Issuer on the Issue Date as Commingling Reserve Required Amount, General Reserve Required Amount and Subsidised Interest Balance in respect of the Initial Receivables pursuant to the Subordinated Loan Agreements and the Master Receivables Transfer Agreement);

(c) on the Issue Date, debited by an amount equal to Euro 15,000 to be credited to the Expenses Account as Retention Amount;

(d) on the Issue Date, debited by an amount equal to Euro 18,096,835.18 to be credited to the Commingling Reserve Account as Commingling Reserve Required Amount;

(e) on the Issue Date, debited by an amount equal to Euro 7,420,000 to be credited to the General Reserve Account as General Reserve Required Amount;

(f) on the Issue Date, debited by an amount equal to Euro 11,119,786.03 to be credited to the Additional Interest Account as Subsidised Interest Balance in respect of the Initial Receivables;

(g) on the Issue Date, credited with any amount remaining after making payments from (b) to (f) above;

(h) on each Business Day from (and including) the Issue Date, credited with any amount of Available Collections received by the Servicer and to be transferred by it in accordance with the provisions of the Servicing Agreement;

(i) on each Settlement Date, credited with an amount equal to the Subsidised Interest Instalment Amounts in respect of the immediately preceding Collection Period, by debiting the Additional Interest Account;

(j) on each Settlement Date, credited with amounts debited from the Commingling Reserve Account, in an amount equal to the Monthly Commingling Withdrawal Amount;

(k) on each Payment Date, credited with all Net Swap Amounts received from the Swap Counterparty (which shall not include, for the avoidance of doubt, any amount representing Swap Collateral or any amount representing a termination payment or any premium paid by a replacement Swap Counterparty to the Issuer upon the entering into of a replacement Swap Agreement, which shall each be paid into the Swap Collateral Account);

(l) on each Settlement Date, credited with all interest accrued and credited into the Collection Account and by any income generated by Eligible Investments made from the Collection Account;

(m) on any relevant date, credited with any amount received by the Issuer as purchase price for the sale of Performing Receivables pursuant to the Master Receivables Transfer Agreement or the Intercreditor Agreement;

(n) on each Settlement Date during the Revolving Period and the Amortisation Period, debited by any amount credited to the Collection Account representing the Available Interest Amounts (with the exception of any amounts standing to the credit of the General Reserve

Account and the Commingling Reserve Account) and the Available Principal Amounts required to be transferred on such date to the Interest Account and the Principal Account (as applicable);

(o) debited in full, on (A) the Settlement Date immediately preceding the first Payment Date of the Accelerated Amortisation Period or (B) the first Business Day of the Post-Enforcement Amortisation Period (unless directed otherwise by the Representative of the Noteholders), by the transfer of all monies standing to the credit of the Collection Account to the Principal Account.

2. THE PRINCIPAL ACCOUNT

The Calculation Agent will ensure that the Principal Account shall be:

(a) credited:

(i) on each Settlement Date during the Revolving Period and the Amortisation Period, with the Available Principal Collections from the Collection Account in relation to the preceding Collection Period, provided that any Available Collections in relation to which the Calculation Agent has not received confirmation from the Servicer (whether in the Monthly Servicing Reports or otherwise) as to whether or not they constitute Available Principal Collections shall be kept to the credit of the Collection Account on the relevant Payment Date to be applied as Available Principal Collections on the following Payment Date;

(ii) on each Payment Date during the Revolving Period and the Amortisation Period, with the amounts debited from the Interest Account in relation to item (h) (*eighth*) of the Interest Priority of Payments, as calculated by the Calculation Agent in respect of such Payment Date;

(iii) on each Settlement Date during the Accelerated Amortisation Period and the Post-Enforcement Amortisation Period, credited with all monies standing to the credit of the General Reserve Account;

(iv) on (A) the Settlement Date immediately preceding the first Payment Date of the Accelerated Amortisation Period or (B) the first Business Day of the Post-Enforcement Amortisation Period (unless directed otherwise by the Representative of the Noteholders), with the credit balance of the Collection Account;

(v) on each Settlement Date during the Accelerated Amortisation Period and the Post-Enforcement Amortisation Period, credited with any Monthly Commingling Withdrawal Amount, any Commingling Reserve Interest Amount and any Commingling Reserve Decrease Amount to be transferred from the Commingling Reserve Account;

(vi) on each Settlement Date, credited with all interest accrued and credited into the Principal Account and by any income generated by Eligible Investments made from the Principal Account; and

(b) debited:

(i) on each Payment Date during the Revolving Period and the Amortisation Period, by any amounts payable pursuant to the Principal Priority of Payments;

(ii) on each Payment Date during the Accelerated Amortisation Period, by any amounts payable pursuant to the Accelerated Amortisation Period Priority of Payments;

(iii) on each Payment Date during the Post-Enforcement Amortisation Period, if directed by the Representative of the Noteholders, by any amounts payable pursuant to the Post-Enforcement Priority of Payments.

3. THE INTEREST ACCOUNT

The Calculation Agent will ensure that the Interest Account shall be:

(a) credited:

(i) on each Settlement Date during the Revolving Period and the Amortisation Period, credited with the Available Interest Amounts in relation to the preceding Collection Period from the Collection Account and any amounts standing to the credit of the General Reserve Account and the Commingling Reserve Account, *provided that*, where the Calculation Agent has not received a Monthly Servicing Report on or prior to the relevant Calculation Date, the Calculation Agent shall estimate the amount of Available Interest Collections in accordance with the provisions of the Cash Allocation, Management and Payment Agreement in determining the Available Interest Amounts to the applied on the immediately following Payment Date;

(ii) on each Settlement Date, with all interest accrued and credited into the Interest Account and by any income generated by Eligible Investments made from the Interest Account;

(b) debited:

(i) on each Payment Date during the Revolving Period and the Amortisation Period, by any amounts payable pursuant to the Interest Priority of Payments;

(ii) in full, on (A) the Settlement Date immediately preceding the first Payment Date of the Accelerated Amortisation Period or (B) the first Business Day of the Post-Enforcement Amortisation Period (if directed by the Representative of the Noteholders) by the transfer of all monies standing to the credit of the Interest Account to the Principal Account; and

(iii) by the transfer of any amounts received by the Issuer in respect of Swap Tax Credits to the relevant Swap Counterparty in accordance with the terms of the Swap Agreement, without regard to the Priorities of Payments.

4. THE GENERAL RESERVE ACCOUNT

4.1 The Calculation Agent will ensure that the General Reserve Account shall, on the Issue Date, be credited with an amount equal to Euro 7,420,000 as General Reserve Required Amount by transferring such amount from the Collection Account.

4.2 The Calculation Agent will ensure that:

(a) on each Settlement Date (i) during the Revolving Period and the Amortisation Period, all amounts standing to the credit of the General Reserve Account shall be transferred to the Interest Account; and (ii) during the Accelerated Amortisation Period and the Post-

Enforcement Amortisation Period, unless directed otherwise by the Representative of the Noteholders, all amounts standing to the credit of the General Reserve Account shall be transferred to the Principal Account;

(b) on each Settlement Date, the General Reserve Account shall be credited with all interest accrued and credited into the General Reserve Account and by any income generated by Eligible Investments made from the General Reserve Account;

(c) the General Reserve Account shall be credited on each Payment Date (taking into account any amount advanced by the General Reserve Subordinated Loan Provider in respect of a General Reserve Additional Advance) in accordance with the Priorities of Payments, during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, with such amount that would ensure that the amount standing to the credit of the General Reserve Account is equal to the General Reserve Required Amount applicable on that Payment Date.

5. THE COMMINGLING RESERVE ACCOUNT

5.1 The Calculation Agent will ensure that the Commingling Reserve Account shall, on the Issue Date, be credited with an amount equal to Euro 18,096,835.18 as Commingling Reserve Required Amount by transferring such amount from the Collection Account.

5.2 The Calculation Agent shall on each Calculation Date determine the Commingling Reserve Required Amount, any Commingling Reserve Increase Amount, any Commingling Reserve Decrease Amount and any Monthly Commingling Withdrawal Amount taking into account the Receivables to be purchased (if any) by the Issuer on the Subsequent Purchase Date immediately preceding the next Payment Date. The Calculation Agent shall ensure that:

(a) any Commingling Reserve Advance payable to the Issuer pursuant to the Commingling Reserve Subordinated Loan Agreement which is designated as payable to the Commingling Reserve Account on each Settlement Date during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, respectively, is paid into the Commingling Reserve Account in order to ensure that the amount standing to the credit of the Commingling Reserve Account is equal to the Commingling Reserve Required Amount;

(b) if on any Calculation Date during the Revolving Period, the Amortisation Period and the Accelerated Amortisation Period, the Calculation Agent determines that there is a Commingling Reserve Increase Amount, the Issuer (acting on the instructions of the Calculation Agent) shall deliver an Utilisation Request to the Commingling Reserve Subordinated Loan Provider in accordance with the Commingling Reserve Subordinated Loan Agreement requesting a Commingling Reserve Additional Advance in an amount equal to the Commingling Reserve Increase Amount, such amount to be paid into the Commingling Reserve Account pursuant to paragraph (a) above;

(c) on each Settlement Date, the Commingling Reserve Account shall be credited with all interest accrued and credited into the Commingling Reserve Account and by any income generated by Eligible Investments made from the Commingling Reserve Account;

(d) on each Settlement Date (i) during the Revolving Period and the Amortisation Period, any Commingling Reserve Interest Amount and any Commingling Reserve Decrease Amount shall be transferred to the Collection Account; and (ii) during the Accelerated Amortisation Period and the Post-Enforcement Amortisation Period, unless directed otherwise by the Representative of the Noteholders, any Monthly Commingling Withdrawal Amount, any

Commingling Reserve Interest Amount and any Commingling Reserve Decrease Amount shall be transferred to the Interest Account.

6. THE ADDITIONAL INTEREST ACCOUNT

6.1 The Calculation Agent will ensure that the Additional Interest Account shall, on the Issue Date, be credited with an amount equal to Euro 11,119,786.03 as Subsidised Interest Balance in respect of the Initial Receivables by transferring such amount from the Collection Account.

6.2 On each subsequent Settlement Date, the Calculation Agent will ensure that an amount equal to the Subsidised Interest Balance of the Receivables purchased on such Subsequent Purchase Date will be credited to the Additional Interest Account.

6.3 On each Settlement Date, the Additional Interest Account shall be credited with all interest accrued and credited into the Additional Interest Account and by any income generated by Eligible Investments made from the Additional Interest Account;

6.4 On each Settlement Date (unless directed otherwise by the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) during the Post-Enforcement Amortisation Period), the Calculation Agent shall transfer an amount equal to the Subsidised Interest Instalment Amounts in relation to all the Performing Receivables from the Additional Interest Account to the Collection Account, if applicable, as reported in the Monthly Servicing Report.

6.5 On each Settlement Date (unless directed otherwise by the Representative of the Noteholders (in accordance with the terms of the Transaction Documents) during the Post-Enforcement Amortisation Period) the Calculation Agent shall debit the Additional Interest Account and transfer to such account of the Seller as the Seller may direct to the Calculation Agent, an amount equal to the aggregate of the Subsidised Interest Balances of the Purchased Receivables: (i) which have been prepaid in full; (ii) which have been repurchased pursuant to the terms of the Master Receivables Transfer Agreement; or (iii) which have become Defaulted Receivables, in each case during the immediately preceding Collection Period. Any such amounts transferred pursuant to this paragraph shall not be applied in accordance with the Priorities of Payments.

7. THE EXPENSES ACCOUNT

7.1 The Calculation Agent will ensure that the Expenses Account shall, on the Issue Date, be credited with an amount equal to Euro 15,000 as Retention Amount by transferring such amount from the Collection Account.

7.2 The Calculation Agent will ensure that the Expenses Account shall, on each Payment Date, be credited with an amount necessary to bring the balance of the Expenses Account up to (but not exceeding) Euro 20,000 as Retention Amount in accordance with the applicable Priority of Payments.

7.3 The Calculation Agent will ensure that the Expenses Account shall, on any Business Day during each Interest Period or after the redemption in full or cancellation of the Notes, as the case may be, debited by an amount equal to (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor to the extent that such costs, taxes and expenses are not met by utilising the amounts standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the rating of the Notes and in connection with the listing, registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents.

8. THE SECURITIES ACCOUNT

All Eligible Investments (other than cash invested in time deposit or any other investment which is incapable of being held in the Securities Account) purchased in accordance with the Cash Allocation, Management and Payment Agreement shall be credited to the Securities Account or, in respect of any Eligible Investment purchased with funds standing to the credit of the Swap Cash Collateral Account, to the Swap Securities Collateral Account.

9. THE SWAP CASH COLLATERAL ACCOUNT

9.1 The Swap Counterparty shall credit to the Swap Cash Collateral Account (i) any cash constituting "Eligible Credit Support" (as defined in the Swap Agreement) pursuant to the Swap Agreement and (ii) any Swap Termination Amount and/or Swap Replacement Premium received by the Issuer from a Swap Counterparty or a replacement swap counterparty, as applicable.

9.2 On each Settlement Date, the Swap Cash Collateral Account shall be credited with all interest accrued and credited into the Swap Cash Collateral Account and by any income generated by Eligible Investments made from the Swap Cash Collateral Account.

9.3 The Swap Counterparty shall debit from the Swap Collateral Account the amounts standing thereto solely in or towards payment or transfer of any amounts in accordance with the Swap Collateral Account Priority of Payments.

10. THE SWAP SECURITIES COLLATERAL ACCOUNT

10.1 The Swap Counterparty shall credit to the Swap Securities Collateral Account any securities constituting "Eligible Credit Support" (as defined in the Swap Agreement) pursuant to the Swap Agreement.

10.2 All Eligible Investments purchased with funds standing to the credit of the Swap Cash Collateral Account shall be credited to the Swap Securities Collateral Account.

10.3 The Swap Counterparty shall debit from the Swap Securities Collateral Account the securities standing thereto solely to be liquidated or transferred in order to meet payments in accordance with the Swap Collateral Account Priority of Payments.

TERMS AND CONDITIONS OF THE NOTES

Euro 675,220,000 Class A Asset Backed Floating Rate Notes due 27 January 2032
Euro 66,780,000 Class B Asset Backed Fixed Rate and Variable Return Notes due 27 January 2032

GENERAL

The Euro 675,220,000 Class A Asset Backed Floating Rate Notes due 27 January 2032 and the Euro 66,780,000 Class B Asset Backed Fixed Rate and Variable Return Notes due 27 January 2032 shall be issued on the Issue Date by the Issuer. The Issuer is a company incorporated with limited liability under the laws of the Republic of Italy in accordance with the Securitisation Law, whose registered office is at Via Alfieri, 1 Conegliano (TV), Italy. The Issuer is enrolled in the companies register of Treviso and, on or prior to the Issue Date, shall be enrolled in the register of special purpose vehicles (*Elenco delle Società Veicolo di Cartolarizzazione*) held by Bank of Italy pursuant to the regulation issued by the Bank of Italy on 7 June 2017. The Issuer shall issue the Notes pursuant to its by-laws for the purpose of financing, *inter alia*, the payment of the Principal Component Purchase Price of the Initial Receivables.

On or prior to the Issue Date, the Issuer shall publish the Prospectus, which shall constitute the *Prospetto Informativo* for the purposes of Article 2, paragraph 3 of the Securitisation Law in respect of the Notes. Copies of the Prospectus will be available, upon request, to the holder of any Note during normal business hours at the offices of the Issuer, the Representative of the Noteholders and the Corporate Servicer.

This section headed General shall constitute an essential part of, and shall have the same force and effect as if it was set out in, the terms and conditions of the Notes set out below. These Conditions contain summaries, and are subject to the detailed provisions, of the Transaction Documents.

The principal source of funds available to the Issuer for payment of amounts due and payable in respect of the Notes will be collections and recoveries made in respect of the Purchased Receivables purchased from time to time by the Issuer from the Seller pursuant to and in accordance with the Master Receivables Transfer Agreement.

Certain of the statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Transaction Documents. Copies of the Transaction Documents are available for inspection, upon request, to the holder of any Note during normal business hours at the offices of the Issuer, the Representative of the Noteholders and the Corporate Servicer. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them. No amendment to the provisions of these Conditions shall constitute a novation (*novazione*) of the Notes within the meaning of Article 1230 of the Italian Civil Code.

The Noteholders are deemed to have notice of, are bound by and shall have the benefit of, *inter alia*, the Rules, which constitute an integral and essential part of these Conditions. The Rules are attached hereto as Schedule 1. The rights and powers of the Representative of the Noteholders and the Noteholders may be exercised only in accordance with these Conditions, the Rules and the Intercreditor Agreement.

Each Noteholder, by reason of holding one or more Notes, recognises the Representative of the Noteholders as its representative 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.

Headings used in these Conditions are for ease of reference only and shall not affect their interpretation.

For the purposes of these Conditions, the following capitalised terms shall, except where the context otherwise requires and save where defined therein, have the following meanings:

Accelerated Amortisation Event means the occurrence of any of the following events:

(a) any Portfolio Performance Trigger is breached; or

(b) a Servicer Termination Event occurs; or

(c) a Seller Event of Default occurs; or

(d) on any Payment Date, the balance of either the General Reserve Account or the Commingling Reserve Account is not replenished up to the relevant Required Amount; or

(e) (i) the Swap Agreement is terminated and no replacement Swap Agreement has been entered into within 30 days of the relevant termination date; (ii) the credit rating of the Swap Counterparty is downgraded below the Swap Required Rating (as defined under the Swap Agreement) and the relevant remedial actions set out in the Swap Agreement are not perfected within the time period contemplated by the Swap Agreement.

Accelerated Amortisation Period means the period from and including the first Payment Date falling on or after the date on which an Accelerated Amortisation Event occurs and ending on the earliest to occur of:

(a) the date on which a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Accelerated Amortisation Period Priority of Payments has the meaning ascribed to such term in Condition 4.3 (*Priority of Payments during the Accelerated Amortisation Period*).

Account Bank means each of the Italian Account Bank and the Spanish Account Bank.

Additional Interest Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Additional Receivables means the Receivables that may be assigned by the Seller to the Issuer on any Subsequent Purchase Date and identified in the relevant Transfer Offer.

Adjusted Available Collections means any Collection subject to an adjustment pursuant to clause 5.6 (*Adjustments*) of the Servicing Agreement in order to ensure that the correct amount of Collections in relation to the preceding Collection Period has been transferred to the Collection Account.

Affected Receivable has the meaning ascribed to such term in clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Aggregate Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

Amortisation Event means the occurrence of any of the following events:

(a) for 4 consecutive Purchase Dates the Seller does not transfer Receivables to the Issuer, except if the Seller confirms to the Issuer and the Representative of the Noteholders that such absence of transfer is due to technical reasons (providing documentary evidence thereof) and is remedied on the following Purchase Date; or

(b) the amount standing to the Principal Account exceeds 10% of the Principal Amount Outstanding of the Notes for 3 (three) consecutive Payment Dates.

Amortisation Period means the period which begins (subject to no Trigger Event or no Accelerated Amortisation Event having occurred during the Revolving Period) on earlier of (i) the Scheduled Revolving Period End Date or (ii) the date on which an Amortisation Event has occurred, and ends on the earliest to occur of:

(a) the date on which an Accelerated Amortisation Event or a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Amortisation Principal Component means (a) in respect of the scheduled payments of any Receivable, the relevant Scheduled Principal Payment, and (b) in respect of any Prepayment of a relevant Receivable, the difference between the Outstanding Balance of such Receivable immediately before such Prepayment and the Outstanding Balance of such Receivable immediately after such Prepayment.

Amortisation Schedule means in respect of any Receivable, the scheduled principal and interest payments of such Receivable, as may be adjusted from time to time following a Prepayment, the interest rate of such Receivable being equal to the Contractual Interest Rate.

Ancillary Right means, with reference to each Receivable arising from an Auto Loan Contract, all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with such Receivable accruing from (and including) the relevant Selection Date, including, without limitation:

(a) all related rights and claims in relation to the payment of any amount or indemnity in respect of damages suffered and costs, expenses, taxes and ancillary amounts;

(b) all rights and claims in relation to payment of any other amount or sum due for any reason;

(c) all the Seller's rights, title and interest in and to any security relating to such Receivable and Auto Loan Contract;

(d) any related security; and

(e) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred after the relevant Selection Date in relation to the recovery of amounts due in respect of the Receivable and Auto Loan Contract and, in particular, in relation to judicial proceedings, together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of rescission (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*).

Arranger means Santander Global Corporate Banking.

Arrears Amount means any amount by which the Debtor is in arrears pursuant to the terms of the relevant Purchased Receivables when such Purchased Receivable is a Delinquent Receivable.

Auto Loan means any loan arising under an Auto Loan Contract granted to the Debtor for the purchase of a Car.

Auto Loan Contract means any loan granted by the Seller to any Debtor for the purchase of a Car.

Auto Loan Contract Subsidised Interest Arrangement means an arrangement between the Seller and a Car Dealer or a Car Manufacturer under which such car dealer or car manufacturer agrees to subsidise the rate of interest payable by a Debtor under an Auto Loan Contract.

Available Collections means:

(a) all Collections, including all amounts to be transferred from the Additional Interest Account in respect of the Subsidies Interest Instalment Amounts on the relevant Settlement Date; plus

(b) any Non-Conformity Rescission Amount paid by the Seller in connection with the rescission and indemnification procedure as set forth in the Master Receivables Transfer Agreement in respect of Affected Receivables; plus

(c) any Repurchase Amount paid by the Seller in relation to any Non-Permitted Renegotiation; plus

(d) any amount received by the Issuer as purchase price for the sale of Performing Receivables pursuant to the Master Receivables Transfer Agreement or the Intercreditor Agreement; plus

(e) any Monthly Commingling Withdrawal Amount, if any; plus or minus, as the case may be,

(f) any Adjusted Available Collections.

Available Distribution Amounts means:

(a) during the Revolving Period and the Amortisation Period, on each Payment Date, the aggregate of the Available Principal Amounts and the Available Interest Amounts; and

(b) during the Accelerated Amortisation Period, the aggregate of the balance standing to the credit of the Issuer Accounts (with the exception of the Commingling Reserve Account and the Additional Interest Account),

it being understood that the Commingling Reserve Required Amount shall not form part of the Available Distribution Amounts as long as the Servicer meets its obligation to pay the Available Collections pursuant to the Servicing Agreement except to the extent that they have been required to be transferred to the Collection Account, as described in the definition of "Commingling Reserve Account", and that no amount standing to the credit of the Additional Interest Account shall form part of the Available Distribution Amounts except to the extent that they have been required to be transferred to the Collection Account as set out in the Master Receivables Transfer Agreement.

Available Interest Amounts means, on any Payment Date and without double counting, the sum of:

(a) the remaining amount standing to the credit of the Interest Account as of the close of the immediately preceding Payment Date (if any);

(b) the Available Interest Collections credited to the Interest Account in respect of the Collection Period immediately preceding such Payment Date;

(c) the income generated by the Eligible Investments made in respect of the Interest Period ending on such Payment Date from the Collection Account;

(d) the interest accrued and credited into the Issuer Accounts (other than the Additional Interest Account, the General Reserve Account and the Commingling Reserve Account);

(e) all Net Swap Amounts received from the Swap Counterparty pursuant to the Swap Agreement;

(f) the General Reserve Interest Amount;

(g) the Commingling Reserve Interest Amount;

(h) any Commingling Reserve Decrease Amount;

(i) any Commingling Reserve Advance deposited in the Commingling Reserve Account;

(j) any Available Principal Amounts applied in accordance with item (a) (*first*) of the Principal Priority of Payments;

(k) any Collection received by the Issuer in relation to the Defaulted Receivables; and

(l) all amounts which were on the preceding Settlement Date standing to the credit of the General Reserve Account and which have been credited on the Interest Account during the Revolving Period or the Amortisation Period or on the Principal Account during the Accelerated Amortisation Period or the Post-Enforcement Period.

Available Interest Collections means the Available Collections minus the Available Principal Collections.

Available Principal Amounts means, on any Payment Date, the sum of:

(a) the remaining amount standing to the credit of the Principal Account as of the close of the immediately preceding Payment Date (if any);

(b) the Available Principal Collections credited to the Principal Account in respect of the Collection Period immediately preceding such Payment Date;

(c) any Principal Deficiency Amount to be credited into the Principal Account on such Payment Date in accordance with the applicable Priority of Payments; and

(d) on the earlier of (i) the Payment Date on which the funds available to the Issuer are sufficient to redeem the Class A Notes in full and (ii) the Legal Final Maturity Date, any amounts standing to the credit of the General Reserve Account in excess of the General Reserve Required Amount as at such date.

Available Principal Collections means, in relation with any Payment Date and in respect of the immediately preceding Collection Period:

(a) all Amortisation Principal Components of the Performing Receivables with reference to such Collection Period; plus

(b) all amounts paid during such Collection Period in respect of the indemnification or the rescission of the assignment of any Receivables by the Seller; plus

(c) any principal amount received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies (to the extent these payments are not in respect of the Defaulted Receivables) in the course of such Collection Period; plus

(d) any amount of Principal Component in respect of the repurchase of Performing Receivables pursuant to the Master Receivables Transfer Agreement or the Intercreditor Agreement; plus or minus, as the case may be,

(e) any Adjusted Available Principal Collections.

Average Delinquency Ratio means, on any Determination Date, the arithmetic mean of the last three available Delinquency Ratios (including the Delinquency Ratio calculated on that Determination Date).

Back-up Servicer Implementation Event means the failure by each of BPSA, BPF and SCF to maintain the Relevant Minimum Rating, it being understood that (i) as long as one of BPSA, BPF or SCF mantains the Relevant Minimum Rating, no Back-up Servicer Implementation Event shall be deemed to have occurred, and (ii) the requirement for one of BPF and SCF to maintain the Relevant Minimum Rating shall not apply if BPF or SCF, as the case may be, ceases to own a participation in the corporate capital of BPSA.**Back-Up Servicer** means the entity which shall be appointed in the context of the Securitisation following the occurrence of a Back-up Servicer Implementation Event or a Servicer Termination Event, as provided for under the Servicing Agreement.

Back-Up Servicing Agreement means the agreement to be entered into between the Issuer and the Back-up Servicer, if appointed as provided for under the Servicing Agreement.

Base Margin means 0.25% per annum.

BPF means Banque PSA Finance, a *société anonyme* incorporated under the laws of France, whose registered office is located at 68, Avenue Gabriel Péri, 92230 Gennevilliers (France), registered with the Trade and Companies Registry of Paris (France) under number 325 952 224, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

BPSA means Banca PSA Italia S.p.A., a società per azioni, incorporated under the laws of Italy whose registered office is located at Via Gallarate 199, 20151 Milano (MI), Italy.

Business Day means a day (other than a Saturday or a Sunday) on which banks settle payments and are open for general business in Milan and Paris and which is not a public holiday in Italy and in France.

Calculation Agent means the entity appointed from time to time as calculation agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the date hereof, BNP Paribas Securities Services S.C.A..

Calculation Date means the 3rd Business Day before each Payment Date.

Cancellation Date means the later of (i) the Legal Final Maturity Date; (ii) the date when the outstanding amount of the Portfolio will have been reduced to zero; and (iii) the date on which (a) the Representative of the Noteholders has given notice to the Issuer and the Noteholders in accordance with Condition 14 (*Notices*) that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Security or otherwise) which would be available to the Issuer to pay unpaid amounts outstanding under the Transaction Documents, and (b) the Servicer has confirmed the same in writing to the Representative of the Noteholders.

Car Dealer (*Concessionario*) means a subsidiary or a branch, as the case may be, of the Peugeot, Citroën or DS network in Italy, or a car dealer being franchised with the Peugeot or Citroën network, which has entered into a sale contract in respect of a Car with any person who has simultaneously entered into an Auto Loan Contract with the Seller for the purposes of financing the acquisition of such Car.

Car Manufacturer means PSA Peugeot Citroën as manufacturer of Cars.

Car means, as the case may be, a New Car or a Used Car.

Cash Allocation, Management and Payment Agreement means the cash allocation, management and payment agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager and the Account Banks.

Cash Manager means the entity appointed from time to time as cash manager by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement being, as at the Issue Date, BPSA.

Class A Noteholder means any holder of the Class A Notes from time to time.

Class A Notes means the Euro 675,220,000 Class A Asset Backed Floating Rate Notes which will be issued by the Issuer on the Issue Date.

Class A Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Principal Amount Outstanding of the Class A Notes (prior to making repayments of principal due on such Payment Date), and (ii) the Available Principal Amounts remaining after making payments under item (a) (*first*) of the Principal Priority of Payments on such Payment Date.

Class A Notes Interest Amount means the Interest Amount due on each Class A Note on each Payment Date.

Class A Notes Interest Rate means the sum of Euribor and the Base Margin.

Class A Notes Subscriber means the entity defined as such in the Class A Notes Subscription Agreement.

Class A Notes Subscription Agreement means the subscription agreement relating to the Class A Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Class A Notes Subscriber.

Class B Noteholder means any holder of the Class B Notes from time to time.

Class B Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Principal Amount Outstanding of the Class B Notes (prior to making repayments of principal due on such Payment Date), and (ii) the Available Principal Amounts remaining after making payments under items (a) (*first*) to (c) (*third*) (both inclusive) of the Principal Priority of Payments on such Payment Date.

Class B Notes Interest Amount means the Interest Amount due on each Class B Note on each Payment Date.

Class B Notes Interest Rate means 1.50 per cent. per annum.

Class B Notes means the Euro 66,780,000 Class B Asset Backed Fixed Rate and Variable Return Notes which will be issued by the Issuer on the Issue Date.

Class B Notes Subscriber means BPSA, as subscriber of the Class B Notes on the Issue Date.

Class B Notes Subscription Agreement means the subscription agreement relating to the Class B Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Class B Notes Subscriber.

Class, **Class of Notes** or **Class of Noteholders** will be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

Clean Up Option Date has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Clean Up Option has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Collection Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Collection Period means the period comprised between a Determination Date (excluded) and the immediately succeeding Determination Date (included), provided that the first Collection Period shall be the period comprised between the First Selection Date (included) and the First Determination Date (excluded).

Collections means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments), all recoveries (including any proceeds from the disposal of the financed Car(s) and any amounts received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies) received by the Servicer in relation to the Purchased Receivables.

Commercial Debtor means each Debtor which is not a Private Debtor.

Commingling Reserve Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Commingling Reserve Additional Advance has the meaning ascribed to such term in the Commingling Reserve Subordinated Loan Agreement.

Commingling Reserve Advance means the Commingling Reserve Closing Date Advance and any Commingling Reserve Additional Advance (as the case may be) made under the Comingling Reserve Subordinated Loan Agreement.

Commingling Reserve Closing Date Advance has the meaning ascribed to such term in the Commingling Reserve Subordinated Loan Agreement.

Commingling Reserve Decrease Amount means, on any Settlement Date, the amount standing to the credit of the Commingling Reserve Account (minus the Commingling Reserve Interest Amount at such Settlement Date) which is in excess of the Commingling Reserve Required Amount as of the Settlement Date.

Commingling Reserve Increase Amount means, on a Settlement Date, the amount equal to positive difference between the Commingling Reserve Required Amount and the amount standing to the credit of the Commingling Reserve Account (excluding any Commingling Reserve Interest Amount) on such date, which shall be credited to the Commingling Reserve Account by requesting a Commingling Reserve Advance.

Commingling Reserve Interest Amount means, on each Settlement Date, an amount equal to the interest component of any Eligible Investments purchased from amounts standing to the credit of the Commingling Reserve Account and any interest received on amounts standing to the credit of the Commingling Reserve Account since the last Payment Date.

Commingling Reserve Loan Facility has the meaning ascribed to such term in the Commingling Reserve Subordinated Loan Agreement.

Commingling Reserve Repayment Amount means, as calculated in respect of on any Payment Date, the lesser of (i) the Commingling Reserve Decrease Amount, and (ii) the outstanding principal of the Commingling Reserve Advances.

Commingling Reserve Required Amount means, (1) on the Issue Date, Euro 18,096,835.18 and (2) on the Calculation Date immediately preceding any Payment Date, the amount determined by the Calculation Agent being equal to either:

(a) (i) as long as the Servicer Collection Account Bank is rated at least "F2" (short term) by Fitch and "'R-2 M" (short term) by DBRS or, if there is no such public rating, an internal assessment equivalent supplied by DBRS and (ii) a Back-up Servicer Implementation Event has not occurred: the sum of (x) the Monthly Scheduled Collections of the Collection Period immediately following the Payment Date multiplied by 55%; and (y) (OBPR * MPR * 120%), or

(b) (i) if the Servicer Collection Account Bank is downgraded below "F2" (short term) by Fitch and "R-2 M" (short term) by DBRS or, if there is no such public rating, an internal assessment equivalent supplied by DBRS or (ii) if a Back-up Servicer Implementation Event has occurred: the sum of (x) the Monthly Scheduled Collections of the Collection Period immediately following the Payment Date; and (y) (OBPR * MPR* 120%),

where:

- **OBPR** is the aggregate amount of the Outstanding Balances of the Performing Receivables taking into account, as the case may be, the Additional Receivables purchased at the Purchase Date immediately preceding such Calculation Date;

- **MPR** is the maximum of (i) 0.25% and (ii) the arithmetic meand of the Monthly Prepayment Rate calculated on the six Calculation Dates preceding such Settlement Date as calculated by the Calculation Agent.

Commingling Reserve Subordinated Loan Agreement means the commingling reserve subordinated loan agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Commingling Reserve Subordinated Loan Provider.

Commingling Reserve Subordinated Loan Provider means BPSA, as Servicer.

Commingling Reserve Utilisation Date has the meaning given in clause 2 (*Purpose of the Facility*) of the Commingling Reserve Subordinated Loan Agreement.

Conditions means these terms and conditions of the Notes and **Condition** means any article of the Conditions.

Connected Third Party Creditor means any third party creditor of the Issuer other than the Noteholders and the Other Issuer Secured Creditors.

Contractual Interest Rate means, the rate of interest provided for in the corresponding Auto Loan Contract, as subsequently amended or renegotiated by the Seller with the relevant Obligor.

Corporate Servicer means any person appointed from time to time as a corporate servicer by the Issuer pursuant to the Corporate Services Agreement.

Corporate Services Agreement means the corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer relating to the provision of certain corporate administration services to the Issuer.

DBRS means DBRS Ratings Limited and their subsidiaries and any successor thereto.

DBRS Equivalence Chart 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 Equivalent Rating means:

(a) if a Fitch public rating, a Moody's public rating and a S&P public rating are all available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, the lower rating available; or

(b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

provided that, if only one or none of a Fitch public rating, a Moody's public rating and a S&P public rating is available in respect of the relevant security, no DBRS Equivalent Rating will exist.

DBRS Minimum Rating means:

(a) if a Fitch public long term rating, a Moody's public long term rating and a S&P long term rating in respect of the Eligible Investment or the Eligible Institution, as the case may be (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(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); and

(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 Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.

Decree 239 means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

Decree 239 Withholding means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

Deed of Charge means the deed of charge entered into on or prior to the Issue Date between the Issuer and the Representative of the Noteholders.

Default Ratio means the ratio which shall be determined by the Calculation Agent on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Defaulted Amounts, as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Defaulted Amount means the Outstanding Balance of any Purchased Receivable that has become a Defaulted Receivable during the immediately preceding Collection Period, as of the day on which such Receivable became a Defaulted Receivable excluding the Arrears Amounts (if any).

Defaulted Receivable means a Receivable in respect of which:

(a) any amount due and payable under the relevant Auto Loan Contract has remained unpaid past its due date for 150 calendar days or more; or

(b) the Servicer, acting in accordance with the Servicing Procedures, has terminated the relevant Auto Loan Contract, written off or made provision against any definitive losses in respect of such Receivable at any time prior to the expiry of the period referred to in (a) below.

Defaulting Party has the meaning ascribed to such term in the Swap Agreement.

Delinquency Ratio means the ratio which shall be determined on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Outstanding Balance and the aggregate Arrears Amounts of all Delinquent Receivables as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Delinquent Receivable means any Performing Receivable in respect of which an amount is overdue for strictly less than 150 calendar days.

Demonstration Car means a Peugeot or Citroën car produced at a BPF group plant which first was new and registered in the dealer's name for a specific duration and exclusively for customer tests and further sold to a Debtor entering into an Auto Loan Contract with the Seller.

Determination Date means the last day of each calendar month.

Early Termination Date has the meaning ascribed to such term in the Swap Agreement.

Effective Interest Rate means the annual rate of interest communicated by the Seller to the Calculation Agent and calculated so that when, in respect of an Instalment Due Date, its monthly equivalent is multiplied by the Outstanding Balance applicable from the previous Instalment Due Date (excluded) to such Instalment Due Date of each Receivable the amount so obtained is equal to the sum of (i) the relevant Subsidised Interest Instalment Amount and (ii) the interest component of the Instalment due by the Debtor.

Eligible Hedge means each interest rate swap transaction to be entered into between the Issuer and the Swap Counterparty, it being understood that the notional amount of all the Eligible Hedges shall be, as of the date of entry, equal to the value of the aggregate of the Principal Amount Outstanding of the relevant Class A Notes.

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 of America which has at least the following ratings:

(a) "A (low)" by DBRS with respect to the higher of (A) a rating one notch below the critical obligations rating of such entity, and (B) the higher of (i) the issuer rating, and (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations, of such entity, or if no such public or private ratings are available, a DBRS Minimum Rating of "A (low)"; and

(b) "F1" by Fitch with respect to the short term unsecured, unsubordinated and unguaranteed debt obligations of such entity or "A-" by Fitch with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity.

Eligible Investment means:

(a) any euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or deposit (including, for the avoidance of doubt, time deposit and certificate of deposit), commercial papers or other debt instruments (but excluding, for the avoidance of doubts, credit linked notes and money market funds), or

(b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments, provided that:

(i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer;

(ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investment 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:

(a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the relevant Eligible Investment Maturity Date;

(b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested principal amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;

(c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; provided that in the case of Eligible Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash Allocation, Management and Payment Agreement) to another account held with an Eligible Institution at no loss; and

(d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at leas two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time; and

(e) in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully, irrevocably and unconditionally guaranteed on a first demand and unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at leas two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time,

provided that in no case shall such investment be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Class A Notes as eligible collateral.

Eligible Investment Maturity Date means the Settlement Date immediately following the date on which the Eligible Investment was made.

Eligible Investments Notice has the meaning given to such term in clause 10.5 (*Records of Eligible Investments by the Cash Manager and the Account Banks*) of the Cash Allocation, Management and Payment Agreement.

EMIR means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (as amended, modified and/or restated from time to time) and/or any supplementing regulations, provisions or regulatory or implementing technical standards (each as amended, modified and/or restated from time to time) being effected under or in connection with Regulation (EU) No 648/2012.

Enforcement Proceedings means any judicial proceeding or any proceeding aimed at recovering any Receivable, including the enforcement of the Ancillary Rights.

Euribor has the meaning ascribed to such term in Condition 5.2 (*Right to Interest – Interest Rate*).

Euro, **euro**, **EUR** or **€** means the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.

Expenses Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

FATCA means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Final Instalment means the last Instalment of an Auto Loan Contract.

Financial Collateral Directive means Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements.

First Determination Date means 28 February 2018.

First Payment Date means the Payment Date falling in March 2018.

First Purchase Date means 21 February 2018.

First Selection Date means 7 February 2018.

Fitch means Fitch Ratings Limited and their subsidiaries and any successor thereto.

Foreclosure Proceedings means any court proceedings brought against a Debtor of a Receivable for the amounts outstanding under the relevant Auto Loan, together with the relevant interest and expenses.

General Reserve Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

General Reserve Advance means the advance made under the General Reserve Subordinated Loan Agreement.

General Reserve Decrease Amount means, on any Payment Date, the positive difference (if any) between the General Reserve Required Amount, as calculated on the Calculation Date preceding the previous Payment Date and the General Reserve Required Amount, as calculated on the Calculation Date preceding such Payment Date.

General Reserve Final Utilisation Date means the earlier of (i) the Payment Date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, (ii) the Payment Date on which the aggregate Outstanding Balance of all Perfoming Receivables is reduced to zero, and (iii) the Legal Final Maturity Date.

General Reserve Interest Amount means, on each Settlement Date, an amount equal to the interest component of any Eligible Investments purchased from amounts standing to the credit of the General Reserve Account and any interest received on amounts standing to the credit of the General Reserve Account since the last Payment Date.

General Reserve Loan Facility has the meaning ascribed to such term in the General Reserve Subordinated Loan Agreement.

General Reserve Repayment Amount means, as calculated in respect of on any Payment Date, the lesser of (i) the General Reserve Decrease Amount and (ii) the outstanding of the General Reserve Advance.

General Reserve Replenishment Amount means the amount to be transferred to the General Reserve Account, so that the amount standing to the credit of the General Reserve Account shall be equal to the General Reserve Required amount applicable on that Payment Date.

General Reserve Required Amount means:

(a) on the Issue Date, Euro 7,420,000;

(b) on any Calculation Date during the Revolving Period, 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes;

(c) on any Calculation Date during the Amortisation Period, the lesser of:

(i) the General Reserve Required Amount determined on the last Calculation Date of the Revolving Period; and

(ii) the greater of (x) 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes and (y) an amount equal to Euro 500,000;

(d) on the General Reserve Final Utilisation Date, zero.

General Reserve Subordinated Loan Agreement means the general reserve subordinated loan agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the General Reserve Subordinated Loan Provider.

General Reserve Subordinated Loan Provider means BPSA, as Seller.

Guarantor means each person who has granted a related security or which assumed the obligations of a Debtor arising from an Auto Loan Contract.

Implementing Regulations means any rules, regulations and guidelines issued by the Bank of Italy or any other public authority and which implement the Securitisation Law, as amended, supplemented and integrated from time to time.

Individual Interest Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the amount of interest (calculated at the applicable Contractual Interest Rate) accrued and not yet due in respect of each such Receivable as of the Selection Date (included) immediately preceding such Purchase Date.

Individual Principal Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the Outstanding Balance of such Receivable as at the Selection Date (included) immediately preceding such Purchase Date.

Information Date means the date falling no later than 5 (five) Business Days following each Determination Date.

Initial Receivables means the Receivables to be assigned by the Seller to the Issuer on the First Purchase Date and identified in the first Transfer Offer.

Insolvency Event means in relation to a person any of the following:

(a) *Inability to pay debts*: such person:

(i) suspends payment or applies officially for suspension of payments of its debts generally or is unable or admits its inability to pay its debts generally as they fall due; or

(ii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or commences negotiations with one or more of its creditors with a view to rescheduling all or a substantial part of its financial indebtedness, including in the framework a "*piano attestato*" for the effects of article 67, paragraph 3 of the Italian Insolvency Act; or

(iii) has proceedings commenced against it with a view to the readjustment or rescheduling of any of its financial indebtedness which it would not otherwise be able to pay as it fell due, or is granted by a competent court or for the effect of statutory provisions, a moratorium in respect of all or a substantial part of its financial indebtedness; or

(b) *Insolvency proceedings*: such person:

(i) is adjudicated or found insolvent; or

(ii) has an order made against it by any competent court or passes a resolution for its winding-up or dissolution or for the appointment of a liquidator, administrator, trustee, receiver, administrative receiver or similar officer in respect of it or the whole or any substantial part of its assets; or

(iii) *Analogous proceedings*: any event occurs in relation to such person which under the laws of any jurisdiction has a similar or analogous effect to any of the events mentioned in paragraphs (a) or (b) below.

Insolvency Proceedings means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of-court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

Insolvent means a person which is subject to an Insolvency Event.

Instalment Due Date means, with respect to any Receivable, the date on which payment of principal and interest are due and payable under the relevant Auto Loan Contract.

Instalment means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be made by the Debtor on each date on which such instalment has to be paid under that Auto Loan Contract.

Intercreditor Agreement means the intercreditor agreement entered into on or prior the Issue Date between the Issuer, the Representative of the Noteholders and the other parties to the Transaction Documents.

Interest Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

Interest Component Purchase Price means, in respect of the Initial Receivables, the sum of the Individual Interest Component Purchase Price of each Initial Receivable and in respect of the Additional Receivables, the sum of the Individual Interest Component Purchase Price of each Additional Receivable.

Interest Determination Date has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate*).

Interest Period has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*), it being understood that the first Interest Period shall commence on the Issue Date (included) and shall end on the Payment Date falling in March 2018.

Interest Priority of Payments has the meaning ascribed to such term in Condition 4.1 (*Interest Priority of Payments during the Revolving Period and the Amortisation Period*).

Interest Rate has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*).

Issue Date means the date of the issuance of the Notes.

Issuer Accounts means the accounts opened in the name of the Issuer in the context of the Securitisation.

Issuer means Auto ABS Italian Loans 2018-1 S.r.l., a company incorporated under the laws of Italy as a *società a responsabilità limitata* with sole quotaholder, whose registered office is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Treviso-Belluno with Tax and VAT registration number 04906260262.

Issuer Secured Creditors means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Seller, the Servicer, the Paying Agent, the Account Banks, the Corporate Servicer, the Stichting Corporate Servicer, the General Reserve Subordinated Loan Provider, the Commingling Reserve Subordinated Loan Provider, the Swap Counterparty and the Notes Subscribers.

Issuer Security means the Security Interests created or purported to be created under the Deed of Charge, the Spanish Pledge Agreement and any additional Spanish pledge agreement entered into in accordance with the Intercreditor Agreement in favour of the Representative of the Noteholders for the benefit of the Issuer Secured Creditors.

Issuer Tax Event has the meaning ascribed to such term in Condition 6.3 (*Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*).

Italian Account Bank means the entity appointed from time to time as Italian account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, BNP Paribas Securities Services, Milan Branch.

Italian Banking Act means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

Italian Civil Code means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

Italian Financial Act means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

Italian Insolvency Act means Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

Legal Final Maturity Date means the legal final maturity date of the Notes, being 27 January 2032.

Master Receivables Transfer Agreement means the master receivables transfer agreement entered into on or prior to the Issue Date between the Issuer, the Seller, the Representative of the Noteholders and the Calculation Agent.

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

Monte Titoli means Monte Titoli S.p.A..

Monthly Commingling Withdrawal Amount means, on each Settlement Date, a drawing from the Commingling Reserve Account to be applied as Available Collections, if and to the extent the Servicer, during the immediately Collection Period, has failed to transfer to the Issuer any Collections received by the Servicer during (or with respect to) such Collection Period.

Monthly Prepayment Rate means the ratio of:

(a) the aggregate Outstanding Balance of the Performing Receivables which have been prepaid, as recorded during such Collection Period; and

(b) the aggregate of the Outstanding Balance of the Performing Receivables on the Determination Date of the immediately preceding Collection Period in respect of such Performing Receivables and of such Collection Period.

Monthly Scheduled Collection means, in respect of any Collection Period, the aggregate amount of Instalments of all Performing Receivables to be paid during such Collection Period.

Moody's means Moody's Investors Service, Inc..

Most Senior Class of Notes means:

(a) if any Class A Notes are outstanding, the Class A Notes;

(b) if any Class B Notes are outstanding and no Class A Notes are outstanding, the Class B Notes.

Net Swap Amounts means the net payments made to or from the Issuer in accordance with the terms of the Swap Agreement, disregarding any amount representing Swap Collateral and any Swap Tax Credit, Swap Termination Amount or Swap Replacement Premium.

New Car means (i) any car financed under the relevant Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is the first purchaser or (ii) a Demonstration Car.

Non-Conformity Rescission Amount means any amount to be paid by the Seller to the Issuer in respect of an Affected Receivable in accordance with clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Permitted Renegotiation means any amendment made or agreed by the Servicer in relation to the Auto Loan Contracts which is not a Permitted Renegotiation.

Non-Permitted Renegotiation Repurchase Date means the date specified as such in the Master Receivables Transfer Agreement.

Noteholder means, at any time, the holder of any Note.

Notes means the Class A Notes and the Class B Notes.

Notes Subscriber means any subscriber of the Notes on the Issue Date.

Obligor means any Debtor and/or Guarantor.

Other Issuer Secured Creditors means the Issuer Secured Creditors other than the Noteholders.

Outstanding Balance means, in respect of a Purchased Receivable and on any date, the remaining amount of principal due and payable by the relevant Debtor from and including such date in accordance with the applicable amortisation schedule of such Purchased Receivable on such date.

Paying Agent means any entity appointed as such from time to time as paying agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement.

Payment Business Day means a day which is a TARGET2 Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Milan (Italy), in London (United Kingdom), in Luxembourg or in Paris (France).

Payment Date means, in respect of any principal and/or interest payment in respect of the Notes, the 27th day of each month or the following Payment Business Day if that day is not a Payment Business Day, except where this should fall in the next calendar month, in which case it shall fall on the immediately preceding Payment Business Day. The first Payment Date will fall in March 2018.

Performing Receivable means any Purchased Receivable which is not a Defaulted Receivable.

Permitted Renegotiation means any of the following amendments to the Auto Loan Contract which the Servicer will be authorised to agree or make, provided that the same are made in accordance with and subject to the Servicing Agreement:

(a) a modification of the Instalment Due Date of the relevant Auto Loan Contract such that the modified Instalment Due Date falls within the same calendar month;

(b) any amendment in view to correct a manifest error during the life of the Auto Loan Contract or something that was not properly done at the time of origination of the Auto Loan Contract;

(c) any amendment which is of a formal, minor or technical nature;

(d) any amendment required by law or to reflect any guidance or pronouncement issued by any competent administrative, regulatory or judicial authority.

Portfolio means the Purchased Receivables and all other assets and rights related to such Purchased Receivables purported to be transferred, assigned or granted (including for that avoidance of doubt) the Ancillary Rights) to the Issuer pursuant to the Master Receivables Transfer Agreement and any Transfer Agreement.

Portfolio Performance Trigger means any of the following events:

(a) the Average Delinquency Ratio above 7.65%;

(b) the 3m Default Ratio is above 0.55%; and

(c) the occurrence of a Principal Deficiency Shortfall.

Post-Enforcement Period means the period from and including the first Payment Date falling on or after the date on which a Trigger Event Notice has been served and ending on the earlier of:

(a) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(b) the Legal Final Maturity Date.

Post-Enforcement Priority of Payments has the meaning ascribed to such term in Condition 4.4 (*Post-Enforcement Priority of Payments*).

Prepayment means any prepayment, made in whole or in part (including any prepayment indemnities), by any Obligor in respect of a Performing Receivable subject to the applicable provisions of the Auto Loan Contracts.

Principal Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Principal Amount Outstanding means, in respect of a Note on any date, the principal amount of such Note upon issue, *minus* the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

Principal Component Purchase Price means, in respect of any Receivables, the sum of the Individual Principal Component Purchase Price of each Receivable comprised in such Receivables.

Principal Deficiency Amount means:

(a) on the Issue Date, zero;

(b) on any Payment Date, an amount equal to the aggregate Outstanding Balance of all Purchased Receivables which became Defaulted Receivables during the Collection Period immediately preceding such Payment Date, *plus* any Available Principal Amount which has been utilised in accordance with item (a) (*first*) of the Principal Priority of Payments on any preceding Payment Date and which has not been transferred to the credit of the Principal Account on any Payment Date thereafter.

Principal Deficiency Shortfall means the event which occurs when, on a Payment Date during the Revolving Period or the Amortisation Period, the amount transferred from the Interest Account to the Principal Account in respect of principal deficiencies is less than the Principal Deficiency Amount.

Principal Payment has the meaning ascribed to such term in Condition 6.2 (*Redemption, Purchase and Cancellation - Mandatory pro rata redemption in whole or in part*).

Principal Priority of Payments has the meaning ascribed to such term in Condition 4.2 (*Principal Priority of Payments during the Revolving Period and the Amortisation Period*).

Priority of Payments means the relevant priority of payments indicated in the Conditions.

Private Debtor means each Debtor which is an individual (*persona fisica*) or a commercial debtor (*ditta individuale*) purchasing the relevant Car for private purposes.

Prospectus means the prospectus which will be issued by the Issuer in the context of the issue of the Notes.

Purchase Date means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).

Purchase Price means on any Purchase Date and in respect of each Purchased Receivable, the sum of (a) the Individual Interest Component Purchase Price and (b) the Individual Principal Component Purchase Price.

Purchased Receivable means a Receivable which has been purchased by the Issuer pursuant to the Master Receivables Transfer Agreement and (a) which remains outstanding and (b) which has not been repurchased by the Seller in accordance with the provisions of the Master Receivables Transfer Agreement and/or the Servicing Agreement.

Quota means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

Quotaholder means the holder of the Quota, being, as at the Issue Date, Stichting Passito.

Quotaholder's Agreement means the quotaholder's agreement entered into on or about the date hereof between the Issuer, the Quotaholder and the Representative of the Noteholders.

Rating Agencies means Fitch and DBRS.

Receivable means all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with an Auto Loan Contract, including, without limitation:

(a) all rights and claims in relation to the repayment of principal outstanding under such Auto Loan Contract;

(b) all rights and claims in relation to the payment of all interest (including default interest) under such Auto Loan Contract; and

(c) all the relevant Ancillary Rights.

Reference Banks means 3 (three) primary banks in the Euro-zone inter-bank market selected from time to time by the Issuer with the prior written consent of the Representative of the Noteholders.

Regulation 22 February 2008 means the resolution issued by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

Relevant Minimum Rating means at least two of the following: long-term unsecured, unsubordinated and unguaranteed debt ratings of at least BB- by S&P, BB by Fitch and Ba2 by Moody's.

Representative of the Noteholders means the entity appointed from time to time as representative of the noteholders in the context of the Securitisation.

Repurchase Amount means, in relation to Purchased Receivables to be retransferred by the Issuer to the Seller in the circumstances provided for under clause 13 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement, the aggregate of the Repurchase Price of such Receivables as of the relevant Repurchase Determination Date, together with the total of all costs and expenses reasonably incurred by the Issuer in relation to the retransfer of the Purchased Receivables.

Repurchase Determination Date means the Determination Date immediately preceding the relevant Non-Permitted Renegotiation Repurchase Date (in the circumstances indicated under clause 13 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement).

Repurchase Price Interest Component means an amount equal to the difference between the relevant Repurchase Price and the relevant Repurchase Price Principal Component.

Repurchase Price means, in relation to any Purchased Receivable, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

(a) for a Performing Receivable, the sum of:

(i) its Outstanding Balance, as of the relevant Repurchase Determination Date,

(ii) any interest accrued but unpaid as of such Repurchase Determination Date; and

(iii) any due but unpaid balance and other ancillary amounts in respect of such Purchased Receivable as of such Repurchase Determination Date; and

(b) for a Defaulted Receivable, its Defaulted Receivables Repurchase Price.

Repurchase Price Principal Component means, in relation to any Purchased Receivable, the principal component of the price to be paid by the Seller for the retransfer of that Receivable, being:

(a) for a Performing Receivable, its Outstanding Balance, as of the relevant Repurchase Determination Date; and

(b) for a Defaulted Receivable that has become a Defaulted Receivable since the Determination Date immediately prior to the relevant date of repurchase until the Repurchase Determination Date immediately preceding such date, the lower of its Defaulted Receivables Repurchase Price and its Defaulted Amount; and

(c) for a Defaulted Receivable that has become Defaulted Receivables prior to the Determination Date immediately prior to the relevant Repurchase Date, zero.

Required Amount means, as the case may be, the General Reserve Required Amount or the Commingling Reserve Required Amount.

Retention Amount means (a) with reference to the Issue Date, an amount equal to Euro 15,000 and (b) with reference to each Payment Date, an amount equal to Euro 20,000.

Revolving Period means the period from the Issue Date to (but excluding) the earlier of:

(a) the Scheduled Revolving Period End Date;

(b) the date on which an Amortisation Event occurs;

(c) the date on which an Accelerated Amortisation Event occurs; and

(d) the date on which a Trigger Event occurs.

Rules means the rules of the organisation of Noteholders set out in Schedule 1 of the Conditions.

S&P means Standard and Poor's Rating Services, a division of the McGraw Hill Companies.

SCF means Santander Consumer Finance S.A., a company incorporated under the laws of Spain as a *sociedad anónima* whose registered office is in Ciudad Grupo Santander at Avda. de Cantabria, s/n, Edificio 4 Pinar, 28660 Boadilla del Monte, Madrid (Spain), registered with the Bank of Spain under number 8,236 and with Spanish Tax Identification Number (NIF) A-28122570, having a share capital of Euro 5,338,638,516.

Scheduled Principal Payment means, in relation to each Determination Date and each Collection Period ending on such Determination Date, the scheduled principal payment as of the Instalment Due Date falling during such Collection Period, in accordance with the Amortisation Schedule.

Scheduled Revolving Period End Date means the Business Day immediately following the Payment Date falling in August 2019.

Screen Rate has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate*).

Securities Account means the account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Securitisation Assets has the meaning ascribed to such term in Condition 2 (*Status, segregation and ranking*).

Securitisation Law means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*) and the relevant Implementing Regulations, as amended and supplemented from time to time.

Securitisation means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

Security Interest means any mortgage, charge, pledge, lien, encumbrance, 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 and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Selection Date means the First Selection Date or any Subsequent Selection Date, as applicable.

Seller means BPSA.

Seller Event of Default means any of the following events:

(a) the Seller fails to make any payment, transfer or deposit when due as provided under the Transaction Documents and such failure remains unremedied for three Business Days;

(b) the Seller fails to perform or observe any term, covenant or agreement contained in the Transaction Documents and such failure, if capable of remedy, is not remedied within five Business Days after receipt by the Seller of a notice by the Issuer or the Representative of the Noteholders specifying such failure;

(c) any of the representations and warranties, certification or statement made by the Seller in any Transaction Document (other than in respect of the compliance of any Purchased Receivables with any Eligibility Criteria, in respect of which clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement shall apply) proves to be materially (other than to the extent that any representation warranty, certification or statement made by the Seller already contains any materiality qualifier) incorrect when made or deemed to be made and such breach, if capable of remedy, remains unremedied for ten Business Days after the earlier of the Seller (i) having become aware of such breach or (ii) having received notice from any Transaction Party specifying such failure;

(d) any financial indebtedness of BPSA (i) is not paid when due or within any applicable grace period in any agreement, document or instrument relating to that financial indebtedness or (ii) becomes due and payable, as a result of an event of default (howsoever described) which has not been remedied, and the aggregate of all such financial indebtedness in paragraphs (i) and (ii) above exceeds €30,000,000 (or its equivalent from time to time in other currencies);

(e) a Material Adverse Effect in relation to the Seller has occurred and is continuing; and

(f) an Insolvency Event occurs in relation to the Seller.

Servicer Collection Account Bank means Intesa Sanpaolo S.p.A.

Servicer Collection Account means the bank account opened by the Seller with the Servicer Collection Account Bank which is a segregated account (*conto corrente segregato*) for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law.

Servicer means the person appointed from time to time as servicer by the Issuer under the terms of the Servicing Agreement being, as at the Issue Date, BPSA.

Servicer Termination Event means each of the events set out under Schedule 5 (*Servicer Termination Events*) of the Servicing Agreement, following the occurrence of which, *inter alia*, the Issuer will have the right to terminate the Servicer's appointment

Servicing Agreement means the servicing agreement entered into on the date hereof between the Issuer and the Servicer.

Servicing Fees means the fees to be paid by the Issuer to the Servicer pursuant to the provisions of the Servicing Agreement.

Servicing Procedures means the servicing procedures set out in the Servicing Agreement.

Settlement Date means the date which is one Business Day before a Payment Date.

Solvency II Regulation means Regulation (EU) no. 35/2015 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (as amended, supplemented and/or replaced from time to time).

Spanish Account Bank means the entity appointed from time to time as Spanish account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, Banco Santander, S.A..

Spanish Pledge Agreement means the Spanish pledge agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties.

Specified Event means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

(a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

(b) the expiry of 10 (ten) days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination.

Stichting Corporate Services Agreement means the stichting corporate services agreement entered into on or about the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Servicer.

Stichting Corporate Servicer means Wilmington Trust SP Services (London) Limited, or any other entity from time to time acting as Stichting Corporate Servicer pursuant to the Stichting Corporate Services Agreement.

Stock Exchange means the Luxembourg Stock Exchange.

Subscription Agreement means any subscription agreement relating to the Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the relevant Notes Subscribers.

Subsequent Purchase Date means the day falling one Business Day after the Subsequent Selection Date.

Subsequent Selection Date means the day falling no later than 4 (four) Business Days after the Information Date.

Subsidised Interest Balance means, in respect of any Receivable:

(a) on any Purchase Date, an amount corresponding to the aggregate of all Subsidised Interest Instalment Amounts relating to the Instalment Due Dates falling in respect of such Receivable after the immediately preceding Selection Date;

(b) in respect of any Instalment Due Date following the Purchase Date on which that Receivable was purchased by the Issuer, an amount equal to the difference between:

(i) the Subsidised Interest Balance as defined in (a) below, relating to such Receivable as at the relevant Purchase Date; and

(ii) the sum of all Subsidised Interest Instalment Amounts relating to such Receivable paid out of the Additional Interest Account to the Issuer in accordance with clause 9 (Subsidised Amounts) of the Master Receivables Transfer Agreement.

Subsidised Interest Instalment Amount means, in respect of any Receivable in relation to which the Seller has entered into an Auto Loan Contract Subsidised Interest Arrangement, on any Instalment Due Date, an amount being determined as follows:

Subsidised Interest Balance* MIAAR,

where:

(a) in case the Contractual Interest Rate is higher than zero:

MIAAR is the Monthly Interest Amounts Amortisation Ratio as at an Instalment Due Date and is equal to: INEHR/ [(Instalment paid by the Debtor * number of remaining Instalments) – Outstanding Balance]; and

INEHR is the interest component of the Instalment and is equal to: (Contractual Interest Rate *1/12) * Outstanding Balance;

(b) in case the Contractual Interest Rate is zero:

MIAAR is the Monthly Interest Amounts Amortisation Ratio as at an Instalment Due Date and is equal to: 2/ (number of remaining Instalments + 1);

and where, in both cases:

(a) **Outstanding Balance** is the Outstanding Balance of each Receivable at the beginning of each Interest Period; and

(b) **Effective Interest Rate ("EIR")** is equal to: [INEHR + (Subsidised Interest Balance * MIAAR)] * 1200 / Outstanding Balance.

Swap Agreement means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and Schedule thereto, as published by the International Swaps and Derivatives Association, Inc., and as supplemented by a 1995 Credit Support Annex (Bilateral Form-Transfer), together with the confirmation evidencing the Swap Transaction, which shall be entered into between the Issuer and the Swap Counterparty on or about the Issue Date and any replacement swap agreement from time to time.

Swap Cash Collateral Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Swap Collateral Account Priority of Payments means the priority of payments set out in Condition 4.5(b) (*Payments to Connected Third Party Creditors and Swap Collateral Account Priority of Payments*), pursuant to which amounts standing to the credit of each Swap Collateral Account will be applied.

Swap Collateral Accounts means the Swap Cash Collateral Account and the Swap Securities Collateral Account.

Swap Collateral means any "Eligible Credit Support" (as defined in the Swap Agreement)delivered by the Swap Counterparty pursuant to the Swap Agreement.

Swap Counterparty means ING Bank N.V. and any replacement swap counterparty from time to time.

Swap Counterparty Rating Event means an "Additional Termination Event" arising as a result of the occurrence of a "DBRS First Trigger Rating Event", a "DBRS Second Trigger Rating Event" or a "Fitch Ratings Event", each as defined in the Swap Agreement.

Swap Replacement Premium means any amount payable to the Issuer by a replacement swap counterparty, or by a replacement swap counterparty to the Issuer, in consideration of the entry into a replacement swap agreement.

Swap Securities Collateral Account means the account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Swap Tax Credit has the meaning ascribed to the term "Tax Credit" in the Swap Agreement.

Swap Termination Amount means the amount payable by the Issuer to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the Issuer, upon termination of one or more transactions under the Swap Agreement, excluding any due but unpaid Net Swap Amounts owing to such Swap Counterparty thereunder.

Target2 Business Day means a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System is open.

Tax includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

Transaction Documents means the agreements entered into or which will be entered into in the context of the Securitisation.

Transaction Party means any party to the Transaction Documents.

Transfer Acceptance means any transfer acceptance executed by the Issuer in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 2 (*Form of Transfer Acceptance*) of the Master Receivables Transfer Agreement.

Transfer Offer means any transfer offer executed by the Seller in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 1 (*Form of Transfer Offer*) of the Master Receivables Transfer Agreement.

Trigger Event means any of the events set out under Condition 10 (*Trigger Events*).

Trigger Event Notice means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

Used Car means any car financed under an Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is not the first purchaser.

Utilisation Request means a request delivered by the Issuer to the Commingling Reserve Subordinated Loan Provider requesting a Commingling Reserve Advance and in the form set out in Schedule 1 (*Utilisation Request*) of the Commingling Reserve Subordinated Loan Agreement.

Variable Return means, in respect of the Class B Notes on any Payment Date:

(a) in case of application of the Interest Priority of Payments, the Available Interest Amounts after payment or provision for all items of the Interest Priority of Payments except item (r) (*eighteenth*); or

(b) in case of application of the Accelerated Amortisation Period Priority of Payments, the Available Distribution Amounts after payment or provision for all items of the Accelerated Amortisation Period Priority of Payments except item (r) (*eighteenth*);

(c) in case of application of the Post-Enforcement Priority of Payments, the amounts available to the Issuer in accordance with Condition 4.4 (*Order of Priority – Post-Enforcement Priority of Payments*) after payment or provision for all items of the Post-Enforcement Priority of Payments except item (q) (*seventeenth*).

These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule attached to the Intercreditor Agreement.

1. FORM, DENOMINATION, TITLE

1.1 The Notes are issued in bearer (*al portatore*) and dematerialised form (*emesse in forma dematerializzata*) and will be held by Monte Titoli in such form on behalf of the relevant Noteholders until redemption and cancellation thereof for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream and Euroclear in accordance with Article 83-bis of the Italian Financial Act, through the authorised institutions listed in Article 83-quater of the Italian Financial Act.

1.2 The denomination of the Notes will be Euro 100,000 and integral multiples of Euro 1,000 in excess thereof.

1.3 Title to the Notes will be evidenced by book entries in accordance with the provisions of (i) Article 83-bis of the Italian Financial Act, and (ii) Regulation 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the Notes.

1.4 Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the Noteholders and the Paying Agent shall (to the fullest extent permitted by applicable laws) be entitled to treat the Monte Titoli Account Holder, whose account is at the relevant time credited with a Note, as the absolute owner of such Note for all purposes (whether or not such Note shall be overdue and notwithstanding any notice to the contrary, any notice of ownership or writing thereon or notice of any previous loss or theft thereof or any interest therein) and shall not be liable for doing so.

1.5 The rights arising from the Deed of Charge and the Spanish Pledge Agreement in favour of the Noteholders which are incorporated in each of the Notes are transferred together with the transfer of any Note at the time of transfer of such Note. Each holder of any of the Notes from time to time will have the benefit of such rights.

1.6 Ownership of the Notes by a United States person may be subject to United States tax law restrictions. Any United States person who holds this obligation will be subject to limitations under United States income tax laws.

2. STATUS, SEGREGATION AND RANKING

2.1 The Notes constitute direct and limited recourse obligations of the Issuer. Payments of interest, principal and any other amounts under the Notes will be funded solely from the collections, recoveries and other proceeds under or in respect of the Portfolio, together with such other amounts as the Issuer may derive from and in accordance with the Transaction Documents (together, the **Securitisation Assets**).

2.2 The Notes benefit of the provisions of the Securitisation Law pursuant to which the Portfolio, the Collections, the Eligible Investments, the other Securitisation Assets and any other rights arising in favour of the Issuer under the Transaction Documents and, more generally, in respect of the Securitisation are segregated (*costituiscono patrimonio separato*) under Italian law from all other assets of the Issuer and from the assets relating to any other securitisation transaction carried out by it and will only be available, both before and after a winding-up of the Issuer, to satisfy the obligations of the Issuer to the Noteholders, the Other Issuer Secured Creditors and any Connected Third Party Creditor. The Notes have also the benefit of the security created or purported to be created pursuant to the Deed of Charge and the Spanish Pledge Agreement.

2.3 The Notes of each Class will at all times rank *pari passu* without preference or priority amongst themselves. The rights of the Noteholders in respect of the priority of payment of interest and principal and their ranking during the Revolving Period, the Amortisation Period, the Accelerated Amortisation Period and the Post-Enforcement Period are set out in Condition 4 (*Order of Priority*) and are subject to the provisions of the Intercreditor Agreement. Payments in respect of the Notes are in any event subordinated to certain prior ranking amounts due from the Issuer as set out in Condition 4 (*Order of Priority*) and are subject to the provisions of the Intercreditor Agreement.

2.4 The rights, claims and remedies of the Noteholders of each Class and of each Other Issuer Secured Creditor in respect of the obligations owed by the Issuer to the Noteholders of such Class and each such Other Issuer Secured Creditor, as the case may be, in respect of the Issuer Security and the Portfolio and other Securitisation Assets shall at all times (whether before or after the service of a Trigger Event Notice) be subordinated to the rights, claims and remedies of all the Noteholders, all Other Issuer Secured Creditors and all Connected Third Party Creditors whose rights, claims and remedies in respect of (i) the obligations owed by the Issuer to such creditor(s) and/or (ii) the Issuer Security and/or (iii) the Portfolio and/or (iv) the other Securitisation Assets rank by operation of law or are expressed pursuant to these Conditions or the Intercreditor Agreement to rank in priority to the rights, claims and remedies of the Noteholders of such Class and/or of such Other Issuer Secured Creditor, as the case may be. Furthermore, each Noteholder and each Other Issuer Secured Creditor

agrees and acknowledges that until all sums required by these Conditions and the terms of the Intercreditor Agreement to be paid in priority thereto have been paid or discharged in full (and then if and only to the extent that the Issuer shall have funds available to pay such amounts and shall be permitted to pay such amounts in accordance with these Conditions and the terms of the Intercreditor Agreement together with all other amounts payable *pari passu* therewith), no amount payable by the Issuer to any Noteholder or any Other Issuer Secured Creditor under these Conditions or under any other Transaction Document shall be capable of becoming payable, nor shall it be paid or discharged to it.

2.5 The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other parties to the Transaction Documents.

3. COVENANTS

Subject to the proviso below, for so long as any amount remains outstanding in respect of the Notes of any Class, the Issuer, save with the prior written consent of the Representative of the Noteholders, or as expressly provided in these Conditions or in any of the Transaction Documents, shall not, nor shall cause or permit (to the extent permitted by Italian law) quotaholder's meetings to be convened in order to:

(a) *Negative pledge and non-disposal*

create or permit to subsist any Security Interest of any kind (other than the Issuer Security or unless arising by operation of law) over any of its property, assets or undertakings, present or future, the Portfolio, or the other Securitisation Assets or sell, lend, or otherwise dispose of all or any part of its property, assets or undertakings, present or future, the Issuer Security, the Portfolio, or the other Securitisation Assets;

(b) *Use of property*

use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property, assets or undertakings, present or future, the Issuer Security, the Portfolio, or the other Securitisation Assets or any interest, right or benefit in respect of any thereof or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;

(c) *Restrictions on activities*

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide for, or envisage that the Issuer may engage in, or any other activity necessary in connection therewith or incidental thereto, *provided that* any activities of the Issuer in connection with its regulatory obligations or those of each Swap Counterparty under EMIR as a consequence of entering into the Swap Agreements shall not be restricted hereunder;

(ii) have any subsidiary or affiliate (*società controllata* or *società collegata* within the meaning of Article 2359 of the Italian Civil Code), participations in other companies or subsidiary undertakings of any other nature or have any employees or premises; or

(iii) at any time approve or agree or consent to any act or thing whatsoever which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Notes or the Transaction

Documents or do, or permit to be done, any act or thing in relation thereto which in the opinion of the Representative of the Noteholders is materially prejudicial to the interests of the Noteholders or any Class thereof under the Transaction Documents;

(d) *Dividends and distributions*

pay any dividend or make any other distribution or repayment to its quotaholders, issue any further shares or otherwise increase its share capital other than when so required by applicable law;

(e) *Borrowings*

create, incur or permit to subsist any indebtedness whatsoever in respect of borrowed money whatsoever or give any guarantee or indemnity or become obliged in respect of indebtedness or of any obligation of any person;

(f) *Merger*

amalgamate, consolidate or merge with any other person or convey or transfer its properties or assets substantially or in their entirety to any other person;

(g) *No variation or waiver*

permit (i) any of the Transaction Documents to which it is a party to become invalid or ineffective; (ii) the priority of the Issuer Security to be amended, released, postponed or discharged or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of, any such Transaction Documents; or (iii) permit any party to any of such Transaction Documents or any other person whose obligations form part of the Issuer Security to be released from its obligations;

(h) *Bank accounts*

with the exception of the account where the quota capital of the Issuer has been deposited, have an interest in any bank account other than the Issuer Accounts, unless that account or interest is charged by way of security on terms acceptable to the Representative of the Noteholders (or the Representative of the Noteholders has waived such requirement);

(i) *Statutory documents*

amend, supplement or otherwise modify its deed of incorporation (*atto costitutivo*) and/or by-laws (*statuto*) other than when so required by applicable law or by any regulatory authority having jurisdiction over it;

(j) *Separateness*

permit or consent to any of the following occurring:

(i) its books and records relating to the Securitisation being maintained with or co-mingled with those of any other person or entity;

(ii) its bank accounts relating to the Securitisation and the debts represented thereby being co-mingled with those of any other person or entity;

(iii) its assets or revenues relating to the Securitisation being co-mingled with those of any other person or entity; or

(iv) its business being conducted other than in its own name;

and, in addition and without limitation to the above, the Issuer shall or shall procure that, with respect to itself:

(A) separate financial statements in relation to its financial affairs and the Securitisation are maintained;

(B) all corporate formalities with respect to its affairs are observed in compliance with the Securitisation Law;

(C) separate stationery, invoices and cheques are used in respect of the Securitisation;

(D) it always holds itself out as a separate entity and constantly ensure distinction and separateness between the Securitisation and its other financial affairs; and

(E) any known misunderstandings regarding its separate identity and the distinction between the Securitisation and its other financial affairs are corrected as soon as possible;

(k) *Compliance with applicable law*

cease to comply with any applicable law or any necessary corporate formality;

(l) *Residency and centre of main interests*

become resident, including without limitation for tax purposes, in any country outside Italy or cease to be managed and administered in Italy or cease to have its centre of main interests in Italy;

(m) *Further securitisations*

enter into further securitisations in addition to the Securitisation,

provided that nothing in this Condition 3 shall prevent or restrict the Issuer from carrying out any activity which is incidental to maintaining its corporate existence and complying with laws and regulations applicable to it or order of any competent authority.

4. ORDER OF PRIORITY

4.1 Interest Priority of Payments during the Revolving Period and the Amortisation Period

On each Payment Date during the Revolving Period and the Amortisation Period, the Issuer shall apply or procure the application of the Available Interest Amounts in the following order of priority (the **Interest Priority of Payments**), in each case, only if and to the extent that payments (or retentions of sums) of a higher priority have been made in full, *provided that* (A) the General Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (l) below; (B) the Commingling Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (m) below; (C) any Commingling Reserve Decrease Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (o) below; and (D) any Swap Tax Credit will be paid directly to the relevant Swap Counterparty outside the Interest Priority of Payments:

(a) *first*, *pari passu* and *pro rata*, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor to the extent that such costs, taxes and expenses are not met by utilising the amounts standing to the credit of the Expenses Account, (ii) all costs and taxes required to be paid to maintain the rating of the Notes and in connection with the listing, registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(b) *second*, in or towards satisfaction of payment of the fees, expenses and all other amounts due to the Representative of the Noteholders;

(c) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Banks, the Paying Agent, the Corporate Servicer and the Stichting Corporate Servicer, (ii) the Servicing Fees due and payable to the Servicer;

(d) *fourth*, in or towards transfer into the Expenses Account of the amount (if any) necessary to ensure that the balance standing to the credit of the Expenses Account is equal to the Retention Amount;

(e) *fifth*, in or towards satisfaction of the payment of (i) any Net Swap Amounts due to the Swap Counterparties under the Swap Agreements and (ii) to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments, any Swap Termination Amount(s) owing to a Swap Counterparty (other than any Swap Termination Amount referred to in item (j) below);

(f) *sixth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class A Notes Interest Amounts due and payable on such Payment Date;

(g) *seventh*, in or towards satisfaction of the transfer to the General Reserve Account of the General Reserve Replenishment Amount;

(h) *eighth*, in or towards satisfaction of the transfer to the credit of the Principal Account of an amount equal to the Principal Deficiency Amount as calculated in respect of such Payment Date;

(i) *ninth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of any amount due and payable to the Arranger pursuant to the Class A Notes Subscription Agreement;

(j) *tenth*, to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments, in or towards satisfaction of the payment of any Swap Termination Amounts due to each relevant Swap Counterparty pursuant to the Swap Agreement, if the relevant early termination results from an "Event of Default" in respect of which such Swap Counterparty is the "Defaulting Party" (each as defined in the Swap Agreement) or a Swap Counterparty Rating Event;

(k) *eleventh*, in or towards satisfaction of the payment of the Interest Component Purchase Price of the Purchased Receivables due and payable on such Payment Date or of any portion of Interest Component Purchase Price of the Purchased Receivables remaining unpaid on such Payment Date;

(l) *twelfth*, in or towards satisfaction of the General Reserve Interest Amount due and payable to the General Reserve Subordinated Loan Provider as at such Payment Date;

(m) *thirteenth*, in or towards satisfaction of the Commingling Reserve Interest Amount due and payable to the Commingling Reserve Subordinated Loan Provider as at such Payment Date;

(n) *fourteenth*, in or towards repayment to the General Reserve Subordinated Loan Provider of any General Reserve Repayment Amount under the General Reserve Subordinated Loan Agreement;

(o) *fifteenth*, in or towards repayment to the Commingling Reserve Subordinated Loan Provider of any Commingling Reserve Repayment Amount under the Commingling Reserve Subordinated Loan Agreement;

(p) *sixteenth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of any other amount due and payable to the Seller and the Other Issuer Secured Creditors pursuant to the Transaction Documents to which they are, respectively, a party, to the extent not already paid under this Interest Priority of Payments and not to be paid pursuant to the Principal Priority of Payments;

(q) *seventeenth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;

(r) *eighteenth*, *pari passu* and *pro rata*, in or towards satisfaction of the payment of the Variable Return on the Class B Notes.

4.2 Principal Priority of Payments during the Revolving Period and the Amortisation Period

On each Payment Date during the Revolving Period and the Amortisation Period, the Issuer shall apply or procure the application of the Available Principal Amount in the following order of priority (the **Principal Priority of Payments**), in each case, only if and to the extent that payments (or retentions of sums) of a higher priority have been made in full:

(a) *first*, in or towards satisfaction of the payments referred to in paragraphs (a) (first) to (f) (sixth) (inclusive) of the Interest Priority of Payments, to the extent that such payments are not made in full in accordance with the Interest Priority of Payments;

(b) *second*, *pari passu* and *pro rata*, in or towards satisfaction of the Class A Notes Amortisation Amount due to the Class A Noteholders;

(c) *third*, in or towards satisfaction of the payment to the Seller of the Principal Component Purchase Price of each Additional Receivable purchased on the Subsequent Purchase Date preceding such Payment Date;

(d) *fourth*, after redemption in full of the Class A Notes, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Amortisation Amount due to the Class B Noteholders;

(e) *fifth*, for as long as the Class B Notes are outstanding, any remaining amounts on the Principal Account, to be applied as Available Principal Amounts on the following Payment Date;

(f) *sixth*, upon repayment in full of the Class B Notes, to transfer any residual balance to the Interest Account, to be applied as Available Interest Amounts on the following Payment Date.

4.3 Priority of Payments during the Accelerated Amortisation Period

During the Accelerated Amortisation Period and in case of early redemption in the circumstances provided for under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) and Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), the Available Interest Amounts and the Available Principal Amounts shall be applied by or on behalf of the Issuer in the following order of priority (the **Accelerated Amortisation Period Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full, *provided that* (A) the Commingling Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (m) below; (B) any Commingling Reserve Decrease Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (n) below; and (C) any Swap Tax Credit will be paid directly to the relevant Swap Counterparty outside the Accelerated Amortisation Period Priority of Payments:

(a) *first*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or in connection with the winding-up of the Issuer or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, (ii) all costs and taxes required to be paid to maintain the listing and rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(b) *second*, in or towards satisfaction of the fees, expenses and all other amounts due and payable to the Representative of the Noteholders;

(c) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Banks, the Paying Agent, the Corporate Servicer and the Stichting Corporate Servicer, (ii) the Servicing Fees due and payable to the Servicer;

(d) *fourth*, in or towards satisfaction of the payment of (i) any Net Swap Amounts due to the Swap Counterparties under the Swap Agreements and (ii) to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments, any Swap Termination Amount(s) owing to a Swap Counterparty (other than any Swap Termination Amount referred to in item (i) below);

(e) *fifth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class A Notes Interest Amounts due and payable on such Payment Date;

(f) *sixth*, in or towards satisfaction of the transfer to the General Reserve Account of the General Reserve Replenishment Amount;

(g) *seventh*, *pari passu* and *pro rata*, in or towards redemption in full of the Class A Notes;

(h) *eighth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of any amount due and payable to the Arranger pursuant to the Class A Notes Subscription Agreement;

(i) *ninth*, to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments, in or towards satisfaction of the payment of any Swap Termination Amounts due to each relevant Swap Counterparty pursuant to the Swap

Agreement, if the relevant early termination results from an "Event of Default" in respect of which such Swap Counterparty is the "Defaulting Party" (each as defined in the Swap Agreement) or a Swap Counterparty Rating Event;

(j) *tenth*, in or towards payment to the Seller of any amount of Purchase Price under the Purchased Receivables remaining unpaid;

(k) *eleventh*, in or towards satisfaction of the General Reserve Interest Amount due and payable to the General Reserve Subordinated Loan Provider as at such Payment Date;

(l) *twelfth*, in or towards repayment to the General Reserve Subordinated Loan Provider of the General Reserve Advance outstanding under the General Reserve Subordinated Loan Agreement;

(m) *thirteenth*, in or towards satisfaction of the Commingling Reserve Interest Amount due and payable to the Commingling Reserve Subordinated Loan Provider as at such Payment Date;

(n) *fourteenth*, in or towards repayment to the Commingling Reserve Subordinated Loan Provider of any Commingling Reserve Repayment Amount under the Commingling Reserve Subordinated Loan Agreement;

(o) *fifteenth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;

(p) *sixteenth*, after redemption in full of the Class A Notes, *pari passu* and *pro rata*, in or towards redemption in full of the Class B Notes;

(q) *seventeenth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of any other amount due and payable to the Seller and any other Transaction Party pursuant to the Transaction Documents to which it is a party, to the extent not already paid under this Priority of Payments; and

(r) *eighteenth*, *pari passu* and *pro rata*, to the payment of the Variable Return to the Class B Noteholder.

4.4 Post-Enforcement Priority of Payments

Following service of a Trigger Event Notice, all amounts received or recovered by the Issuer and/or the Representative of the Noteholders in respect of the Purchased Receivables and the proceeds of enforcement of the Issuer Security (after the transfer to the Principal Account of (a) all amounts standing to the credit of the Interest Account, the General Reserve Account and the Collection Account (if any), (b) the aggregate of the Subsidised Interest Instalment Amounts which have arisen during the immediately preceding Collection Period in respect of all relevant Performing Receivables, (c) the Commingling Reserve Interest Amount and (d) any Commingling Reserve Decrease Amount) shall be applied by or on behalf of the Issuer or the Representative of the Noteholders (as the case may be), as follows (the **Post-Enforcement Priority of Payments**), in each case, only if and to the extent that payments of a higher priority have been made in full, *provided that* (A) the Commingling Reserve Interest Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (l) below; (B) any Commingling Reserve Decrease Amount shall be utilised for the sole purposes of making the payment of any amount due and payable under item (m) below; and (C) any Swap Tax Credit will be paid directly to the relevant Swap Counterparty outside the Post-Enforcement Priority of Payments:

(a) *first*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) all costs, taxes and expenses required to be paid in order to preserve the corporate existence of the Issuer or to maintain it in good standing or in connection with the winding-up of the Issuer or to comply with applicable legislation and regulations or to be paid by any applicable law to any Connected Third Party Creditor, (ii) all costs and taxes required to be paid to maintain the listing and rating of the Class A Notes and in connection with the registration and deposit of the Notes, or any notice to be given to the Noteholders or the other parties to the Transaction Documents;

(b) *second*, in or towards satisfaction of the fees, expenses and all other amounts due to the Representative of the Noteholders;

(c) *third*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of (i) the fees, expenses and all other amounts due and payable to the Cash Manager, the Calculation Agent, the Account Banks, the Paying Agent, the Corporate Servicer and the Stichting Corporate Servicer, (ii) the Servicing Fees due and payable to the Servicer;

(d) *fourth*, in or towards satisfaction of the payment of (i) any Net Swap Amounts due to the Swap Counterparties under the Swap Agreements and (ii) to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments, any Swap Termination Amount(s) owing to a Swap Counterparty (other than any Swap Termination Amount referred to in item (h) below);

(e) *fifth*, *pari passu* and *pro rata*, in or towards satisfaction of all Class A Notes Interest Amounts due and payable on such Payment Date;

(f) *sixth*, *pari passu* and *pro rata*, in or towards redemption in full of the Class A Notes;

(g) *seventh*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards payment of any amount due and payable to the Arranger pursuant to the Class A Notes Subscription Agreement;

(h) *eighth*, to the extent such amounts are not paid in full in accordance with the Swap Collateral Account Priority of Payments, in or towards satisfaction of the payment of any Swap Termination Amounts due to each relevant Swap Counterparty pursuant to the Swap Agreement, if the relevant early termination results from an "Event of Default" in respect of which such Swap Counterparty is the "Defaulting Party" (each as defined in the Swap Agreement) or a Swap Counterparty Rating Event;

(i) *ninth*, in or towards payment to the Seller of any amount of Purchase Price under the Purchased Receivables remaining unpaid;

(j) *tenth*, in or towards satisfaction of the General Reserve Interest Amount due and payable to the General Reserve Subordinated Loan Provider as at such Payment Date;

(k) *eleventh*, in or towards repayment to the General Reserve Subordinated Loan Provider of the General Reserve Advance outstanding under the General Reserve Subordinated Loan Agreement;

(l) *twelfth*, in or towards satisfaction of the Commingling Reserve Interest Amount due and payable to the Commingling Reserve Subordinated Loan Provider as at such Payment Date;

(m) *thirteenth*, in or towards repayment to the Commingling Reserve Subordinated Loan Provider of any Commingling Reserve Repayment Amount under the Commingling Reserve Subordinated Loan Agreement;

(n) *fourteenth*, *pari passu* and *pro rata*, in or towards satisfaction of the Class B Notes Interest Amounts due and payable on such Payment Date;

(o) *fifteenth*, after redemption in full of the Class A Notes, *pari passu* and *pro rata*, in or towards redemption in full of the Class B Notes;

(p) *sixteenth*, *pari passu* and *pro rata* according to the respective amounts thereof, in or towards satisfaction of any other amount due and payable to the Seller and any other Transaction Party pursuant to the Transaction Documents to which it is a party, to the extent not already paid under this Priority of Payments; and

(q) *seventeenth*, *pari passu* and *pro rata*, to the payment of the Variable Return to the Class B Noteholder.

4.5 Payments to Connected Third Party Creditors and Swap Collateral Account Priority of Payments

(a) During each Interest Period, the Issuer shall apply the amounts standing to the credit of the Expenses Account (or procure that the same are applied) to pay or provide for the amounts under item (a) (*first*) (i) of the Interest Priority of Payments or item (a) (*first*) (i) of the Accelerated Amortisation Period Priority of Payments (as the case may be), provided that, to the extent the amounts standing to the credit of the Expenses Account have been insufficient to pay or provide for such expenses during the relevant Interest Period, the Issuer shall pay such expenses on the immediately following Payment Date, in accordance with the applicable Priority of Payments. After the Payment Date on which the Notes have been redeemed in full and/or cancelled, the Issuer shall apply the amounts remaining on the Expenses Account (or procure that the same are applied) to pay any such known expenses not yet paid and any expenses falling due after such Payment Date.

(b) Any Swap Collateral Account shall be operated by the Calculation Agent in accordance with the following priority of payments (the **Swap Collateral Account Priority of Payments**) and the Swap Agreement:

(i) prior to the designation of an Early Termination Date in respect of all transactions under the Swap Agreement, solely in or towards payment of any amounts (including any return amounts, interest amounts and distributions under the relevant credit support annex) due to the relevant Swap Counterparty (or the relevant tax authorities, in respect of Taxes due by the Issuer in respect of the Swap Collateral (if any));

(ii) following the designation of an Early Termination Date in respect of all transactions under the Swap Agreement where the relevant Swap Counterparty is the Defaulting Party or there has been a Swap Counterparty Rating Event and the Issuer enters into a replacement swap agreement or any novation of a Swap Counterparty's obligations to a replacement swap counterparty, in the following order of priority:

(A) *first*, in or towards payment of any Swap Replacement Premium due to the replacement swap counterparty;

(B) *second*, in or towards payment of any Swap Termination Amount due to the outgoing Swap Counterparty; and

(C) *third*, the surplus (if any) remaining thereafter on such day to be transferred to the Collection Account to be applied in accordance with the then applicable Priority of Payments;

(iii) following the designation of an Early Termination Date in respect of all transactions under the Swap Agreement other than (x) where the relevant Swap Counterparty is the Defaulting Party or (y) where there has been a Swap Counterparty Rating Event, and the Issuer enters into a replacement swap agreement or any novation of a Swap Counterparty's obligations to a replacement swap counterparty, in the following order of priority:

(A) *first*, in or towards payment of any Swap Termination Amount due to the outgoing Swap Counterparty;

(B) *second*, in or towards payment of any Swap Replacement Premium due to the replacement swap counterparty; and

(C) *third*, the surplus, (if any) remaining thereafter on such day to be transferred to the Collection Account to be applied in accordance with the then applicable Priority of Payments;

(iv) following the designation of an Early Termination Date in respect of all transactions under the Swap Agreement for any reason where the Issuer does not enter into a replacement Swap Agreement on or around the Early Termination Date in or towards payment of any Swap Termination Amount due to the outgoing Swap Counterparty;

(v) following payments of amounts due pursuant to (iv) above, if amounts remain standing to the credit of the relevant Swap Collateral Account, such amounts may be applied only in accordance with the following provisions:

(A) *first*, in or towards payment of any amount payable to a replacement swap counterparty on the Issuer entering into such replacement swap agreement with such swap counterparty when found at a later date; and

(B) *second*, the surplus (if any) on such day to be transferred to the Collection Account to be applied in accordance with the applicable Priority of Payments;

provided that if the Issuer does not enter into a replacement swap agreement on or prior to the earlier of:

I. the day that is 5 (five) calendar days prior to the date on which the Principal Amount Outstanding of the relevant Class A Notes is expected to be reduced to zero (other than following the giving of a Trigger Event Notice); or

II. the day on which a Trigger Event Notice is given,

then the amount standing to the credit of such Swap Collateral Account on such day shall be transferred to the Collection Account as soon as reasonably practicable thereafter and shall form part of the Available Distribution Amounts applicable on the following Payment Date.

4.6 Deferral under the applicable Priority of Payments

Without prejudice to the provisions contained in these Conditions relating to payments in respect of the Notes (including Condition 5.7 (*Interest Deferral*) and Condition 10 (*Trigger Events*)), in the event and to the extent that the aggregate funds available to the Issuer in accordance with the

provisions of the applicable Priority of Payments are insufficient to pay any amount due and payable on any Payment Date in accordance with such Priority of Payments, such shortfall will not be payable on that Payment Date but will be deferred and become payable on the succeeding Payment Dates if and to the extent that the aggregate funds then available to the Issuer in accordance with the applicable Priority of Payments are sufficient to pay such amount. No interest will be payable on any amount so deferred.

5. RIGHT TO INTEREST

5.1 Right to interest, Payment Dates and Interest Periods

(a) Each Note bears interest on its Principal Amount Outstanding from (and including) the Issue Date at the rate per annum (expressed as a percentage) equal to the Class A Notes Interest Rate in respect of the Class A Notes and the Class B Notes Interest Rate in respect of the Class B Notes (the **Interest Rate**). Subject as provided in Condition 5.7 (*Right to Interest – Interest Deferral*), interest in respect of each Note shall fall due and be payable in Euro in arrears on each Payment Date in an amount equal to the Interest Amount (as defined in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*)), subject to the applicable Priority of Payments.

(b) In these Conditions, **Interest Period** shall mean the period from (and including) the Issue Date to (but excluding) the first Payment Date and each successive period from (and including) a Payment Date to (but excluding) the next succeeding Payment Date. The first Payment Date shall be the Payment Date falling in March 2018 in respect of the first Interest Period.

(c) Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360-day year.

(d) Interest shall only cease to accrue on any part of the Principal Amount Outstanding of any of the Notes of each Class from (and including) the due date for redemption of such part unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon, subject only to Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*), interest shall continue to accrue on such principal (after as well as before judgment) at the rate from time to time applicable to the Note of the relevant Class until whichever is the earlier of (i) the date on which all amounts due in respect of such Note up to that date are received by or on behalf of the relevant Noteholder; and (ii) the Cancellation Date.

5.2 Interest Rate

(a) The interest rate applicable to the Notes shall be determined by the Calculation Agent on the 2nd (second) Business Day immediately preceding the beginning of the relevant Interest Period (the **Interest Determination Date**).

(b) The Class A Notes Interest Rate for each Interest Period will be equal to Euribor (as defined below) plus the Base Margin, subject to a floor of zero.

(c) The Class B Notes Interest Rate for each Interest Period will be equal to 1.50 per cent. per annum.

(d) For the purpose of these Conditions,

Euribor means:

(i) the rate offered in the Euro-zone inter-bank market for 1-month Euro deposits (save that for the first Interest Period the rate will be obtained upon linear interpolation of Euribor for 1-

month and Euribor for 2-months Euro deposits) which appears on Bloomberg page EUR0001M index (or, in respect to the Euribor for 2-month, on Bloomberg page EUR002M) in the menu MMCV1 (the **Screen Rate**) or (I) such other page as may replace the Bloomberg page EUR0001M index in the menu MMCV1 on that service for the purpose of displaying such information or (II) if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Representative of the Noteholders) as may replace the Bloomberg page EUR0001M index at or about 10:00 am (London time) on the relevant Interest Determination Date; or

(ii) if the Screen Rate is unavailable at such time for 1-month Euro deposits, then the rate for any relevant period shall be the arithmetic mean (rounded to four decimal places with the mid-point rounded upwards) of the rates notified to the Calculation Agent at its request by each of the Reference Banks as the rate at which 1-month Euro deposits 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 am (London time) on the relevant Interest Determination Date; or

(iii) if, at that time, the Screen Rate is unavailable and only two of the Reference Banks provide such offered quotations to the Calculation Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; or

(iv) if, at that time, the Screen Rate is unavailable and only one or none of the Reference Banks provides the Calculation Agent with such an offered quotation, the relevant rate shall be the rate in effect for the immediately preceding period to which one of paragraphs (i) or (ii) above shall have applied.

(e) To the extent permitted by law, there shall be no maximum Interest Rate in respect of the Notes.

5.3 Calculation of Interest Amount, Aggregate Interest Amount and Variable Return

(a) On each Calculation Date, the Calculation Agent shall calculate the amount of interest in Euro payable on each Note of each Class (the **Interest Amount**) and on the aggregate number of Notes of each Class (the **Aggregate Interest Amount**) in respect of each relevant Interest Period.

(b) The Interest Amount payable on each such Note in respect of any Interest Period shall be calculated by (A) applying the applicable Interest Rate to the Principal Amount Outstanding of that Note on the relevant Payment Date (or, in the case of the first Interest Period, the Issue Date) at the commencement of such Interest Period (after deducting therefrom the payments which have been made on that Payment Date); (B) multiplying the product of such calculation by the actual number of days in the relevant Interest Period; (C) dividing that amount by 360; and (D) rounding the resulting amount downward to the nearest cent. The Aggregate Interest Amount shall be calculated by multiplying the Interest Amount of each Note of each such Class by the actual number of Notes of that Class.

(c) The Calculation Agent will calculate, on any Calculation Date, the Variable Return that may be payable in respect of the Class B Notes (and on each Class B Note) on the immediately following Payment Date.

(d) The calculation of Interest Amount, Aggregate Interest Amount and Variable Return made by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

5.4 Notification of Interest Amount, Variable Return and Payment Date

(a) The Calculation Agent will cause (A) the Interest Amount, (B) the Aggregate Interest Amount, (C) the relevant Payment Date and (D) the amount of Variable Return to be notified, on each Calculation Date, to the Issuer, the Representative of the Noteholders, the Paying Agent, the Cash Manager and Monte Titoli, and, for so long as the Class A Notes are listed on the Stock Exchange, the Paying Agent will cause (i) the Interest Amount and the Aggregate Interest Amount in respect of the Class A Notes and (B) the relevant Payment Date to be published in accordance with Condition 14 (*Notices*) as soon as possible after notification to the Paying Agent thereof.

(b) The Interest Amount and the Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or in the event of manifest error.

(c) If the Notes become due and payable under Condition 10 (*Trigger Events*), the Interest Amount and the Aggregate Interest Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 5, but no notification of the Interest Amount and the Aggregate Interest Amount so calculated need be made to Monte Titoli, unless the Representative of the Noteholders otherwise require.

5.5 Determination or calculation by Representative of the Noteholders

(a) If the Calculation Agent does not at any time for any reason determine the Interest Amount for one or more Classes of Notes in accordance with the foregoing provisions of this Condition 5, the Representative of the Noteholders shall determine the Interest Amount for the relevant Class of Notes in the manner specified in Condition 5.3 (*Right to Interest – Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*) and notify, as required, the amounts specified in accordance with Condition 5.4 (*Right to Interest – Notification of Interest Amount, Variable Return and Payment Date*).

(b) Any such determination and/or calculation and/or notification shall be deemed to have been made by the Calculation Agent.

5.6 Paying Agent

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be a Paying Agent. The Paying Agent may resign in accordance with the provisions of the Cash Allocation, Management and Payment Agreement. The Issuer shall be obliged to appoint a relevant replacement prior to such resignation becoming effective. The appointment of any replacement shall be subject to the prior approval of the Representative of the Noteholders (in accordance with the terms of the Transaction Documents). The Issuer shall procure that any change in the identity of the Paying Agent will be published as soon as reasonably practicable in accordance with Condition 14 (*Notices*).

5.7 Interest Deferral

(a) Payments of interest on the Notes (other than the Most Senior Class of Notes) then outstanding will be subject to deferral to the extent that there are insufficient funds available to the Issuer for those purposes on any Payment Date in accordance with the applicable Priority of Payments to pay in full the amount of interest which would otherwise be payable on the Notes (other than the Most Senior Class of Notes) then outstanding. The amount by which the aggregate amount of interest paid on each Class of Notes on any Payment Date in accordance with this Condition 5 falls short of the aggregate amount of interest which otherwise would be payable on the relevant Notes on that date shall be aggregated with the amount of, and treated for the purposes of, this Condition 5, as if it were interest due on each such Class of Notes and, subject as provided below, payable on the next succeeding Payment Date. No interest will be payable on any amount so deferred.

(b) If, on the Legal Final Maturity Date, or any other later date until the Cancellation Date (or on any earlier date of redemption of the relevant Class of Notes in full), there remains any such shortfall, the amount of such shortfall will become due and payable on the Legal Final Maturity Date or any other later date until the Cancellation Date (or, in the case of any earlier redemption of the relevant Class of Notes in full, on the date of such earlier redemption).

6. REDEMPTION, PURCHASE AND CANCELLATION

6.1 Final Redemption

(a) Unless previously redeemed in full as provided in this Condition 6, the Issuer shall (subject to and in accordance with the relevant Priority of Payments) redeem the Notes at their Principal Amount Outstanding (plus any accrued but unpaid interest) on the Legal Final Maturity Date. If the Notes cannot be redeemed in full on the Legal Final Maturity Date, as a result of the Issuer having insufficient funds available to it in accordance with these Conditions for application in or towards such redemption (including the proceeds of any sale of the Portfolio or any enforcement of the Issuer Security), any unpaid amount, whether in respect of interest, principal or other amounts in relation to the Notes, shall remain outstanding and these Conditions shall continue to apply in full in respect of the Notes until the earlier of (i) the date on which the Notes are redeemed in full and (ii) the Cancellation Date, at which date, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Issuer, any amount outstanding, whether in respect of interest, principal or other amounts in respect of the Notes, shall be finally and definitively cancelled.

(b) The Issuer may not redeem the Notes of any Class in whole or in part prior to the Legal Final Maturity Date except as provided below in Condition 6.2 (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*), 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) or 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*), but this shall be without prejudice to Condition 11 (*Enforcement*).

6.2 Mandatory pro rata redemption in whole or in part

(a) If, on any Payment Date, the Available Distribution Amounts can be applied for such purpose in accordance with the applicable Priority of Payments, then the Issuer shall apply the relevant Available Distribution Amounts in redeeming the Notes in whole or in part on such Payment Date during the Amortisation Period in accordance with the applicable Priority of Payments.

(b) The Issuer shall give or cause to be given, not less than 2 (two) Business Days prior to the relevant Payment Date, notice of any redemption under Condition 6.2(a) (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*) above and the *pro rata* amount thereof to the Representative of the Noteholders, the Paying Agent and the Noteholders in accordance with Condition 14 (*Notices*).

(c) The principal amount redeemable on any Payment Date under Condition 6.2(a) (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*) above (the **Principal Payment**) shall be calculated by the Calculation Agent as follows:

(i) in respect of each Class A Note, by (X) dividing the Class A Notes Amortisation Amount by the number of Class A Notes outstanding on such Payment Date; and (Y) rounding the resulting amount downward to the nearest cent;

(ii) in respect of each Class B Note, by (X) dividing the Class B Notes Amortisation Amount by the number of Class B Notes outstanding on such Payment Date; and (Y) rounding the resulting amount downward to the nearest cent.

6.3 Redemption for Issuer Tax Event

(a) Subject as provided in this Condition 6.3, prior to the service of a Trigger Event Notice, the Issuer may redeem at its option all, but not some only of, the Notes (or all the Class A Notes and part of the Class B Notes, as applicable) at their Principal Amount Outstanding (plus any accrued but unpaid interest) in accordance with the Accelerated Amortisation Period Priority of Payments and subject to the Issuer having sufficient funds to redeem (i) all the Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, provided that the Class B Noteholders have consented to such partial redemption of the Class B Notes, if, by reason of a change in the laws of the Republic of Italy or the interpretation or administrative practice in respect thereof after the Issue Date:

(i) the *patrimonio separato* of the Issuer in respect of the Securitisation becomes subject to 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 or any applicable taxing authority having jurisdiction; or

(ii) either the Issuer or any paying agent appointed in respect of the Notes or any custodian of the Notes is required to deduct or withhold any amount (other than in respect of a Decree 239 Withholding) in respect of any Class of Notes, from any payment of principal or interest on such Payment Date for or on account of 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 or any other applicable taxing authority having jurisdiction and provided that such deduction or withholding may not be avoided by appointing a replacement paying agent or custodian in respect of the Notes before the Payment Date following the change in law or the interpretation or administration thereof; or

(iii) any amounts of interest payable on the Auto Loans to the Issuer are required to be deducted or withheld from the Issuer or the relevant payor for or on account of 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 or any other applicable taxing authority having jurisdiction,

each such event, an **Issuer Tax Event**.

(b) The Issuer's right to redeem in the manner described above shall be subject to:

(i) it giving not more than 25 nor less than 10 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Paying Agent and the Noteholders, pursuant to Condition 14 (*Notices*), of its intention to redeem all, but not some only, of the Notes (or the Class A Notes, as applicable) on the next succeeding Payment Date at their Principal Amount Outstanding together with interest accrued to but excluding the date of such redemption; and

(ii) it providing to the Representative of the Noteholders:

(A) a legal opinion (in form and substance satisfactory to the Representative of the Noteholders) from a firm of lawyers of international reputation (approved in writing by the Representative of the Noteholders) opining on the relevant change in, or amendment to, the laws or regulations or the relevant change in the official interpretation of the laws or regulations thereof; and

(B) a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge its obligations under (i) all the Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes; or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, provided that the Class B Noteholders have consented to such partial redemption of the Class B Notes and such consent has been evidenced in writing to the Issuer and the Representative of the Noteholders.

(c) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) is entitled to dispose of the Portfolio in order to finance the redemption of the Notes (or the Class A Notes, as applicable) in the circumstances described above. The Issuer shall apply the proceeds of the sale of the Portfolio and all other Available Distribution Amounts in or towards redeeming the Notes (or the Class A Notes, as applicable) together with all interest accrued thereon subject to and in accordance with Condition 4.3 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*).

(d) Following the occurrence of an Issuer Tax Event, the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

6.4 Early redemption at the option of the Issuer

(a) Subject as provided in this Condition 6.4, on any Payment Date prior to the service of a Trigger Event Notice, if, as at the immediately preceding Determination Date, the aggregate Outstanding Balance of the Performing Receivables is equal to or less than 10% of the Outstanding Balance of the Portfolio as at the Issue Date (such relevant Payment Date, the **Clean Up Option Date**), the Issuer may redeem at its option (the **Clean Up Option**) all, but not some only of, the Notes (or all the Class A Notes and part of the Class B Notes, as applicable) at their Principal Amount Outstanding (plus any accrued but unpaid interest).

(b) The Issuer's right to redeem in the manner described above shall be subject to:

(i) it giving not more than 25 nor less than 10 days' written notice (which notice shall be irrevocable) to the Representative of the Noteholders, the Paying Agent and the Noteholders, pursuant to Condition 14 (*Notices*), of its intention to redeem all, but not some only, of the Notes (or the Class A Notes, as applicable) on the next succeeding Payment Date at their Principal Amount Outstanding together with interest accrued to (but excluding) the date of such redemption in accordance with the Accelerated Amortisation Period Priority of Payments; and

(ii) it providing to the Representative of the Noteholders a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) to the effect that it will have sufficient funds on such Payment Date to discharge its obligations under all the Class A Notes and to make all payments ranking in priority thereto, or *pari passu* therewith, together with any additional taxes payable by the Issuer by reason of such early redemption of the Notes; or (ii) all the Class A Notes and part of the Class B Notes and to make all payments ranking in priority thereto, or *pari passu* therewith.

(c) The Issuer (and the Representative of the Noteholders acting in the name and on behalf of the Issuer) shall be entitled to dispose of the Portfolio in order to finance the redemption of the Notes (or the

Class A Notes, as applicable) in the circumstances described above. The Issuer shall apply the proceeds of the sale of the Portfolio and all other Available Distribution Amounts in or towards redeeming the Notes (or the Class A Notes, as applicable) together with all interest accrued thereon subject to and in accordance with Condition 4.3 (*Order of Priority – Priority of Payments during the Accelerated Amortisation Period*).

(d) Upon the Issuer having exercised its Clean Up Option, the Seller shall have the right to repurchase, and the Issuer shall be obliged to sell, all (but not part of) the outstanding Receivables owned by the Issuer, subject to the relevant conditions provided for under the Master Receivables Transfer Agreement being met.

6.5 Class A Notes Amortisation Amount, Class B Notes Amortisation Amount, Principal Payments and Principal Amount Outstanding

On each Calculation Date, the Issuer shall determine or shall cause to be determined by the Calculation Agent the amounts to be calculated in respect of the Notes under this Condition 6, including:

(a) the Class A Notes Amortisation Amount applicable on the next following Payment Date in respect of the Class A Notes and the Class B Notes Amortisation Amount applicable on the next following Payment Date in respect of the Class B Notes;

(b) the Principal Payment (if any) due on the next following Payment Date in respect of each Note of each Class; and

(c) the Principal Amount Outstanding of each Note of each Class on the next following Payment Date (after deducting any Principal Payment due to be made on that Payment Date).

Each determination by or on behalf of the Issuer in respect of the any of the amounts indicated above shall in each case (in the absence of manifest error) be final and binding on all parties.

The Issuer will, on each Calculation Date, cause each determination of a Principal Payment (if any) and the Principal Amount Outstanding to be notified forthwith by the Calculation Agent to the Representative of the Noteholders, the Paying Agent and Monte Titoli and (for so long as the Class A Notes are listed on the Stock Exchange) the Stock Exchange and will cause notice of each determination of a Principal Payment and the Principal Amount Outstanding to be given in accordance with Condition 14 (*Notices*).

Subject as provided in the Transaction Documents, if the Issuer or the Calculation Agent does not at any time for any reason determine the Class A Notes Amortisation Amount, the Class B Notes Amortisation Amount, the Principal Payments and the Principal Amount Outstanding in accordance with the preceding provisions of this paragraph, such Class A Notes Amortisation Amount, Class B Notes Amortisation Amount, Principal Payments and/or Principal Amount Outstanding shall be determined by the Representative of the Noteholders (or, without prejudice to the Representative of the Noteholders' obligation to make such determination, such other person as it may instruct for this purpose) in accordance with this paragraph and each such determination or calculation shall be deemed to have been made by the Issuer and shall in each case (in the absence of manifest error) be final and binding on all parties.

6.6 Notice of redemption

Any such notice as is referred to in Conditions 6.2(a) (*Redemption, Purchase and Cancellation – Mandatory pro rata redemption in whole or in part*), 6.3 (*Redemption, Purchase and Cancellation –*

Redemption for Issuer Tax Event), or 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*) above shall (i) be published in accordance with Condition 14 (*Notices*) and (ii) be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes of the relevant Class at amounts specified in this Condition 6.

6.7 No purchase by Issuer

The Issuer may not purchase any of the Notes.

6.8 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

7. PAYMENTS

(a) Payments of principal and interest in respect of the Notes deposited with Monte Titoli will be credited, according to the instructions of Monte Titoli, by or on behalf of the Issuer to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes, and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes. Payments made by or on behalf of the Issuer according to the instructions of Monte Titoli to the accounts with Monte Titoli of the banks and authorised brokers whose accounts are credited with those Notes will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes. Alternatively, the Paying Agent may arrange for payments of principal and interest in respect of the Notes to be made to the Noteholders through Euroclear and Clearstream, Luxembourg to be credited to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Payments made by or on behalf of the Issuer to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of the Notes, in accordance with the rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg will relieve the Issuer *pro tanto* from the corresponding payment obligations under the Notes.

(b) Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other applicable laws, regulations and directives in the place of payment or other laws to which the Issuer or its agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 8 (*Taxation*).

(c) If the due date for payment of any amount of interest or principal in respect of any Note is not a local business day in a relevant jurisdiction, then the relevant Noteholder will not be entitled to payment until the immediately succeeding local business day and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.

(d) The Issuer may at any time (with the prior written approval, not to be unreasonably withheld, of the Representative of the Noteholders), vary or terminate the appointment of the Paying Agent and appoint a substitute subject to the terms of the Cash Allocation, Management and Payment Agreement. Notice of any such termination or appointment will be given to the Noteholders in accordance with Condition 14 (*Notices*).

In this Condition 7, the expression **local business day** means a day (other than a Saturday or a Sunday or a public holiday) (i) on which banks are generally open for business to the public in the place where the registered office of any Monte Titoli Account Holder is located and, in the case of payment by transfer to an account maintained by the payee in a different place, in such place; and (ii) which is a Payment Business Day.

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer will be made 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 Withholding or any other withholding or deduction required to be made by applicable law. Neither the Issuer nor any other person shall be obliged to pay any additional amount to any Noteholder on account of such withholding or deduction.

9. PRESCRIPTION

Claims against the Issuer for payments in respect of the Notes shall be prescribed and become void unless made within 10 (ten) years (in the case of principal) or 5 (five) years (in the case of interest) from the appropriate Relevant Date. In this Condition 9, **Relevant Date** in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all Notes due on or before that date has not been duly received by the Paying Agent on or prior to such date) the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

10. TRIGGER EVENTS

10.1 The occurrence of any of the following events shall constitute a **Trigger Event**:

(a) **Non payment of interest**: default is made by the Issuer in respect of any payment of Interest Amount on the Most Senior Class of Notes on the relevant Payment Date, which default or non-payment shall have continued unremedied for a period of 3 (three) Payment Business Days; or

(b) **Non payment of principal**: default is made in respect of any repayment of (i) principal due on the Most Senior Class of Notes on the Legal Final Maturity Date or any other date of early repayment pursuant to Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) or Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*); or (ii) principal when due and payable on the Most Senior Class of Notes (provided that the Issuer has sufficient Available Distribution Amounts available to it to make such payment in accordance with the applicable Priority of Payments), which default or non-payment shall have continued unremedied for a period of 3 (three) Payment Business Days; or

(c) **Breach of Obligations**: breach is made by the Issuer of a covenant, undertaking, financial obligation (other than a payment default pursuant to paragraphs (a) and (b) above) or other material obligation as set out in any of the Transaction Documents and such default remains unremedied for a period of 5 (five) Business Days after the earlier of the Issuer (i) becoming aware of such breach and (ii) having received notice by the Representative of the Noteholders specifying such breach; or

(d) **Breach of Representations and Warranties**: any representation, warranty, certification or statement made by the Issuer in any of the Transaction Documents proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, remains unremedied for 10 (ten) Business Days after the earlier of the Issuer (i) becoming aware of such breach and (ii) having received notice by the Representative of the Noteholders specifying such breach; or

(e) **Insolvency Proceedings**: the Issuer institutes or has instituted against it Insolvency Proceedings under applicable laws; or

(f) **Arrangement of indebtedness**: other than in respect of the Issuer Secured Creditors, the Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(g) **Unlawfulness**: it is or will become unlawful in any respect for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any Transaction Document to which it is a party, any obligation of the Issuer under any of the Transaction Documents ceases to be legal, valid, binding and enforceable or any Transaction Document or any obligation contained therein is not effective or is alleged by the Issuer to be ineffective for any reason; or

(h) **Invalid Security**: any Security Interest purported to be created under the Issuer Security pursuant to the Deed of Charge and/or the Spanish Pledge Agreement is or becomes invalid, ineffective or unenforceable.

10.2 Following the occurrence of a Trigger Event, the Representative of the Noteholders (in accordance with the terms of the Transaction Documents):

(a) shall, in case of the Trigger Events set out under items (a), (b), (e), (f), (g) and (h) of paragraph 10.1 above;

(b) shall, to the extent requested by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, in the case of the Trigger Events set out under items (c) and (d) of paragraph 10.1 above,

serve a Trigger Event Notice to the Issuer declaring the Notes to be due and repayable, whereupon the Notes shall become immediately due and repayable at their Principal Amount Outstanding and all payments due to be made by the Issuer will be made in accordance with the Post-Enforcement Priority of Payments.

10.3 The Noteholders hereby irrevocably appoint, as from the date hereof and with effect on the date on which the Notes shall become due and payable following the service of a Trigger Event Notice, the Representative of the Noteholders as their exclusive agent (*mandatario esclusivo*) to receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes shall become due and payable and all payments due to be made by the Issuer will be made in accordance with the Post-Enforcement Priority of Payments.

11. ENFORCEMENT

At any time after the Notes have become due and repayable following the service of a Trigger Event Notice and without prejudice to the Representative of the Noteholders' right to enforce the Deed of Charge, the Spanish Pledge Agreement and the relevant Issuer Security:

(a) the Representative of the Noteholders may, at its discretion and without further notice, (in accordance with the terms of the Transaction Documents) take such steps and/or institute such proceedings against the Issuer as it thinks fit to direct the Issuer to take any action in relation to the Portfolio and to enforce the Issuer Security and to enforce repayment of the Notes and payment of accrued interest thereon and any other amounts owed but unpaid by the Issuer, but it shall not be bound to take any such proceedings or steps unless it shall have been directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or so requested in writing by the holders of at least 75 per cent. of the aggregate of the

Principal Amount Outstanding of the Most Senior Class of Notes and, in all cases, it shall have been indemnified and/or secured to its satisfaction; and

(b) the Representative of the Noteholders shall become entitled to dispose of the Portfolio in whole or in part, *provided that* the Representative of the Noteholders will not be entitled to dispose of the assets of the Issuer or any part thereof unless either:

(i) a sufficient amount would be realised to allow payment in full of all amounts owing to the holders of the Class A Notes after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments; or

(ii) the Representative of the Noteholders is of the reasonable opinion, which shall be binding on the Noteholders and the Other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of a merchant or investment bank or other financial adviser selected by the Representative of the Noteholders (and if the Representative of the Noteholders is unable to obtain such advice having made reasonable efforts to do so, this Condition 11.1(a)(b) shall not apply) that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Class A Notes after payment of all other claims ranking in priority to the Class A Notes in accordance with the Post-Enforcement Priority of Payments, it being understood that the Representative of the Noteholders shall not be bound to make the determination indicated above unless the Representative of the Noteholders shall have been indemnified and/or secured to its satisfaction against all fees, costs, expenses and liabilities to which it may thereby become liable or which it may incur by so doing.

12. REPRESENTATIVE OF THE NOTEHOLDERS

12.1 The Representative of the Noteholders is the legal representative (*rappresentante legale*) of the Noteholders in accordance with these Conditions, the Rules and the other Transaction Documents.

12.2 Pursuant to the Rules, for as long as any Note is outstanding, there will at all times be a Representative of the Noteholders. The appointment of the Representative of the Noteholders, as legal representative of the organisation of the Noteholders, is made by the Noteholders subject to and in accordance with the Rules. However, the initial Representative of the Noteholders has been appointed at the time of issue of the Notes by the initial Notes Subscribers under the Subscription Agreement. Each Noteholder is deemed to accept such appointment.

13. LISTING AND ADMISSION TO TRADING

Application has been made to list on the official list of the Luxembourg Stock Exchange and to admit to trading on its regulated market the Class A Notes. The Class B Notes shall not be listed on any stock exchange.

14. NOTICES

14.1 So long as the Notes are held by Monte Titoli on behalf of the authorised financial intermediaries and/or their customers, notices to the Noteholders may be given through the systems of Monte Titoli.

14.2 So long as the Class A Notes are listed on the Stock Exchange and the rules of the Stock Exchange so require, any notice to Noteholders shall also be published on the website of the Stock Exchange

(www.bourse.lu) (for the avoidance of doubt, such website does not constitute part of the Prospectus). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in a newspaper as referred to above.

14.3 In addition, so long as the Class A Notes are listed on the Stock Exchange, any notice regarding the Class A Notes to the relevant Noteholders shall be given in any other manner as required by the regulation applicable from time to time, including, in particular, Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the **Transparency Directive**).

14.4 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.

15. AMENDMENTS, WAIVERS AND CONSENTS

The Rules contain provisions relating to the powers of the Representative of the Noteholders to make amendment or modification to these Conditions or any of the Transaction Documents or authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, it being understood that unless the Representative of the Noteholders agrees otherwise, any such amendment, modification, waiver or authorisation shall be notified to the Noteholders, in accordance with Condition 14 (*Notices*), as soon as practicable after it has been made.

16. DETERMINATIONS CONCLUSIVE

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Conditions, whether by the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders shall, in the absence of manifest error, be binding on the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders and on all the Noteholders and the Other Issuer Secured Creditors and (in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*)) no liability to the Noteholders shall attach to the Calculation Agent, the Issuer, the Paying Agent or the Representative of the Noteholders in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

17. NON PETITION AND LIMITED RECOURSE

17.1 Without prejudice to the right of the Representative of the Noteholders to enforce the Issuer Security or to exercise any of its other rights or remedies under the Transaction Documents, none of the Noteholders shall be entitled to institute against the Issuer, or join any other person in instituting against the Issuer, any reorganisation, liquidation, bankruptcy, Insolvency Proceedings or similar proceedings until one year and one day has elapsed since the later of the day on which the Notes have been paid (or cancelled) in full.

17.2 None of the Noteholders or any Other Issuer Secured Creditor will have any right or entitlement to the Issuer's assets other than such of the proceeds of the Issuer Security and the Portfolio and the other Securitisation Assets as are available to the Issuer for this purpose in accordance with these Conditions and the Transaction Documents. Each Noteholder and each Other Issuer Secured Creditor further acknowledges that the limited recourse nature of the Notes produces the effect under Italian law of a *contratto aleatorio* and accepts the consequences thereof, including the consequences of Article 1469 of the Italian Civil Code.

17.3 If:

(a) following the service of a Trigger Event Notice and following the enforcement of the Issuer Security and the exercise by the Representative of the Noteholders or any other person so entitled of its rights to direct the Issuer and/or to take any action in respect of the Portfolio and any asset or amount derived therefrom; or

(b) on the Legal Final Maturity Date (but subject in any case to the provisions of Condition 6.1 (*Redemption, Purchase and Cancellation – Final Redemption*)), the aggregate funds available to the Issuer in accordance with the provisions of the relevant Priority of Payments for application in or towards any payment obligation (for the purposes of this Condition 17, the **Relevant Obligation**) on the Notes of any Class (for the purposes of this Condition 17, the **Relevant Notes**) or in respect of any obligation owed to any Transaction Party under any Transaction Document (for the purposes of this Condition 17, the **Relevant Document**), which, but for the operation of this Condition 17, would be due and payable, are not sufficient to pay in full the aggregate amount which, but for the operation of this Condition 17, would be due and payable on the Relevant Notes or under the Relevant Document in respect of the Relevant Obligations on the relevant date, then, notwithstanding any other provision in these Conditions or of any Transaction Document, only a *pro rata* share of the funds which are available to make payments in respect of the Relevant Obligation on the Relevant Notes or under the Relevant Document, as the case may be, shall be due and payable on any Relevant Note or under the Relevant Document, respectively, on the relevant date subject to and in accordance with the applicable Priority of Payments and the balance of the amount outstanding in respect of the Relevant Obligation on the Relevant Notes or under the Relevant Document which, but for the operation of this Condition 17, would be due and payable, shall cease to be due and payable and shall be definitively cancelled.

17.4 The *pro rata* amount due and payable in respect of any Relevant Obligation under the Relevant Notes shall be calculated by multiplying the amounts available to make payments in respect of the Relevant Obligation on the Relevant Note by a fraction, the numerator of which is the Principal Amount Outstanding of such Relevant Note and the denominator of which is the aggregate Principal Amount Outstanding of all the Relevant Notes of the relevant Class, rounding down the resultant figure to the nearest Euro cent.

18. GOVERNING LAW AND JURISDICTION

18.1 Governing law

The Notes, these Conditions, the Rules and the other Italian law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, Italian law. The English law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, are governed by, and shall be construed in accordance with, English law. The Spanish Pledge Agreement is governed by, and shall be construed in accordance with, Spanish law.

18.2 Jurisdiction

(a) The Courts of Milan are to have exclusive jurisdiction to settle any disputes that may arise out of, or in connection with, the Notes, these Conditions, the Rules and the other Italian law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, and any non-contractual obligation arising out or in connection therewith, may be brought in such courts. The Issuer has in each of the Italian law Transaction Documents irrevocably submitted to the jurisdiction of such courts.

(b) The Courts of England and Wales are to have jurisdiction to settle any disputes that may arise out of or in connection with the English law Transaction Documents, and any non-contractual obligation arising out or in connection therewith, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, and any non-contractual obligation arising out or in connection therewith, may be brought in such courts. The Issuer has in each of the English law Transaction Documents irrevocably submitted to the jurisdiction of such courts.

(c) The Courts and Tribunals of Madrid are to have jurisdiction to settle any disputes that may arise out of or in connection with the Spanish Pledge Agreement, and, accordingly, any legal action or proceedings arising out thereof, or in connection therewith, may be brought in such courts and tribunals. The Issuer has in the Spanish Pledge Agreement irrevocably submitted to the jurisdiction of such courts and tribunals.

SCHEDULE 1

RULES OF THE ORGANISATION OF NOTEHOLDERS

PART 1

GENERAL PROVISIONS

1. GENERAL

The organisation of the Noteholders is created concurrently with the issue and the subscription of the Notes, it is governed by these Rules of the Organisation of Noteholders (the **Rules**), and it shall remain in force and in effect until full repayment and cancellation of the Notes.

The contents of these Rules are deemed to form part of each Note issued by the Issuer.

2. DEFINITIONS

In these Rules, the following terms shall have the following meanings:

24 Hours means a period of 24 hours including all or part of a day upon which banks are open for business in the place where the Meeting is to be held and in the place where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one or, to the extent necessary, more periods of 24 hours until there is included all or part of a day upon which banks are open for business, as above;

48 Hours means two consecutive periods of 24 Hours;

Basic Terms Modification means:

(a) a modification of the Legal Final Maturity Date;

(b) a modification which would have the effect of cancelling or postponing any date for payment of interest on the Notes;

(c) a modification which would have the effect of reducing or cancelling the amount of principal payable in respect of any Class of Notes or the interest rate applicable in respect of any Class of Notes;

(d) a modification which would have the effect of altering the method of calculating the amount of interest or such other amounts payable to the holders of any Class of Notes;

(e) a modification which would have the effect of altering the majority required to pass a Resolution provided for under paragraph 12 (*Passing of Ordinary resolution or Extraordinary Resolution*) below or the quorum required at any Meeting provided for under paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) below;

(f) a modification which would have the effect of altering the currency of payment in respect of any Class of Notes or any alteration of the date or priority of payment or redemption of any Class of Notes;

(g) a modification which would have the effect of altering the authorisation or consent by the Noteholders, as holders of the Issuer Security, to applications of funds as provided for in the Transaction Documents;

(h) the appointment and removal of the Representative of the Noteholders; and

(i) an amendment of this definition;

Blocked Notes means the Notes which have been blocked in an account with the Monte Titoli Account Holder for the purposes of obtaining (i) a Voting Certificate or (ii) if applicable, a Blocked Voting Instruction and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

Blocked Voting Instruction means, in relation to any Meeting, a document issued by the Paying Agent:

(a) confirming that, on the basis of the Voting Certificate shown by the relevant Noteholder, the Blocked Notes have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting or any adjournment of such Meeting (if any);

(b) stating that, on the basis of the Voting Certificate shown by the relevant Noteholder, the relevant holder of each Blocked Note has requested that (i) 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 and (ii) one or more Proxies named therein are authorised to vote on its behalf in respect of the Blocked Notes in accordance with such instructions; and

(c) attaching the relevant Voting Certificate;

Chairman means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 6 (*Chairman of the Meeting*);

Class of Notes means (a) the Class A Notes; or (b) the Class B Notes, as the context requires;

Extraordinary Resolution means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 18 (*Powers exercisable by an Extraordinary Resolution*) of Part 2 of these Rules;

Issuer's Rights means the Issuer's right, title and interest in and to the Receivables, any rights that the Issuer has acquired under the Transaction Documents and any other rights that the Issuer has acquired against the Representative of the Noteholders and any Other Issuer Secured Creditors (including any applicable guarantors or successors) or third parties for the benefit of the Noteholders in connection with the Securitisation;

Meeting means a meeting of the Relevant Class of Noteholders (whether originally convened or resumed following an adjournment);

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream and Euroclear;

Ordinary Resolution means a resolution of a Meeting of the Relevant Class of Noteholders, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by paragraph 17 (*Powers Exercisable by an Ordinary Resolution*);

Proxy means, in relation to any Meeting, a person (who need not to be a Noteholder) indicated under a Blocked Voting Instruction as the person entitled to vote in a Meeting in accordance with the instructions reproduced in such Blocked Voting Instruction;

Relevant Class of Noteholders means (a) the Class A Noteholders; and/or (b) the Class B Noteholders or a combination of the Class A Noteholders and the Class B Noteholders, as the context requires;

Relevant Fraction means:

(a) for voting on any Ordinary Resolution, (i) one-tenth of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) one-tenth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes);

(b) for voting on any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) two-thirds of the Principal Amount Outstanding of that Class of Notes (in case of a meeting of a particular Class of Notes), or (ii) two-thirds of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(c) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), three-quarters of the Principal Amount Outstanding of the Notes of the relevant Class of Notes;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum, it means:

(d) for voting on any Ordinary Resolution or any Extraordinary Resolution other than one relating to a Basic Terms Modification, (i) one-twentieth of the Principal Amount Outstanding of the Notes of that Class of Notes (in case of a Meeting of a particular Class of Notes), or (ii) one-twentieth of the Principal Amount Outstanding of all relevant Classes of Notes (in case of a joint Meeting of a combination of Classes of Notes); and

(e) for voting on any Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Relevant Class of Noteholders), one-third of the Principal Amount Outstanding of the relevant Class of Notes;

Resolution means each of the Ordinary Resolution and the Extraordinary Resolution, as the context may require;

Voter means, in relation to any Meeting, the holder of a Blocked Note;

Voting Certificate means, in relation to any Meeting, a certificate issued by the Monte Titoli Account Holder under the Monte Titoli system pursuant to Regulation 22 February 2008 and dated, stating:

(a) that, on the date thereof, on request of the relevant Noteholder the Blocked Notes have been blocked in an account with a clearing system or the depository Monte Titoli Account Holders (under the Monte Titoli system in accordance with Regulation 22 February 2008) and will not be released until the conclusion of the Meeting specified in such Voting Certificate or any adjournment of such Meeting (if any);

(b) listing the ISIN code or other suffix or identification number of the Blocked Notes;

(c) the principal outstanding amount of the Blocked Notes; and

(d) that the bearer of such certificate (named therein) is entitled to attend and vote at the Meeting or to request the issue of a Blocked Voting Instruction in respect of the Blocked Notes;

Written Resolution means a Resolution in writing signed by or on behalf of all Noteholders who at that time are entitled to participate in a Meeting in accordance with the provisions of these Rules, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such Noteholders.

Capitalised terms not defined in these Rules shall have the meanings attributed to them in the Conditions.

3. ORGANISATION PURPOSE

Each holder of the Notes becomes a member of the organisation of the Noteholders upon subscription or purchase of the relevant Notes.

The purpose of the organisation of the Noteholders is to co-ordinate the exercise of the rights of the Noteholders and the taking of any action for the protection of their interests.

In these Rules, any reference to **Noteholders** shall be considered as a reference to the Class A Noteholders and/or the Class B Noteholders, as the case may be.

PART 2

THE MEETING OF NOTEHOLDERS

1. GENERAL

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 of Notes, whether or not present at such Meeting and whether or not voting.

The following provisions shall apply while Notes of two or more Classes of Notes are outstanding:

(a) business which, in the opinion of the Representative of the Noteholders, affects only one Class of Notes shall be transacted at a separate Meeting of the holders of the Notes of such Class of Notes;

(b) business which, in the opinion of the Representative of the Noteholders, affects more than one Class of Notes shall be transacted either at separate Meetings of the holders of each such Class of Notes or at a single Meeting of the holders of each of such Classes of Notes as the Representative of the Noteholders shall determine in its absolute discretion, provided however that (i) each time that in the opinion of the Representative of the Noteholders there is an actual or potential conflict of interest between the holders of one Class of Notes and the holders of any other Class of Notes, or (ii) an Extraordinary Resolution relating to Basic Terms Modifications shall be taken, the relevant Resolution shall be transacted, proposed and adopted at separate Meetings of the holders of each Class of Notes.

In this subparagraph **business** includes (without limitation) the passing or rejection of any Resolution.

In relation to each Class of Notes:

(i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the other Class of Notes (if any);

(ii) any Ordinary Resolution or Extraordinary Resolution involving any matter other than a Basic Terms Modification that is passed by the holders of the Class A Notes shall be binding on the Class B Notes, irrespective of the effect thereof on their interests;

(iii) no Resolution involving any matter that is passed by the holders of the Class B Notes shall be effective on the holders of the Class A Notes unless it is sanctioned by an Extraordinary Resolution of the holders of the Class A Notes.

2. ISSUE OF VOTING CERTIFICATES AND BLOCKED VOTING INSTRUCTIONS

In order to provide evidence of its entitlement to attend a Meeting and/or vote in that Meeting (also by way of a Written Resolution or through a Proxy), any Noteholder shall request to the Monte Titoli Account Holder the issue of Voting Certificates. Should the Noteholder want that the vote is casted in a particular way and that a Proxy votes on its behalf on the relevant Meeting, shall require the Paying Agent (providing it with the relevant Voting Certificate) to issue a Blocked Voting Instruction instructing how the vote shall be casted and the appointed Proxy, in each case by arranging for their Notes to be blocked in an account with a clearing system not later than 48 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders.

A Voting Certificate or a Blocked Voting Instruction shall be valid until the conclusion of the Meeting or any adjournment of such Meeting (if any), when the Blocked Notes to which it relates shall be released.

So long as a Voting Certificate or a Blocked Voting Instruction is valid, the bearer of it (in the case of a Voting Certificate) or any Proxy named in it (in the case of a Blocked 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.

3. VALIDITY OF BLOCKED VOTING INSTRUCTIONS

A Blocked Voting Instruction shall be valid only if it is deposited at the Specified Office of the Paying Agent, or at some other place approved by the Paying Agent, at least 24 Hours before the time fixed for the Meeting of the Relevant Class of Noteholders and, if not deposited before such deadline, the Blocked Voting Instruction shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Paying Agent so requires, a notarised copy of each Blocked Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Paying Agent shall not be obliged to investigate the validity of any Blocked Voting Instruction or the authority of any Proxy.

4. CONVENING OF MEETING

The Representative of the Noteholders may convene a Meeting at any time and the Representative of the Noteholders shall be obliged to do so upon the request in writing of:

(a) Noteholders holding not less than one-tenth of the Principal Amount Outstanding of the relevant Class of Notes; or

(b) the Issuer's board of directors or the sole director (as the case may be),

subject in each case to being indemnified and/or secured to its satisfaction.

Every Meeting convened by the Representative of the Noteholders shall be held at such time and place as the Representative of the Noteholders may designate or approve, provided that it is in an EU Member State.

If any of the Noteholders or the Issuer has requested the Representative of the Noteholders to convene the Meeting, they or it shall send a communication in writing to that effect to the Representative of the Noteholders suggesting the day, time and location of the Meeting, and specifying the items to be included in the agenda and the full text of any Resolution to be proposed.

5. NOTICE

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be held) specifying the date, time, the relevant quorum determined in accordance with paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) and place of the Meeting shall be given to the Noteholders and the Paying Agent (with a copy to the Issuer). Any notice to Noteholders shall be given in accordance with Condition 14 (*Notices*). The notice shall set out the full text of any Resolutions to be proposed (unless the Representative of the Noteholders determines - in its absolute discretion - that the notice shall instead specify the nature of the Resolution to be proposed at such Meeting without specifying the full text) and shall state that the Notes must be blocked in an account with a clearing system for the purpose of obtaining Voting Certificates or appointing Proxies (in accordance with the terms of these Rules) not later than 48 Hours before the time fixed for the Meeting.

6. CHAIRMAN OF THE MEETING

Any 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: (a) if no such nomination is made; or (b) if the individual nominated is not present within 15 minutes after the time fixed for the Meeting; those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as the Chairman of the original Meeting.

The Chairman co-ordinates matters to be transacted at the Meeting and monitors the fairness of the Meeting's proceedings.

7. QUORUM FOR CONDUCTING BUSINESS AT MEETINGS AND PASSING RESOLUTIONS

The quorum for conducting business (*quorum costitutivo*) (relating either to an Ordinary Resolution or an Extraordinary Resolution) at any Meeting convened by due notice shall be at least Voters representing or holding not less than the Relevant Fraction relative to (a) that Class of Notes (in case of a Meeting of one Class of Notes) or (b) all relevant Classes of Notes (in case of a joint Meeting).

The quorum for passing an Ordinary Resolution and an Extraordinary Resolution (*quorum deliberativo*) at any Meeting is provided for under paragraph 12 (*Passing of Ordinary resolution or Extraordinary Resolution*).

8. ADJOURNMENT FOR WANT OF QUORUM

If within 15 minutes after the time fixed for any Meeting the quorum is not present, then:

(a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and

(b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; provided, however, that:

  (i) the Meeting shall be dissolved if the Issuer so decides; and

  (ii) no Meeting may be adjourned by resolution of a Meeting that represents less than the Relevant Fraction applicable in the case of Meetings which have been resumed after adjournment for want of quorum.

9. 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, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

10. NOTICE FOLLOWING ADJOURNMENT

Paragraph 5 (*Notice*) shall apply to any Meeting adjourned for want of quorum save that:

(a) at least ten days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be given unless the notice of the original Meeting set the date for a second call, in which case no such notice shall be necessary;

(b) the notice shall specifically set out the quorum determined in accordance with paragraph 7 (*Quorum for Conducting Business at meetings and passing resolutions*) which will apply when the Meeting resumes; and

(c) it shall not be necessary to give notice of the convening of a Meeting which has been adjourned for any other reason.

11. PARTICIPATION

The following may attend and speak at a Meeting:

(a) Voters;

(b) the Issuer or its representative and the Paying Agent;

(c) the directors, internal auditors (*sindaci*) (if appointed) and external auditors (*revisori*) of the Issuer;

(d) the financial advisers to the Issuer;

(e) the legal counsel to each of the Issuer, the Representative of the Noteholders and the Paying Agent;

(f) the Representative of the Noteholders; and

(g) such other person as may be resolved by the Meeting and as may be approved by the Representative of the Noteholders.

12. PASSING OF ORDINARY RESOLUTION OR EXTRAORDINARY RESOLUTION

An Ordinary Resolution is validly passed when the majority of votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

An Extraordinary Resolution is validly passed when the seventy-five (75) per cent. of the votes cast by the Voters attending the relevant Meeting have been cast in favour of it.

13. VOTING BY 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 pursuant to paragraph 14 (*Voting By Poll*) before or at the time that the result of the show of hands is declared, the Chairman's declaration that on a show of hands a Resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the Resolution.

14. VOTING BY 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 who represent or hold at least one-twentieth of the Principal Amount Outstanding of the relevant Class of Notes.

If at any Meeting a poll is so demanded, it shall be taken in such manner and either at once or after such adjournment as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll. Notwithstanding the foregoing, the demand for a poll shall not prevent the continuance of the

Meeting for the transaction of any business other than the question on which the poll has been demanded.

Any poll demanded at any Meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

15. VOTES

Every Voter shall have:

(a) on a show of hands, one vote; and

(b) on a poll, one vote in respect of each €1,000 in principal amount of Note(s) represented by the Voting Certificate produced by such Voter or in respect of which he is a Proxy.

In the case of equality of votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or a Proxy.

Unless the terms of any Blocked 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.

16. VOTING BY PROXIES

Any vote by a Proxy in accordance with the relevant Blocked Voting Instruction shall be valid even if such Blocked Voting Instruction or any instruction pursuant to which it was given has been amended or revoked, provided that the Paying Agent has not been notified in writing of such amendment or revocation by the time being 24 Hours before the time fixed for the Meeting. Unless revoked, any appointment of a Proxy under a Blocked 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 which has been adjourned for want of a quorum. Any person appointed to vote at such a Meeting must be re-appointed under a Blocked Voting Instruction to vote at the Meeting when it is resumed.

17. POWERS EXERCISABLE BY AN ORDINARY RESOLUTION

The Meeting shall have exclusive powers on the following matters:

(a) to approve any proposal by the Issuer for any alteration, abrogation, variation or compromise of the rights of the Representative of the Noteholders or the Noteholders under any Transaction Document, the Notes or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

(b) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or any Transaction Document or any act or omission which might otherwise constitute a Trigger Event;

(d) to direct the Representative of the Noteholders to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any resolution of the Noteholders;

(e) to exercise, enforce or dispose of any right and power on payment and application of funds deriving from any receivables on which a charge or other security interest is created in favour of the Noteholders, other than in accordance with the Transaction Documents.

18. POWERS EXERCISABLE BY AN EXTRAORDINARY RESOLUTION

Without limitation to the exclusive powers of the Meeting listed in paragraph 17 (Powers Exercisable by an Ordinary Resolution), each Meeting shall have the following powers exercisable only by way of an Extraordinary Resolution:

(a) approval of any Basic Terms Modification;

(b) approval of any proposal by the Issuer for any alteration, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Representative of the Noteholders or the Noteholders against the Issuer or against any of its property or against any other person whether such rights shall arise under these Rules, the Notes, the Conditions or otherwise;

(c) approval of any scheme or proposal for the exchange or substitution of any of the Notes for, or the conversion of the Notes into, or the cancellation of the Notes in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or 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, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

(d) without prejudice to the Conditions, approval of any alteration of the provisions contained in these Rules, the Notes, the Conditions, the Intercreditor Agreement or any other Transaction Document which shall be proposed by the Issuer and/or the Representative of the Noteholders or any other party thereto;

(e) discharge or exoneration of the Representative of the Noteholders from any liability in respect of any act or omission for which the Representative of the Noteholders may have become responsible under or in relation to these Rules, the Notes, the Conditions or any other Transaction Document;

(f) giving any direction or granting any authority or sanction which, under the provisions of these Rules, the Conditions or the Notes, is required to be given by Extraordinary Resolution (including, without limitation, (i) the sanctioning of each of the events described in paragraphs (iii) and (iv) of Condition 10.1 (*Trigger Events*); (ii) the service of a Trigger Event Notice pursuant to Condition 10.2 (*Trigger Events*); (iii) the taking of any steps and/or instituting any proceedings, to enforce repayment of the Notes and payment of accrued interest thereon or at any time to enforce any other obligation of the Issuer under the Notes or any Transaction Document in accordance with Condition 11 (*Enforcement*); and (iv) the approval of individual action or remedy to be taken or sought by a Noteholder to enforce his or her rights under the Notes pursuant to Condition 17 (*Non Petition and Limited Recourse*);

(g) authorisation and sanctioning of actions of the Representative of the Noteholders under these Rules, the Notes, the Conditions, the terms of the Intercreditor Agreement or any other Transaction Documents and in particular power to sanction the release of the Issuer by the Representative of the Noteholders; and

(h) to appoint and remove the Representative of the Noteholders.

19. CHALLENGE OF RESOLUTION

Any Noteholder can challenge a Resolution which is not passed in conformity with the provisions of these Rules.

20. MINUTES

Minutes shall be made of all Resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be conclusive evidence of the resolutions and proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly convened and held and all Resolutions passed or proceedings transacted at such meeting shall be deemed to have been duly passed or transacted.

21. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by an Ordinary Resolution, as if it were an Ordinary Resolution.

22. INDIVIDUAL ACTIONS AND REMEDIES

The right of each Noteholder to bring individual actions or seek other individual remedies to enforce his or her rights under the Notes will be subject to the Meeting passing an Extraordinary Resolution authorising such individual action or other remedy. In this respect, the following provisions shall apply:

(a) the Noteholder intending to enforce his or her rights under the Notes will notify the Representative of the Noteholders in writing of his or her intention;

(b) the Representative of the Noteholders will, within 30 days of receiving such notification, convene a Meeting of the Noteholders of the relevant Class of Notes or, as the case may be, of all of the Classes of Notes, in accordance with these Rules at the expense of such Noteholder;

(c) if the Meeting does not pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be prevented from seeking such enforcement or remedy (provided that the same matter can be submitted again to a further Meeting after a reasonable period of time has elapsed); and

(d) if the Meeting does pass an Extraordinary Resolution authorising the individual enforcement or remedy, the Noteholder will be permitted to seek such individual enforcement or remedy in accordance with the terms of the Extraordinary Resolution.

No individual action or remedy can be sought by a Noteholder to enforce his or her rights under the Notes unless a Meeting of Noteholders has resolved to authorise such action or remedy and in accordance with the provisions of this paragraph 22.

PART 3

THE REPRESENTATIVE OF THE NOTEHOLDERS

1. APPOINTMENT, REMOVAL AND REMUNERATION

1.1 Appointment

Each appointment of a Representative of the Noteholders must be approved by an Extraordinary Resolution of the holders of each Class of Notes in accordance with the provisions of this paragraph 1, save in respect of the appointment of the first Representative of the Noteholders which, in accordance with the Intercreditor Agreement, will be Wilmington Trust (London) Limited.

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise the power of the Representative of the Noteholders, hereby granted, to appoint its own successor and recognise the Representative of the Noteholders so appointed as its representative.

1.2 Identity of the Representative of the Noteholders

Save for Wilmington Trust (London) Limited as first Representative of the Noteholders, the Representative of the Noteholders shall be:

(a) a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction, in either case provided it is licensed to conduct banking business in Italy; or

(b) a financial institution registered under Article 106 of the Italian Banking Act; or

(c) any other entity which may be permitted to act in such capacity by any specific provisions of Italian law applicable to the securitisation of monetary rights and/or by any regulations, instructions, guidelines and/or specific approvals issued by the competent Italian supervising authorities.

It is further understood and agreed that directors, auditors, employees (if any) of the Issuer and those who fall in any of the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as the Representative of the Noteholders.

1.3 Duration of appointment

The Representative of the Noteholders shall be appointed for an unlimited term and can be removed by way of an Extraordinary Resolution of the holders of each Class of Notes at any time.

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until (1) acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph (a), (b) or (c) under clause 1.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 (sixty) days of such termination, such Representative of the Noteholders may appoint such a substitute and (2) such substitute Representative of the Notholders having entered into or acceded to the Intercreditor Agreement and the other Transaction Documents to which the terminated Representative of the Noteholders was a party. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

1.4 After termination

In the event of a termination of the appointment of the Representative of the Noteholders for any reason whatsoever, such Representative of the Noteholders shall remain in office until acceptance of the appointment by the Issuer of a substitute Representative of the Noteholders designated among the entities indicated in paragraph 1.2 above, and, provided that a Meeting of the holders of each Class of Notes has not appointed such a substitute within 60 days of such termination, such Representative of the Noteholders may appoint such a substitute. The powers and authority of the Representative of the Noteholders whose appointment has been terminated shall be limited to those necessary for the performance of the essential functions which are required to be complied with in connection with the Notes.

1.5 Remuneration

The Issuer shall pay to the Representative of the Noteholders an annual fee, which will be paid in equal instalments monthly in arrears on each Payment Date, for its services as Representative of the Noteholders as from the date hereof and as agreed under a separate fee letter. Such remuneration shall be payable in accordance with the Intercreditor Agreement and the Priorities of Payments up to (and including) the date when the Notes have been repaid in full and cancelled in accordance with the Conditions.

In the event of the Representative of the Noteholders considering it necessary or being requested by the Issuer to undertake duties which the Representative of the Noteholders and the Issuer agree to be of an exceptional nature or otherwise outside the duties of the Representative of the Noteholders set out in the Conditions or in the Rules, the Issuer shall pay to the Representative of the Noteholders such additional remuneration as shall be agreed between them. In the event of the Representative of the Noteholders and the Issuer failing to agree upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Representative of the Noteholders hereunder, or upon the amount of such additional remuneration, then such matter shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Representative of the Noteholders and approved by the Issuer or, failing such approval, nominated (on the application of either the Issuer or the Representative of the Noteholders) by a third merchant bank (the expenses involved in such nomination and the fees of such merchant banks being payable by the Issuer) and the determination of any such nominated merchant bank shall be final and binding upon the Representative of the Noteholders and the Issuer.

2. DUTIES AND POWERS

2.1 Legal Representative

The Representative of the Noteholders is the legal representative of the organisation of the Noteholders subject to and in accordance with the Conditions, these Rules, the Intercreditor Agreement and the other Transaction Documents to which it is a party (together, the **Relevant Provisions**).

2.2 Meetings

The Representative of the Noteholders may convene a Meeting in order to obtain the authorisation or directions of the Meeting in respect of any action proposed to be taken by the Representative of the Noteholders. The Representative of the Noteholders has the right to attend Meetings. Subject to the Relevant Provisions, the Representative of the Noteholders is responsible for implementing the directions of a Meeting of Noteholders and for representing the interests of the Noteholders of a Class of Notes vis-à-vis the Issuer.

2.3 Conflict of interests

Each of the Noteholders acknowledges and agrees that the Representative of the Noteholders shall implement the resolutions taken by the Noteholders (or any Class thereof, as applicable) and, when required to act under the Transaction Documents or to make any determination with respect to the transactions contemplated therein, protect the interests of all the Issuer Secured Creditors, but, notwithstanding the foregoing, the Representative of the Noteholders shall have regard only to: (A) the interest of the holders of the Class A Notes if, in the Representative of the Noteholders' opinion, there is a conflict between the interests of the Noteholders of any Class, as the case may be, and the interests of any Other Issuer Secured Creditor (or any combination of them); and (B) subject to (A) above, the interests of the Issuer Secured Creditor to whom any amounts are owed appearing highest in the Post-Enforcement Priority of Payments.

2.4 Delegation of powers by the Representative of the Noteholders

All actions taken by the Representative of the Noteholders in the execution and exercise of its powers and authorities and of the discretions vested in it shall be taken by duly authorised officer(s) for the time being of the Representative of the Noteholders. The Representative of the Noteholders may also, whenever it considers it expedient, whether by power of attorney or otherwise, delegate to any person(s) all or any of its duties, powers, authorities or discretions vested in it as aforesaid. Any such delegation may be made upon such terms and conditions, and subject to such regulations (including power to sub-delegate), as the Representative of the Noteholders may think fit in the interests of the Noteholders. The Representative of the Noteholders shall not be bound to supervise the proceedings of any such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by any misconduct or default on the part of such delegate or sub-delegate, provided that the Representative of the Noteholders shall use all reasonable care in the appointment of any of such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the Noteholders shall, as soon as reasonably practicable, give notice to the Issuer of the appointment of any delegate appointed by it in good faith and with reasonable care and of any renewal, extension or termination of such appointment, and shall make it a condition of any such delegation that any delegate shall also, as soon as reasonably practicable, give notice to the Issuer of any sub-delegate.

2.5 Insurance

The Representative of the Noteholders shall have the power (but not the obligation) to insure against all liabilities, proceedings, claims and demands to which it may become liable and all costs, charges and expenses which may be incurred by it:

(a) as a result of the Representative of the Noteholders acting or failing to act in a certain way (otherwise than by reason of its breach of trust, wilful default, gross negligence or fraud);

(b) as a result of any act or failure to act by any person to whom the Representative of the Noteholders has delegated any of its trusts, powers, authorities, duties, discretions and obligations or appointed as its agent;

(c) in connection with the Issuer Security or the enforcement of the Security Interest created in respect of the Issuer Security,

and the Issuer shall, to the extent such insurance does not form part of the normal insurance cover carried by the Representative of the Noteholders for its business activities, pay all insurance premiums and expenses which the Representative of the Noteholders may properly incur in relation to such insurance, subject to the applicable Priority of Payments.

2.6 Representation in Insolvency Proceedings

The Representative of the Noteholders shall be authorised to represent the Noteholders in judicial proceedings, including enforcement proceedings and Insolvency Proceedings against the Issuer in so far as they relate to the Notes and the other Transaction Documents.

2.7 Minor amendments or modifications

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditors and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, concur with the Issuer and any other relevant parties in making:

(a) any amendment or modification to the Conditions (other than in respect of a Basic Terms Modification) or any of the Transaction Documents which, in the opinion of the Representative of the Noteholders, it may be economically reasonable to make and will not be materially prejudicial to the interests of the holders of the Class A Notes; and

(b) any amendment or modification to these Conditions or to any of the Transaction Documents, if, in the opinion of the Representative of the Noteholders, such amendment or modification is expedient to make, is of a formal, minor or technical nature, is made to correct a manifest error or an error which, in the opinion of the Representative of the Noteholders, is proven or is necessary or desirable for the purposes of clarification.

2.8 Waiver or authorisation of breach

The Representative of the Noteholders may, without the consent of the Noteholders or any Other Issuer Secured Creditor (other than those which are parties to the relevant Transaction Documents) and subject to the Representative of the Noteholders giving prior written notice thereof to the Rating Agencies, authorise or waive any proposed breach or breach of the Notes (including a Trigger Event) or of the Intercreditor Agreement or of any other Transaction Document, if, in the opinion of the Representative of the Noteholders, the interests of the holders of the Class A Notes will not be materially prejudiced by such authorisation or waiver, provided that the Representative of the Noteholders shall not exercise any of such powers in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25% in aggregate Principal Amount Outstanding of the Class A Notes (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to a Basic Terms Modification.

2.9 Advice from experts

The Representative of the Noteholders shall be entitled to act on the advice, certificate or opinion of or on any information obtained from any lawyer, accountant, banker, rating agency or other expert whether obtained by the Issuer, the Representative of the Noteholders or otherwise, provided that, where such lawyer, accountant, banker, rating agency or other expert is appointed by the Representative of the Noteholders, such appointment is made with due care in all the circumstances, and, subject to the aforesaid, the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*), be liable for any damages, losses, liabilities or expenses incurred by any party as a result of the Representative of the Noteholders so acting. Any such advice, certificate, opinion or information may be sent or obtained by letter, telex, telegram, email, facsimile transmission or cable and, in the absence of 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 on any advice, certificate, opinion or information contained

in, or purported to be conveyed by, any such letter, telex, telegram, email, facsimile transmission or cable, notwithstanding any error contained therein or the non-authenticity of the same.

2.10 Certificates of Issuer as sufficient evidence

The Representative of the Noteholders may call for, and shall be at liberty to accept as sufficient evidence of any fact or matter or as to the expediency of any dealing, transaction, step or thing, a certificate duly signed by or on behalf of the sole director or the chairman of the board of directors of the Issuer, as the case may be, and the Representative of the Noteholders shall not be bound, in any such case, to call for further evidence or be responsible for any loss that may be occasioned as a result of acting on such certificate.

2.11 Certificates of Other Issuer Secured Creditors as sufficient evidence

The Representative of the Noteholders shall be entitled to call for, and to 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, any Other Issuer Secured Creditor in respect of any matter and circumstance for which a certificate is expressly provided for hereunder or under any Transaction Document and it shall not be bound, in any such case, to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be incurred by its failing to do so.

2.12 Certificate from Monte Titoli Account Holder or common depository as sufficient evidence

The Representative of the Noteholders may call for, and shall be at liberty to accept and place full reliance on, as suitable evidence of the facts stated therein, a certificate or letter of confirmation as true and accurate and signed on behalf of any Monte Titoli Account Holder or common depository, as the case may be, as the Representative of the Noteholders considers appropriate, or any form of record made by any of them to the effect that at any particular time, or throughout any particular period, any party hereto is, was or will be shown in its records as entitled to a determined number of Notes.

2.13 Discretion in exercise of rights and powers

The Representative of the Noteholders, save as expressly otherwise provided herein, shall have absolute and unfettered discretion as to the exercise, or non-exercise, of any right, power and discretion vested in the Representative of the Noteholders by the Conditions, these Rules or any other Transaction Document or by operation of law and the Representative of the Noteholders shall not be responsible for any loss, costs, damages, expenses or other liabilities that may result from the exercise or non-exercise thereof except insofar as the same are incurred as a result of its gross negligence (*colpa grave*) or wilful default (*dolo*).

2.14 Instructions in respect of discretional matters

In relation to the matters in respect of which the Representative of the Noteholders is entitled to exercise any of its rights and discretions hereunder, the Representative of the Noteholders is entitled to convene a Meeting of the Noteholders in order to obtain from them instructions upon how the Representative of the Noteholders should exercise such right or discretion. The Representative of the Noteholders shall not be obliged to take any action in respect of the Conditions, these Rules or any other Transaction Document unless it is indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands which may be brought against it and against all costs, charges, damages, expenses and liabilities (provided that supporting documents are delivered) which it may incur by taking such action.

2.15 Full reliance on resolutions of Noteholders

In connection with matters in respect of which the Noteholders are entitled to direct the Representative of the Noteholders, shall not be liable for acting upon any resolution purported to have been passed at any Meeting of holders of any Class of Notes in respect of which minutes have been drawn up and signed notwithstanding that subsequent to so acting, it transpires that the Meeting was not duly convened or constituted, such resolution was not duly passed or that the resolution was otherwise not valid or binding upon the relevant Noteholders.

2.16 Trigger Event

Subject as provided in Condition 10, the Representative of the Noteholders may determine whether or not a Trigger Event is in its opinion materially prejudicial to the interests of the Noteholders and any such determination shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other party to any of the Transaction Documents.

2.17 Default of the Issuer capable of remedy

The Representative of the Noteholders may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Conditions or contained in the Notes or any other Transaction Documents is capable of remedy and, if the Representative of the Noteholders certifies that any such default is not capable of remedy, such certificate shall be conclusive and binding upon the Issuer, the Noteholders, the Other Issuer Secured Creditors and any other party hereto.

2.18 No Notes held by the Issuer

The Representative of the Noteholders may assume, without enquiry, that no Notes are for the time being held by, or for the benefit of, the Issuer.

2.19 Acknowledgement of role and functions of the Representative of the Noteholders

Each Noteholder, by acquiring title to a Note, is deemed to acknowledge and accept the provisions of the Deed of Charge, the Spanish Pledge Agreement and the other Transaction Documents and agree and acknowledge that:

(a) the Representative of the Noteholders has agreed to become a party to each of the Transaction Documents to which the Issuer is a party (other than the Deed of Charge) only for the purpose of taking the benefit of such Transaction Document and regulating the agreement of amendments to it;

(b) by virtue of the transfer to it of the relevant Note, each Noteholder shall be deemed to have granted to the Representative of the Noteholders the right (a) to exercise in such manner as the Representative of the Noteholders in its sole opinion deems appropriate, on behalf of such Noteholder, all of that Noteholder's rights under the Securitisation Law in respect of the Portfolio and all amounts and/or other assets of the Issuer arising from the Portfolio and the Transaction Documents not subject to the Issuer Security and (b) to enforce its rights as an Issuer Secured Creditor for and on its behalf under the Deed of Charge and the Spanish Pledge Agreement and in relation to the Issuer Security, subject to, and in accordance with, the Deed of Charge and the Spanish Pledge Agreement;

(c) the Representative of the Noteholders, in its capacity as agent in the name of and on behalf of the Noteholders of each Class, shall be the only person entitled under the Conditions and under the Transaction Documents to institute proceedings against the Issuer and/or to

enforce or to exercise any rights in connection with the Issuer Security or to take any steps against the Issuer or any of the other parties to the Transaction Documents for the purposes of enforcing the rights of the Noteholders under the Notes of each Class and recovering any amounts owing under the Notes or under the Transaction Documents;

(d) the Representative of the Noteholders shall have exclusive rights under the Deed of Charge and the Spanish Pledge Agreement to make demands, give notices, exercise or refrain from exercising any rights and to take or refrain from taking any action (including, without limitation, the release or substitution of security) in respect of the Issuer Security;

(e) no Noteholder shall be entitled to proceed directly against the Issuer nor take any steps or pursue any action whatsoever for the purpose of recovering any debts due or owing to it by the Issuer or take, or join in taking, steps for the purpose of obtaining payment of any amount expressed to be payable by the Issuer or the performance of any of the Issuer's obligations under the Conditions and/or the Transaction Documents or petition for or procure the commencement of insolvency proceedings or the winding-up, insolvency, extraordinary administration or compulsory administrative liquidation of the Issuer or the appointment of any kind of insolvency official, administrator, liquidator, trustee, custodian, receiver or other similar official in respect of the Issuer for any, all, or substantially all the assets of the Issuer or in connection with any reorganisation or arrangement or composition in respect of the Issuer, pursuant to the Italian Banking Act or otherwise, unless a Trigger Event Notice shall have been served or an Issuer Insolvency Event shall have occurred and the Representative of the Noteholders, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, (provided that any such failure shall not be conclusive per se of a default or breach of duty by the Representative of the Noteholders), provided that the Noteholder may then only proceed subject to the provisions of the Conditions and provided that this proviso shall not prejudice the right of any Noteholder to prove a claim in the insolvency of the Issuer where such insolvency follows the institution of an insolvency proceedings by a third party;

(f) no Noteholder shall at any time exercise any right of netting, set-off or counterclaim in respect of its rights against the Issuer such rights being expressly waived or exercise any right of claim of the Issuer by way of a subrogation action (*azione surrogatoria*) pursuant to Article 2900 of the Italian Civil Code; and

(g) the provisions of this paragraph 2 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.

3. RESIGNATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders may resign at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefore and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the Noteholders shall not become effective until a Meeting of the holders of each Class of Notes has appointed a new Representative of the Noteholders provided that if a new Representative of the Noteholders has not been so appointed within 60 days of the date of such notice of resignation, the Representative of the Noteholders may appoint a successor which is a qualifying entity pursuant to paragraph 1.2 above.

4. EXONERATION OF THE REPRESENTATIVE OF THE NOTEHOLDERS

The Representative of the Noteholders, in its capacity as such, shall not assume any other obligations related to the Securitisation in addition to those expressly provided herein and in the other Transaction Documents to which it is a party.

Without limiting the generality of the foregoing, the Representative of the Noteholders:

(a) *No ascertainment of events*

shall not be under any obligation to take any steps to ascertain whether a Trigger Event or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the Noteholders or any Noteholder under these Rules, the Notes, the Conditions 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 Trigger Event or such other event, condition or act has occurred;

(b) *No monitoring duties*

shall not be under any obligation to monitor or supervise the observance or performance by the Issuer or any other Transaction Party of the provisions of, and their obligations under, these Rules, the Notes, the Conditions or any other Transaction Document, and, until it shall have actual knowledge or express notice to the contrary, it shall be entitled to assume that the Issuer and each such other party is observing and performing all such provisions and obligations;

(c) *Collection and payment services*

shall not be deemed to be a person responsible for the collection, cash and payment services (*soggetto incaricato della riscossione dei crediti ceduti e dei servizi di cassa e pagamento*) for the purposes of Article 2, paragraph 6 of the Securitisation Law and the relevant Implementing Regulations from time to time in force including, without limitation, the relevant guidelines of the Bank of Italy;

(d) *No notices related to the Securitisation*

except as expressly required under the Transaction Documents, shall not be under any obligation to give notice to any person of the execution of these Rules, the Notes, the Conditions or any of the Transaction Documents or any transaction contemplated hereby or thereby;

(e) *No investigation duties*

shall not be responsible for, or for investigating, the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules, the Notes, the Conditions, any Transaction Document, or any other document, or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for: (i) the nature, status, creditworthiness or solvency of the Issuer or any other Transaction Party; (ii) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection herewith or with any Transaction Document; (iii) the

suitability, adequacy or sufficiency of any collection or recovery procedures operated by the Servicer or compliance therewith; (iv) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the purchase or administration of the Receivables; (v) any accounts, books, records or files maintained by the Issuer, the Servicer, the Paying Agent or any other person in respect of the Receivables; or (vi) any matter which is the subject of any recitals, statements, warranties or representations of any party, other than the Representative of the Noteholders contained herein or in any Transaction Document;

(f) *Use of proceeds*

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;

(g) *Maintenance of rating*

shall have no responsibility for the maintenance of the rating of the Class A Notes by the Rating Agencies or any other credit or rating agency or any other person;

(h) *Rights and title to the Receivables*

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 Receivables or any part thereof, whether such defect or failure was known to the Representative of the Noteholders or might have been discovered upon examination or enquiry, or whether capable of remedy or not;

(i) *No registration duties*

shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting, these Rules, the Notes or any Transaction Document;

(j) *No insurance obligations*

shall not be under any obligation to insure the Loans, the Receivables or any part thereof;

(k) *No responsibility for calculations and payments*

shall not be responsible for (except as otherwise provided in the Conditions or in the Transaction Documents) making or verifying any determination or calculation in respect of the Receivables, the Notes and any other payment to be made in accordance with the Priorities of Payments;

(l) *No regard of domicile of Noteholders*

shall not have regard to the consequences of any modification or waiver of these Rules, the Notes, the Conditions or any of the Transaction Documents for individual Noteholders or any relevant persons resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to, the jurisdiction of any particular territory;

(m) *Effect of amendments*

shall not be under any obligation to consider the effect of any amendment of these Rules, the Conditions or any of the Transaction Documents on the financial condition of individual Noteholders or any other Transaction Party;

(n) *No disclosure of information*

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 Secured Creditor or any other person any confidential, financial, price sensitive or other information made available to the Representative of the Noteholders by the Issuer or any other person in connection with these Rules, the Notes or any other Transaction Document, and none of the Noteholders, Other Issuer Secured Creditors nor any other person shall be entitled to take any action to obtain from the Representative of the Noteholders any such information;

(o) *Rating Agencies*

shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions that such exercise will not be prejudicial to the interests of the Noteholders if the Rating Agencies (except for Fitch) have confirmed that the then current rating of the Notes would not be adversely affected by such exercise. Notwithstanding the foregoing, it is agreed and acknowledged by the Representative of the Noteholders and notified to the Noteholders that a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders, and it is expressly agreed and acknowledged that such confirmation does not impose on or extend to the Rating Agencies any actual or contingent liability to the Representative of the Noteholders, the Noteholders or any other third party or create legal relations between the Rating Agencies and the Representative of the Noteholders, the Noteholders or any other third party by way of contract or otherwise.

Any consent or approval given by the Representative of the Noteholders under these Rules, the Notes, the Conditions or any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the Noteholders thinks fit and, notwithstanding anything to the contrary contained herein, in the Conditions or in any Transaction Document, such consent or approval may be given retrospectively.

If required to do so pursuant to the provisions of the Servicing Agreement, the Representative of the Noteholders shall use its best efforts to identify and propose a Back-up Servicer, it being understood that the Representative of the Noteholders shall not, in the absence of gross negligence (*colpa grave*) or wilful default (*dolo*) on its part, be held liable if no Back-up Servicer is identified.

No provision of these Rules, the Notes, the Conditions or any Transaction Document shall require the Representative of the Noteholders to do anything which may be illegal or contrary to applicable law or regulations, or expend or risk its own funds, or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its powers or discretions, and the Representative of the Noteholders may refrain from taking any action if it has reasonable grounds to believe that it will not be reimbursed for any funds, or that it will not be indemnified against any loss or liability which it may incur as a result of such action.

5. ISSUER SECURITY

The Representative of the Noteholders shall be entitled to exercise all the rights granted by the Issuer in favour of the Representative of the Noteholders on behalf of the Noteholders and the Other Issuer Secured Creditors under the Issuer Security.

The Representative of the Noteholders, acting on behalf of the Issuer Secured Creditors, may:

(a) *Payments under the Issuer Security*

prior to enforcement of the Issuer Security, appoint and entrust the Issuer to collect, in the interest of the Issuer Secured Creditors and on their behalf, any amounts deriving from the Issuer Security and may instruct, jointly with the Issuer, the obligors whose obligations form part of the Issuer Security to make any payments to be made thereunder to an Issuer Account;

(b) *Deposit of amounts*

acknowledge that any of the Issuer Accounts to which payments have been made in respect of the Issuer Security shall be deposit accounts for the purpose of Article 2803 of the Italian Civil Code and agree that such Issuer Accounts shall be operated in compliance with the provisions of the Cash Allocation, Management and Payment Agreement and the Intercreditor Agreement;

(c) *Use of funds*

agree that cash deriving from time to time from the Issuer Security and the amounts standing to the credit of any of the Issuer Accounts shall be applied prior to enforcement of the Issuer Security, in and towards satisfaction not only of amounts due to the Issuer Secured Creditors, but also of such amounts due and payable to the Other Issuer Secured Creditors that rank *pari passu* with, or higher than, the Issuer Secured Creditors, according to the applicable Priority of Payments and, to the extent that all amounts due and payable to the Issuer Secured Creditors have been paid in full, also towards satisfaction of amounts due to the Other Issuer Secured Creditors that rank below the Issuer Secured Creditors. The Issuer Secured Creditors irrevocably waive any right which they may have hereunder in respect of cash deriving from time to time from the Issuer Security and amounts standing to the credit of any of the Issuer Accounts which is not in accordance with the foregoing. The Representative of the Noteholders shall not be entitled to collect, withdraw or apply, or issue instructions for the collection, withdrawal or application of, cash deriving from time to time from the Issuer Security, under the Issuer Security, except in accordance with the foregoing, the Conditions and the Intercreditor Agreement; and

(d) *Swap funds*

agree that any Swap Collateral Account shall be operated in accordance with the Swap Collateral Account Priority of Payments and the Swap Agreement.

6. INDEMNITY

It is hereby acknowledged that the Issuer has covenanted and undertaken under the Intercreditor Agreement to reimburse, pay or discharge (on a full indemnity basis) all costs, liabilities, losses, charges, expenses (provided, in each case, that supporting documents are delivered), damages, actions, proceedings, claims and demands (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 person to whom the Representative of the Noteholders has delegated any power, authority or discretion or any appointee thereof, in relation to the preparation and execution of, the exercise or the purported exercise of, its powers, authority and discretion and performance of its duties under and in any other manner in relation to these Rules, the Conditions or any other Transaction Document, including but not limited to properly incurred legal expenses, reasonable travelling expenses and any reasonable attorney's fees, stamp, issue, registration, documentary and other taxes or duties due to be paid by the Representative of the Noteholders in connection with any action and/or legal proceedings brought against or contemplated by the Representative of the Noteholders pursuant to these Rules, the Conditions or any other Transaction Document, or against the Issuer or any other person for enforcing any obligations under these Rules, the Notes or the Transaction Documents, other than as a result of gross negligence (*colpa grave*) or wilful default (*dolo*) on the part of the Representative of the Noteholders.

PART 4

THE ORGANISATION OF NOTEHOLDERS UPON SERVICE OF A TRIGGER EVENT NOTICE AND/OR OCCURRENCE OF AN ISSUER INSOLVENCY EVENT AND/OR A SPECIFIED EVENT

1. POWERS

Each of the Noteholders, by reason of holding the relevant Note(s), will recognise that, pursuant to the Intercreditor Agreement, the Representative of the Noteholders, has been irrevocably appointed as from the date of execution of the Intercreditor Agreement and with effect on the date on which the Notes will become due and payable following the service of a Trigger Event Notice or the occurrence of an Issuer Insolvency Event, as exclusive, true and lawful agent (*mandatario esclusivo con rappresentanza*), of the Noteholders and the Other Issuer Secured Creditors to, including without limitation, receive on their behalf from the Issuer any and all monies payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors from and including the date on which the Notes will become due and payable, such monies to be applied in accordance with the applicable Priority of Payments.

In particular, the Representative of the Noteholders shall be authorised to:

(a) exercise all and any of their rights under the Securitisation Law in respect of the Portfolio and the available Collections and all amounts and/or other assets of the Issuer deriving from the Portfolio not subject to the Issuer Security, if any;

(b) exercise and/or enforce, in their name and on their behalf and interest all their rights under the Issuer Security, subject to, and in accordance with, the Deed of Charge and the Spanish Pledge Agreement;

(c) receive on their behalf all moneys resulting from the action under (a) and (b) above or otherwise payable by the Issuer to the Noteholders and the Other Issuer Secured Creditors, such moneys to be applied by the Representative of the Noteholders in accordance with the applicable Priority of Payments;

(d) following the occurrence of an Issuer Insolvency Event only, deal with the insolvency procedure (including the filing of any claim for payment) and to receive on their behalf from the procedure any and all monies payable by the insolvency receiver to any of the Issuer Secured Creditors and to apply such monies in accordance with the applicable Priority of Payments; and

(e) do any act, matter or thing which it considers necessary to exercise or protect the Noteholders and the Other Issuer Secured Creditors' rights under any of the Transaction Documents.

In addition, the Representative of the Noteholders, in its capacity as true and lawful agent (*mandatario con rappresentanza*) of the Issuer in the interest, and for the benefit of, the Noteholders and the Other Issuer Secured Creditors pursuant to Article 1723, second paragraph of the Italian Civil Code, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, upon service of a Trigger Event Notice and/or occurrence of Specified Event, in the name and on behalf of the Issuer any and all of the Issuer's Rights, including the right to give directions and instructions to the relevant parties to the Transaction Documents. In particular, the Representative of the Noteholders will be entitled, until the Notes have been repaid in full or cancelled in accordance with the Conditions:

(i) to request the Account Banks to transfer all monies standing to the credit of each of the Issuer Accounts and/or the Expenses Account to replacement accounts opened for such purpose by the Representative of the Noteholders with the same or a replacement Account Bank;

(ii) to require performance by any Issuer Secured Creditor of its obligations under the relevant Transaction Document to which such Issuer Secured Creditor is a party, to bring any legal actions and exercise any remedies in the name and on behalf of the Issuer that are available to the Issuer under the relevant Transaction Document against such Issuer Secured Creditor in case of failure to perform and generally to take such action in the name and on behalf of the Issuer as the Representative of the Noteholders may deem necessary to protect the interests of the Issuer, the Noteholders and the Other Issuer Secured Creditors in respect of the Portfolio, the Receivables, the Securitisation Assets and the Issuer's Rights;

(iii) to instruct the Servicer in respect of the recovery of any amounts due under the Portfolio or in relation to any other Securitisation Asset and/or the Issuer's Rights;

(iv) to take possession, as an agent of the Issuer and to the extent permitted by applicable laws, of all available Collections (by way of a power of attorney granted under the terms of the Intercreditor Agreement) and of the Receivables and to sell or otherwise dispose of the Receivables or any of them in such manner and upon such terms and at such price and such time or times as the Representative of the Noteholders shall, in its absolute discretion, deem appropriate and to apply the proceeds in accordance with the Post-Enforcement Priority of Payments, *provided however that* if the amount of the monies at any time available to the Issuer or the Representative of the Noteholders for the payments above shall be less than 10% of the Principal Amount Outstanding of all Classes of Notes the Representative of the Noteholders may at its discretion invest such monies (or cause such monies to be invested) in Eligible Investments. The Representative of the Noteholders at its discretion may accumulate such Eligible Investments and the resulting income until the earlier of: (i) the day on which the accumulations, together with any other funds for the time being under the control of the Representative of the Noteholders and available for such purpose, amount to at least 10% of the Principal Amount Outstanding of all Classes of Notes; and (ii) the Business Day immediately following the service of a Trigger Event Notice or the occurrence of an Issuer Insolvency Event that would have been a Payment Date. Such accumulations and funds shall be applied to make the payments listed in the Post-Enforcement Priority of Payments; and

(v) to distribute the monies from time to time standing to the credit of the Issuer Accounts and such other accounts as may be opened by the Representative of the Noteholders pursuant to paragraph (i) above to the Noteholders and the Other Issuer Secured Creditors in accordance with the applicable Priority of Payments.

PART 5

GOVERNING LAW AND JURISDICTION

Governing Law and Jurisdiction

These Rules and any non-contractual obligations arising out of or in connection with these Rules are governed by, and will be construed and interpreted in accordance with, the laws of Italy.

All disputes arising out of or in connection with these Rules and any non-contractual obligations arising out of or in connection with these Rules, including those concerning their validity, interpretation, performance and termination, shall be exclusively settled by the Courts of Milan.

EXPECTED MATURITY AND EXPECTED WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES

The maturity and average life of the Class A Notes cannot be predicted, as the actual rate at which the Auto Loans will be repaid and a number of other relevant factors are unknown.

The weighted average life of the Class A Notes refers to the average length of time (on an actual/360 basis) that will elapse from the date of issuance of the Class A Notes to the date of repayment to the investors of all principal amounts due in relation to the Class A Notes. The weighted average life of the Class A Notes will vary according to the rate at which principal payments are received on the Receivables, which shall be determined on the basis of amortisation, scheduled principal payments, prepayments and actual collections received in respect of each Receivable; calculations as to the expected maturity and average life of the Class A Notes have been based on certain assumptions, including the following:

(a) during the Revolving Period, the purchase of Additional Receivables does not change the amount and the composition of the Portfolio;

(b) at the end of the Revolving Period, the scheduled amortisation profile of the Portfolio is equal to the scheduled amortisation profile of the Initial Receivables;

(c) all amounts credited to the Principal Account shall be applied to finance the purchase of Additional Receivables complying with the Eligibility Criteria;

(d) no repurchase or rescission of the assignment of Purchased Receivables has occurred;

(e) no Amortisation Event, Accelerated Amortisation Event and/or Trigger Event has occurred;

(f) no early redemption of the Notes under the circumstances indicated under Condition 6.3 (*Redemption, Purchase and Cancellation – Redemption for Issuer Tax Event*) has occurred;

(g) there are no delinquencies or defaults on the Receivables, and scheduled principal payments on the Receivables are received on a timely basis together with prepayments, if any, at the respective Constant Prepayment Rate (CPR%) set out in the table below;

(h) the Issuer exercises its option to redeem the Notes pursuant to Condition 6.4 (*Redemption, Purchase and Cancellation – Early redemption at the option of the Issuer*).

Constant Prepayment Rate (% per annum)	Expected Average Life (years)	First Principal Payment Date	Expected Maturity
0%	3.05	Sep-19	Feb-23
4%	2.97	Sep-19	Jan-23
8%	2.88	Sep-19	Nov-22
12%	2.81	Sep-19	Oct-22
16%	2.73	Sep-19	Aug-22

The expected average life of the Class A Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

TAXATION IN THE REPUBLIC OF ITALY

The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all of the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian companies incorporated pursuant to the Securitisation Law.

Italian resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholders under (a), (b) or (c) above opted for the application of the risparmio gestito regime – see under "Capital gains tax" below), interest, premium and other income relating to the Notes, are subject to a final withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders 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.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-114) of Law No. 232 of 11 December 2016 (the **Finance Act 2017**).

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a non-Italian resident company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes are not subject to *imposta sostitutiva*, but must 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 the regional tax on productive activities (**IRAP**)).

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 351**), Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended payments of interest, premiums or other proceeds in respect of the Notes deposited with an authorised intermediary made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or Italian real estate SICAFs (**Real Estate SICAFs**), are subject neither to

imposta sostitutiva nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF.

If the investor is an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy (together the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are deposited with an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will neither be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund. A withholding tax at a rate of 26 per cent. will apply, in certain circumstances, to distributions made by the Fund in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-98) of Finance Act 2017.

Pursuant to Decree 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 the intermediary paying interest to a Noteholder (or by the Issuer should the interest be paid directly by this latter).

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); 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 incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (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*. Such 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 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, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned provisions.

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 or 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 (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(88-114) of Finance Act 2017.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

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 not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding 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 *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 into law with amendments by Law No. 89 of 23 June 2014 (**Decree 66**), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or

certain authorised financial intermediaries (including permanent establishments in Italy of non-Italian resident intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of 76.92 per cent. of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply or a Real Estate SICAF will be subject neither to imposta sostitutiva nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent..

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 with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the 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 the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (88-98) of Finance Act 2017.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements

which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is incorporated in a country included in the White List, even if it does not possess the status of taxpayer in its own country, and a proper documentation is filed.

If the conditions above are not met, capital gains realised by said non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. unless a reduced rate is provided for by an applicable double tax treaty, if any.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) 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 the gift exceeding, for each beneficiary, €100,000; and

(iii) 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 the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at the same rate of €200 only in the case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary to its clients. The stamp duty applies at a rate of 0.2 per cent. (and cannot exceed €14,000, for taxpayers other than individuals) on the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by

the Bank of Italy on 20 June 2012 of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay a wealth tax which applies at a rate of 0.2 per cent 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, if any, paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due). The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

The proposed European Union financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

The Subscription Agreements

Pursuant to the Subscription Agreements and subject to the terms and conditions provided thereunder, each of the Notes Subscribers has agreed to subscribe for the Notes on the Issue Date.

The Subscription Agreements are subject to a number of conditions precedent and may be terminated by the Class A Notes Subscriber and the Class B Notes Subscriber (as the case may be) in certain circumstances prior to payment for the Notes to the Issuer. The Seller has agreed to indemnify the Arranger, and the Issuer has agreed to indemnify the Arranger and the Class B Notes Subscriber, against certain liabilities in connection with the issue of the Notes.

The Subscription Agreements, and any non-contractual obligation arising out of or in connection therewith, are governed by, and shall be construed in accordance with, Italian law.

Any dispute which may arise in relation to the interpretation or the execution of the Subscription Agreements, or any non-contractual obligation arising out of or in connection therewith, shall be subject to the exclusive jurisdiction of the Courts of Milan.

Selling Restrictions

General

Under the relevant Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber with reference to the Class A Notes or the Class B Notes (as applicable) has undertaken to the Issuer that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the relevant Notes or has in its possession, distributes or publishes such offering material, or in each case purports to do so, in all cases at its own expense. Furthermore, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has undertaken that it will not, directly or indirectly, carry out, or purport to carry out, any offer, sale or delivery of any relevant Notes or distribution or publication of any prospectus, form of application, offering circular (including this Prospectus), advertisement or other offering material in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Unless otherwise herein provided, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has undertaken that it will not take any action to obtain permission for public offering of the relevant Notes in any country where action would be required for such purpose.

EEA Standard Selling Restriction

Under the relevant Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented, warranted and agreed that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**), it has not made and will not make an offer of the relevant 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) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of the above, the expression an **offer of the relevant Notes to the public** in relation to any relevant 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 relevant Notes to be offered so as to enable an investor to decide to purchase or subscribe the relevant Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC as subsequently amended, and includes any relevant implementing measure in the Relevant Member State. Any purchase, sale, offer and delivery of all or part of the relevant Notes shall be made in compliance with Article 405 of the CRR.

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a **retail investor** means a person who is one (or more) of: (a) a retail client as defined in point (11) of Article 4 (1) of Directive 2014/65/EU (**MiFID II**); or (b) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Accordingly, none of the Issuer or the Arranger expects to be required to prepare, and none of them has prepared, or will prepare, a "key information document" in respect of the Notes for the purposes of Regulation (EU) No 1286/2014 of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (the **PRIIPs Regulation**).

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment. It should be remembered that the price of securities and the income from them can go down as well as up.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person except in accordance with Regulation S under the Securities Act or in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations thereunder. Under the relevant Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented, warranted and agreed that it has not offered or sold the relevant Notes and will not offer or sell any relevant Notes constituting part of its allotment within the United States or to, or for the benefit of, a U.S. person except in accordance with Rule 903 of Regulation S under the Securities Act.

Under the relevant Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that neither it, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the relevant Notes, and that it has and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

In addition, until the expiration of 40 days after the commencement of the offering, an offer or sale of the relevant Notes within the United States by any dealer, distributor or other person (whether or not participating in this offering) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) (the Italian securities and exchange commission) pursuant to Italian securities legislation and, accordingly, under the relevant Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable), has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute, any relevant Notes or any copy of the Prospectus or any other offer document in the Republic of Italy by means of an offer to the public of financial products under the meaning of article 1, paragraph 1, letter t) of the Italian Financial Law, unless an exemption applies. Accordingly, the Notes shall only be offered, sold or delivered and copies of this Prospectus or any other offering material relating to the Notes may only be distributed in Italy:

(a) to "qualified investors" (*investitori qualificati*), pursuant to Article 100 of the Italian Financial Law and article 34-*ter*, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **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 Italian Financial Law and article 34-*ter* of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Law, CONSOB Regulation No. 16190 of 29 October 2007 and the Italian Banking Act; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

France

Under the relevant Subscription Agreement, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that:

(a) it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the relevant Notes to the public in the Republic of France;

(b) offers, sales and transfers of the relevant Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*), other than individuals, provided that such investors are acting for their own account and/or to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined and in accordance with Article L. 411-2 and Article D. 411-1 of the French Monetary and Financial Code; and

(c) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the relevant Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

In accordance with the provisions of Article L. 214-170 of the French Monetary and Financial Code, the Notes may not be sold by way of unsolicited calls (*démarchage*) save with qualified investors within the meaning of Article L. 411-2 of the French Monetary and Financial Code.

United Kingdom

Under the Subscription Agreements, each of the Class A Notes Subscriber and the Class B Notes Subscriber, with reference to the Class A Notes or the Class B Notes (as applicable) has represented and agreed that:

(a) 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 the Financial Services and Markets Act 2000, the **FSMA**) received by it in connection with the issue or sale of the relevant Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the relevant Notes, as applicable in, from or otherwise involving the United Kingdom.

Spain

The Notes may not be offered, sold or distributed, nor may any subsequent resale of Notes be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the Spanish Securities Market Law (Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the securities market law), as amended and restated, or without complying with all legal and regulatory requirements under Spanish securities laws.

GLOSSARY OF TERMS

These and other terms used in this Prospectus are subject to the definitions of such terms set out in the Transaction Documents, as they may be amended from time to time.

3m Default Ratio means the sum of the last 3 available Default Ratios which shall be determined by the Calculation Agent on each Determination Date.

Accelerated Amortisation Event means the occurrence of any of the following events:

(a) any Portfolio Performance Trigger is breached; or

(b) a Servicer Termination Event occurs; or

(c) a Seller Event of Default occurs; or

(d) on any Payment Date, the balance of either the General Reserve Account or the Commingling Reserve Account is not replenished up to the relevant Required Amount; or

(e) (i) the Swap Agreement is terminated and no replacement Swap Agreement has been entered into within 30 days of the relevant termination date; (ii) the credit rating of the Swap Counterparty is downgraded below the Swap Required Rating (as defined under the Swap Agreement) and the relevant remedial actions set out in the Swap Agreement are not perfected within the time period contemplated by the Swap Agreement.

Accelerated Amortisation Period means the period from and including the first Payment Date falling on or after the date on which an Accelerated Amortisation Event occurs and ending on the earliest to occur of:

(a) the date on which a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Accelerated Amortisation Period Priority of Payments has the meaning ascribed to such term in Condition 4.3 (*Priority of Payments during the Accelerated Amortisation Period*).

Account Bank means each of the Italian Account Bank and the Spanish Account Bank.

Additional Interest Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Additional Interest Required Amount means, on any Purchase Date during the Revolving Period, an amount equal to the aggregate of the then Subsidised Interest Balances of all Performing Receivables.

Additional Receivables means the Receivables that may be assigned by the Seller to the Issuer on any Subsequent Purchase Date and identified in the relevant Transfer Offer.

Adjusted Available Collections means any Collection subject to an adjustment pursuant to clause 5.6 (*Adjustments*) of the Servicing Agreement in order to ensure that the correct amount of Collections in relation to the preceding Collection Period has been transferred to the Collection Account.

Affected Receivable has the meaning ascribed to such term in clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Aggregate Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

AIFM Regulation means Regulation (EU) no. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (as amended, supplemented and/or replaced from time to time).

Amortisation Event means the occurrence of any of the following events:

(a) for 4 consecutive Purchase Dates the Seller does not transfer Receivables to the Issuer, except if the Seller confirms to the Issuer and the Representative of the Noteholders that such absence of transfer is due to technical reasons (providing documentary evidence thereof) and is remedied on the following Purchase Date; or

(b) the amount standing to the Principal Account exceeds 10% of the Principal Amount Outstanding of the Notes for 3 (three) consecutive Payment Dates.

Amortisation Event Notice means the notice to be sent by the Calculation Agent to the Issuer, the Representative of the Noteholders, the Seller, the Servicer and the Class A Noteholders following the occurrence of an Amortisation Event.

Amortisation Period means the period which begins (subject to no Trigger Event or no Accelerated Amortisation Event having occurred during the Revolving Period) on earlier of (i) the Scheduled Revolving Period End Date or (ii) the date on which an Amortisation Event has occurred, and ends on the earliest to occur of:

(a) the date on which an Accelerated Amortisation Event or a Trigger Event occurs;

(b) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(c) the Legal Final Maturity Date.

Amortisation Principal Component means (a) in respect of the scheduled payments of any Receivable, the relevant Scheduled Principal Payment, and (b) in respect of any Prepayment of a relevant Receivable, the difference between the Outstanding Balance of such Receivable immediately before such Prepayment and the Outstanding Balance of such Receivable immediately after such Prepayment.

Amortisation Schedule means in respect of any Receivable, the scheduled principal and interest payments of such Receivable, as may be adjusted from time to time following a Prepayment, the interest rate of such Receivable being equal to the Contractual Interest Rate.

Ancillary Right means, with reference to each Receivable arising from an Auto Loan Contract, all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with such Receivable accruing from (and including) the relevant Selection Date, including, without limitation:

(a) all related rights and claims in relation to the payment of any amount or indemnity in respect of damages suffered and costs, expenses, taxes and ancillary amounts;

(b) all rights and claims in relation to payment of any other amount or sum due for any reason;

(c) all the Seller's rights, title and interest in and to any security relating to such Receivable and Auto Loan Contract;

(d) any related security; and

(e) all privileges and priority rights (*cause di prelazione*) supporting the aforesaid rights and claims, as well as any right and claim in relation to the reimbursement of legal and judicial expenses incurred after the relevant Selection Date in relation to the recovery of amounts due in respect of the Receivable and Auto Loan Contract and, in particular, in relation to judicial proceedings, together with any and all other rights, claims and actions (including any action for damages), substantial and procedural actions and defences inherent or otherwise ancillary to the aforesaid rights and claims including, to the greater extent permitted by any applicable law and in particular by the Securitisation Law, and without limitation, the remedy of rescission (*risoluzione*) and the right to accelerate any obligation (*dichiarare la decadenza dal beneficio del termine*).

Arranger means Santander Global Corporate Banking.

Arrears Amount means any amount by which the Debtor is in arrears pursuant to the terms of the relevant Purchased Receivables when such Purchased Receivable is a Delinquent Receivable.

Auto Loan means any loan arising under an Auto Loan Contract granted to the Debtor for the purchase of a Car.

Auto Loan Contract means any loan granted by the Seller to any Debtor for the purchase of a Car.

Auto Loan Contract Subsidised Interest Arrangement means an arrangement between the Seller and a Car Dealer or a Car Manufacturer under which such car dealer or car manufacturer agrees to subsidise the rate of interest payable by a Debtor under an Auto Loan Contract.

Available Collections means:

(a) all Collections, including all amounts to be transferred from the Additional Interest Account in respect of the Subsidies Interest Instalment Amounts on the relevant Settlement Date; plus

(b) any Non-Conformity Rescission Amount paid by the Seller in connection with the rescission and indemnification procedure as set forth in the Master Receivables Transfer Agreement in respect of Affected Receivables; plus

(c) any Repurchase Amount paid by the Seller in relation to any Non-Permitted Renegotiation; plus

(d) any amount received by the Issuer as purchase price for the sale of Performing Receivables pursuant to the Master Receivables Transfer Agreement or the Intercreditor Agreement; plus

(e) any Monthly Commingling Withdrawal Amount, if any; plus or minus, as the case may be,

(f) any Adjusted Available Collections.

Available Distribution Amounts means:

(a) during the Revolving Period and the Amortisation Period, on each Payment Date, the aggregate of the Available Principal Amounts and the Available Interest Amounts; and

(b) during the Accelerated Amortisation Period, the aggregate of the balance standing to the credit of the Issuer Accounts (with the exception of the Commingling Reserve Account and the Additional Interest Account),

it being understood that the Commingling Reserve Required Amount shall not form part of the Available Distribution Amounts as long as the Servicer meets its obligation to pay the Available Collections pursuant

to the Servicing Agreement except to the extent that they have been required to be transferred to the Collection Account, as described in the definition of "Commingling Reserve Account", and that no amount standing to the credit of the Additional Interest Account shall form part of the Available Distribution Amounts except to the extent that they have been required to be transferred to the Collection Account as set out in the Master Receivables Transfer Agreement.

Available Interest Amounts means, on any Payment Date and without double counting, the sum of:

(a) the remaining amount standing to the credit of the Interest Account as of the close of the immediately preceding Payment Date (if any);

(b) the Available Interest Collections credited to the Interest Account in respect of the Collection Period immediately preceding such Payment Date;

(c) the income generated by the Eligible Investments made in respect of the Interest Period ending on such Payment Date from the Collection Account;

(d) the interest accrued and credited into the Issuer Accounts (other than the Additional Interest Account, the General Reserve Account and the Commingling Reserve Account);

(e) all Net Swap Amounts received from the Swap Counterparty pursuant to the Swap Agreement;

(f) the General Reserve Interest Amount;

(g) the Commingling Reserve Interest Amount;

(h) any Commingling Reserve Decrease Amount;

(i) any Commingling Reserve Advance deposited in the Commingling Reserve Account;

(j) any Available Principal Amounts applied in accordance with item (a) (*first*) of the Principal Priority of Payments;

(k) any Collection received by the Issuer in relation to the Defaulted Receivables; and

(l) all amounts which were on the preceding Settlement Date standing to the credit of the General Reserve Account and which have been credited on the Interest Account during the Revolving Period or the Amortisation Period or on the Principal Account during the Accelerated Amortisation Period or the Post-Enforcement Period.

Available Interest Collections means the Available Collections minus the Available Principal Collections.

Available Principal Amounts means, on any Payment Date, the sum of:

(a) the remaining amount standing to the credit of the Principal Account as of the close of the immediately preceding Payment Date (if any);

(b) the Available Principal Collections credited to the Principal Account in respect of the Collection Period immediately preceding such Payment Date;

(c) any Principal Deficiency Amount to be credited into the Principal Account on such Payment Date in accordance with the applicable Priority of Payments; and

(d) on the earlier of (i) the Payment Date on which the funds available to the Issuer are sufficient to redeem the Class A Notes in full and (ii) the Legal Final Maturity Date, any amounts standing to the

credit of the General Reserve Account in excess of the General Reserve Required Amount as at such date.

Available Principal Collections means, in relation with any Payment Date and in respect of the immediately preceding Collection Period:

(a) all Amortisation Principal Components of the Performing Receivables with reference to such Collection Period; plus

(b) all amounts paid during such Collection Period in respect of the indemnification or the rescission of the assignment of any Receivables by the Seller; plus

(c) any principal amount received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies (to the extent these payments are not in respect of the Defaulted Receivables) in the course of such Collection Period; plus

(d) any amount of Principal Component in respect of the repurchase of Performing Receivables pursuant to the Master Receivables Transfer Agreement or the Intercreditor Agreement; plus or minus, as the case may be,

(e) any Adjusted Available Principal Collections.

Average Delinquency Ratio means, on any Determination Date, the arithmetic mean of the last three available Delinquency Ratios (including the Delinquency Ratio calculated on that Determination Date).

Back-up Servicer Implementation Event means the failure by each of BPSA, BPF and SCF to maintain the Relevant Minimum Rating, it being understood that (i) as long as one of BPSA, BPF or SCF mantains the Relevant Minimum Rating, no Back-up Servicer Implementation Event shall be deemed to have occurred, and (ii) the requirement for one of BPF and SCF to maintain the Relevant Minimum Rating shall not apply if BPF or SCF, as the case may be, ceases to own a participation in the corporate capital of BPSA.

Back-Up Servicer means the entity which shall be appointed in the context of the Securitisation following the occurrence of a Back-up Servicer Implementation Event or a Servicer Termination Event, as provided for under the Servicing Agreement.

Back-Up Servicing Agreement means the agreement to be entered into between the Issuer and the Back-up Servicer, if appointed as provided for under the Servicing Agreement.

Back-Up Servicing Fee means the fee which shall be paid to the Back-up Servicer, if appointed as provided for under the Servicing Agreement, which shall be agreed in accordance with reasonable market practice and shall be paid directly by the Seller.

Base Margin means 0.25% per annum.

BPF means Banque PSA Finance, a *société anonyme* incorporated under the laws of France, whose registered office is located at 68, Avenue Gabriel Péri, 92230 Gennevilliers (France), registered with the Trade and Companies Registry of Paris (France) under number 325 952 224, licensed as a credit institution (*établissement de crédit*) with the status of bank (*banque*) by the *Autorité de Contrôle Prudentiel et de Résolution*.

BPSA means Banca PSA Italia S.p.A., a società per azioni, incorporated under the laws of Italy whose registered office is located at Via Gallarate 199, 20151 Milano (MI), Italy.

Business Day means a day (other than a Saturday or a Sunday) on which banks settle payments and are open for general business in Milan and Paris and which is not a public holiday in Italy and in France.

Calculation Agent means the entity appointed from time to time as calculation agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the date hereof, BNP Paribas Securities Services S.C.A..

Calculation Date means the 3rd Business Day before each Payment Date.

Cancellation Date means the later of (i) the Legal Final Maturity Date; (ii) the date when the outstanding amount of the Portfolio will have been reduced to zero; and (iii) the date on which (a) the Representative of the Noteholders has given notice to the Issuer and the Noteholders in accordance with Condition 14 (*Notices*) that it has determined that there is no reasonable likelihood of there being any further amounts to be realised in respect of the Portfolio or the Issuer Security (whether arising from judicial enforcement proceedings, enforcement of the Issuer Security or otherwise) which would be available to the Issuer to pay unpaid amounts outstanding under the Transaction Documents, and (b) the Servicer has confirmed the same in writing to the Representative of the Noteholders.

Car Dealer (*Concessionario*) means a subsidiary or a branch, as the case may be, of the Peugeot, Citroën or DS network in Italy, or a car dealer being franchised with the Peugeot or Citroën network, which has entered into a sale contract in respect of a Car with any person who has simultaneously entered into an Auto Loan Contract with the Seller for the purposes of financing the acquisition of such Car.

Car Manufacturer means PSA Peugeot Citroën as manufacturer of Cars.

Car means, as the case may be, a New Car or a Used Car.

Cash Allocation, Management and Payment Agreement means the cash allocation, management and payment agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer, the Representative of the Noteholders, the Calculation Agent, the Cash Manager and the Account Banks.

Cash Manager means the entity appointed from time to time as cash manager by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement being, as at the Issue Date, BPSA.

Class A Noteholder means any holder of the Class A Notes from time to time.

Class A Notes means the Euro 675,220,000 Class A Asset Backed Floating Rate Notes which will be issued by the Issuer on the Issue Date.

Class A Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Principal Amount Outstanding of the Class A Notes (prior to making repayments of principal due on such Payment Date), and (ii) the Available Principal Amounts remaining after making payments under item (a) (*first*) of the Principal Priority of Payments on such Payment Date.

Class A Notes Interest Amount means the Interest Amount due on each Class A Note on each Payment Date.

Class A Notes Interest Rate means the sum of Euribor and the Base Margin.

Class A Notes Subscription Agreement means the subscription agreement relating to the Class A Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Class A Notes Subscriber.

Class A Notes Subscriber means the entity defined as such in the Class A Notes Subscription Agreement.

Class B Noteholder means any holder of the Class B Notes from time to time.

Class B Notes Amortisation Amount means on each Payment Date:

(a) during the Revolving Period, zero;

(b) during the Amortisation Period, the lower of (i) the Principal Amount Outstanding of the Class B Notes (prior to making repayments of principal due on such Payment Date), and (ii) the Available Principal Amounts remaining after making payments under items (a) (*first*) to (c) (*third*) (both inclusive) of the Principal Priority of Payments on such Payment Date.

Class B Notes Interest Amount means the Interest Amount due on each Class B Note on each Payment Date.

Class B Notes Interest Rate means 1.50 per cent. per annum.

Class B Notes means the Euro 66,780,000 Class B Asset Backed Fixed Rate and Variable Return Notes which will be issued by the Issuer on the Issue Date.

Class B Notes Subscriber means BPSA, as subscriber of the Class B Notes on the Issue Date.

Class B Notes Subscription Agreement means the subscription agreement relating to the Class B Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Class B Notes Subscriber.

Class, **Class of Notes** or **Class of Noteholders** will be a reference to the Class A Notes or the Class B Notes, as the case may be, or to the respective holders thereof from time to time, respectively.

Clean Up Option Date has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Clean Up Option has the meaning ascribed to such term in Condition 6.4 (*Redemption, Purchase and Cancellation - Early redemption at the option of the Issuer*).

Collection Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Collection Period means the period comprised between a Determination Date (excluded) and the immediately succeeding Determination Date (included), provided that the first Collection Period shall be the period comprised between the First Selection Date (included) and the First Determination Date (excluded).

Collections means all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments), all recoveries (including any proceeds from the disposal of the financed Car(s) and any amounts received by the Debtors from the Insurance Companies and paid to the Issuer (or the Servicer on its behalf) in respect of any Insurance Policies) received by the Servicer in relation to the Purchased Receivables.

Commercial Debtor means each Debtor which is not a Private Debtor.

Commingling Reserve Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Commingling Reserve Additional Advance has the meaning ascribed to such term in the Commingling Reserve Subordinated Loan Agreement.

Commingling Reserve Advance means the Commingling Reserve Closing Date Advance and any Commingling Reserve Additional Advance (as the case may be) made under the Comingling Reserve Subordinated Loan Agreement.

Commingling Reserve Closing Date Advance has the meaning ascribed to such term in the Commingling Reserve Subordinated Loan Agreement.

Commingling Reserve Decrease Amount means, on any Settlement Date, the amount standing to the credit of the Commingling Reserve Account (minus the Commingling Reserve Interest Amount at such Settlement Date) which is in excess of the Commingling Reserve Required Amount as of the Settlement Date.

Commingling Reserve Increase Amount means, on a Settlement Date, the amount equal to positive difference between the Commingling Reserve Required Amount and the amount standing to the credit of the Commingling Reserve Account (excluding any Commingling Reserve Interest Amount) on such date, which shall be credited to the Commingling Reserve Account by requesting a Commingling Reserve Advance.

Commingling Reserve Interest Amount means, on each Settlement Date, an amount equal to the interest component of any Eligible Investments purchased from amounts standing to the credit of the Commingling Reserve Account and any interest received on amounts standing to the credit of the Commingling Reserve Account since the last Payment Date.

Commingling Reserve Loan Facility has the meaning ascribed to such term in the Commingling Reserve Subordinated Loan Agreement.

Commingling Reserve Repayment Amount means, as calculated in respect of on any Payment Date, the lesser of (i) the Commingling Reserve Decrease Amount, and (ii) the outstanding principal of the Commingling Reserve Advances.

Commingling Reserve Required Amount means, (1) on the Issue Date, Euro 18,096,835.18 and (2) on the Calculation Date immediately preceding any Payment Date, the amount determined by the Calculation Agent being equal to either:

(a) (i) as long as the Servicer Collection Account Bank is rated at least "F2" (short term) by Fitch and "'R-2 M" (short term) by DBRS or, if there is no such public rating, an internal assessment equivalent supplied by DBRS and (ii) a Back-up Servicer Implementation Event has not occurred: the sum of (x) the Monthly Scheduled Collections of the Collection Period immediately following the Payment Date multiplied by 55%; and (y) (OBPR * MPR * 120%), or

(b) (i) if the Servicer Collection Account Bank is downgraded below "F2" (short term) by Fitch and "R-2 M" (short term) by DBRS or, if there is no such public rating, an internal assessment equivalent supplied by DBRS or (ii) if a Back-up Servicer Implementation Event has occurred: the sum of (x) the Monthly Scheduled Collections of the Collection Period immediately following the Payment Date; and (y) (OBPR * MPR* 120%),

where:

- **OBPR** is the aggregate amount of the Outstanding Balances of the Performing Receivables taking into account, as the case may be, the Additional Receivables purchased at the Purchase Date immediately preceding such Calculation Date;

- **MPR** is the maximum of (i) 0.25% and (ii) the arithmetic mean of the Monthly Prepayment Rate calculated on the six Calculation Dates preceding such Settlement Date as calculated by the Calculation Agent.

Commingling Reserve Subordinated Loan Agreement means the commingling reserve subordinated loan agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the Commingling Reserve Subordinated Loan Provider.

Commingling Reserve Subordinated Loan Provider means BPSA, as Servicer.

Commingling Reserve Utilisation Date has the meaning given in clause 2 (*Purpose of the Facility*) of the Commingling Reserve Subordinated Loan Agreement.

Conditions means the terms and conditions of the Notes and **Condition** means any article of the Conditions.

Connected Third Party Creditor means any third party creditor of the Issuer other than the Noteholders and the Other Issuer Secured Creditors.

Consumer Code means the Legislative Decree no. 206 of 6 September 2005 as amended and supplemented from time to time.

Consumer Credit Legislation means the Consumer Code, the provisions regarding consumer credit regulated by Articles 121 to 128 of the Italian Banking Act and all other applicable legal and implementing regulatory provisions applying to consumers.

Contracts Eligibility Criteria means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 1 (*Contracts Eligibility Criteria*) of the Master Receivables Transfer Agreement.

Contractual Documents means the Auto Loan Contracts and any other related documents entered into by the Seller in connection with the Receivables.

Contractual Interest Rate means, the rate of interest provided for in the corresponding Auto Loan Contract, as subsequently amended or renegotiated by the Seller with the relevant Obligor.

Corporate Servicer means any person appointed from time to time as a corporate servicer by the Issuer pursuant to the Corporate Services Agreement.

Corporate Services Agreement means the corporate services agreement entered into on or prior to the Issue Date between the Issuer and the Corporate Servicer relating to the provision of certain corporate administration services to the Issuer.

CRR means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, referred to as the Capital Requirements Regulation (as amended, supplemented and/or replaced from time to time).

DBRS means DBRS Ratings Limited and its subsidiaries and any successor thereto.

DBRS Equivalence Chart 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 Equivalent Rating means:

(a) if a Fitch public rating, a Moody's public rating and a S&P public rating are all available, (i) the remaining rating (upon conversion on the basis of the DBRS Equivalence Chart) once the highest and the lowest rating have been excluded or (ii) in the case of two or more same ratings, the lower rating available; or

(b) if the DBRS Equivalent Rating cannot be determined under paragraph (a) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalence Chart),

provided that, if only one or none of a Fitch public rating, a Moody's public rating and a S&P public rating is available in respect of the relevant security, no DBRS Equivalent Rating will exist.

DBRS Minimum Rating means:

(a) if a Fitch public long term rating, a Moody's public long term rating and a S&P long term rating in respect of the Eligible Investment or the Eligible Institution, as the case may be (each, a **Public Long Term Rating**) are all available at such date, the DBRS Minimum Rating will be the DBRS Equivalent Rating of such public long term rating remaining after disregarding the highest and lowest of such Public Long Term Ratings from such rating agencies (provided that if such Public Long Term Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below) (for this purpose, if more than one Public Long Term Rating has the same highest DBRS Equivalent Rating or the same lowest DBRS Equivalent Rating, then in each case one of such Public Long Term Ratings shall be so disregarded);

(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); and

(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 Rating is under credit watch negative, or the equivalent, then the DBRS Equivalent Rating will be considered one notch below).

If at any time the DBRS Minimum Rating cannot be determined under paragraphs (a) to (c) above, then a DBRS Minimum Rating of "C" shall apply at such time.

Debtor means each entity and/or person who has entered into an Auto Loan Contract with the Seller from which a Receivable arises.

Decree 239 means Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time.

Decree 239 Withholding means any withholding or deduction for or on account of *imposta sostitutiva* under Law 239.

Deed of Charge means the deed of charge entered into on or prior to the Issue Date between the Issuer and the Representative of the Noteholders.

Default Ratio means the ratio which shall be determined by the Calculation Agent on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Defaulted Amounts, as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Defaulted Amount means the Outstanding Balance of any Purchased Receivable that has become a Defaulted Receivable during the immediately preceding Collection Period, as of the day on which such Receivable became a Defaulted Receivable excluding the Arrears Amounts (if any).

Defaulted Receivable means a Receivable in respect of which:

(a) any amount due and payable under the relevant Auto Loan Contract has remained unpaid past its due date for 150 calendar days or more; or

(b) the Servicer, acting in accordance with the Servicing Procedures, has terminated the relevant Auto Loan Contract, written off or made provision against any definitive losses in respect of such Receivable at any time prior to the expiry of the period referred to in (a) above.

Defaulted Receivables Repurchase Price means, in relation to any Defaulted Receivables, a fair market value price (taking into account the defaulted nature of the receivables) as determined by the Servicer and accepted by the Calculation Agent being (A) not less than 25% of the aggregate of (i) its Defaulted Amount and (ii) any Arrears Amount at the date where the Receivable became a Defaulted Receivable and (B) not higher than 100% of the sum of (a) its Defaulted Amount and (b) any Arrears Amount at the date where the Receivable became a Defaulted Receivable.

Defaulting Party has the meaning ascribed to such term in the Swap Agreement.

Delinquency Ratio means the ratio which shall be determined on each Determination Date as being equal to A / B where:

(a) "A" is the aggregate Outstanding Balance and the aggregate Arrears Amounts of all Delinquent Receivables as at such Determination Date; and

(b) "B" is the aggregate Outstanding Balance of all Performing Receivables as at such Determination Date.

Delinquent Receivable means any Performing Receivable in respect of which an amount is overdue for strictly less than 150 calendar days.

Demonstration Car means a Peugeot or Citroën car produced at a BPF group plant which first was new and registered in the dealer's name for a specific duration and exclusively for customer tests and further sold to a Debtor entering into an Auto Loan Contract with the Seller.

Determination Date means the last day of each calendar month.

Early Termination Date has the meaning ascribed to such term in the Swap Agreement.

Effective Interest Rate means the annual rate of interest communicated by the Seller to the Calculation Agent and calculated so that when, in respect of an Instalment Due Date, its monthly equivalent is multiplied by the Outstanding Balance applicable from the previous Instalment Due Date (excluded) to such Instalment Due Date of each Receivable the amount so obtained is equal to the sum of (i) the relevant Subsidised Interest Instalment Amount and (ii) the interest component of the Instalment due by the Debtor.

Eligibility Criteria means the eligibility criteria relating to the Auto Loan Contracts, the Receivables and the Portfolio set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

Eligible Hedge means each interest rate swap transaction to be entered into between the Issuer and the Swap Counterparty, it being understood that the notional amount of all the Eligible Hedges shall be, as of the date

of entry, equal to the value of the aggregate of the Principal Amount Outstanding of the relevant Class A Notes.

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 of America which has at least the following ratings:

(a) "A (low)" by DBRS with respect to the higher of (A) a rating one notch below the critical obligations rating of such entity, and (B) the higher of (i) the issuer rating, and (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations, of such entity, or if no such public or private ratings are available, a DBRS Minimum Rating of "A (low)"; and

(b) "F1" by Fitch with respect to the short term unsecured, unsubordinated and unguaranteed debt obligations of such entity or "A-" by Fitch with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity.

Eligible Investment means:

(a) any euro-denominated senior (unsubordinated) debt securities in dematerialized form, bank account or deposit (including, for the avoidance of doubt, time deposit and certificate of deposit), commercial papers or other debt instruments (but excluding, for the avoidance of doubts, credit linked notes and money market funds), or

(b) repurchase transactions between the Issuer and an Eligible Institution in respect of Euro-denominated debt securities or other debt instruments, provided that:

  (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer;

  (ii) such repurchase transactions are immediately repayable on demand, disposable without penalty or loss for the Issuer or have a maturity date falling on or before the next following Eligible Investment 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:

(a) such investments are immediately repayable on demand, disposable without penalty or have a maturity date falling on or before the relevant Eligible Investment Maturity Date;

(b) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested principal amount) or in case of repayment or disposal, the principal amount upon repayment or disposal is at least equal to the principal amount invested;

(c) in the case of a bank account or deposit (other than time deposits and certificates of deposit), such bank account or deposit is held with an Eligible Institution; provided that in the case of Eligible Investments being a bank account or deposit held with an entity ceasing to be an Eligible Institution, such bank account or deposit shall be transferred within the Grace Period (as defined under the Cash

Allocation, Management and Payment Agreement) to another account held with an Eligible Institution at no loss; and

(d) the debt securities or other debt instruments or time deposits or certificates of deposit (or, as applicable, the entity holding or issuing such deposit, as the case may be, has) have at least the following ratings:

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at leas two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time; and

(e) in the case of repurchase transactions, the debt securities or other debt instruments underlying the relevant repurchase transaction are issued by, or fully, irrevocably and unconditionally guaranteed on a first demand and unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations have at least the following ratings:

(i) (A) a short term, public or private, rating of "R-1 (low)" by DBRS or a long term, public or private, rating of "A(low)" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "A(low)"), or such other rating as may comply with DBRS' criteria from time to time; and (B) a short term, public or private, rating of "F1" by Fitch or a long term, public or private, rating of "A-" by Fitch;

(ii) if such investment consists of a money market fund: "AAAmmf" by Fitch or, in the absence of a Fitch rating, ratings at the highest level from at leas two other rating agencies and provided such investments are designed to meet the dual objective of preservation of capital and timely liquidity, and "AAA" by DBRS (or, if no such public or private rating is available, a long term DBRS Minimum Rating of "AAA"), or such other rating as may comply with DBRS' criteria from time to time,

provided that in no case shall such investment be made, in whole or in part, actually or potentially, in (i) tranches of other asset-backed securities; or (ii) credit-linked notes, swaps or other derivatives instruments, or synthetic securities; or (iii) any other instrument not allowed by the European Central Bank monetary policy regulations applicable from time to time for the purpose of qualifying the Class A Notes as eligible collateral.

Eligible Investment Maturity Date means the Settlement Date immediately following the date on which the Eligible Investment was made.

Eligible Investments Notice has the meaning given to such term in clause 10.5 (*Records of Eligible Investments by the Cash Manager and the Account Banks*) of the Cash Allocation, Management and Payment Agreement.

EMIR means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (as amended, modified and/or restated from time to time) and/or any supplementing regulations, provisions or regulatory or implementing technical

standards (each as amended, modified and/or restated from time to time) being effected under or in connection with Regulation (EU) No 648/2012.

Enforcement Proceedings means any judicial proceeding or any proceeding aimed at recovering any Receivable, including the enforcement of the Ancillary Rights.

Euribor has the meaning ascribed to such term in Condition 5.2 (*Right to Interest – Interest Rate*).

Euro, **euro**, **EUR** or **€** means the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union.

Expenses Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

FATCA means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

Final Instalment means the last Instalment of an Auto Loan Contract.

Financial Collateral Directive means Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements.

First Determination Date means 28 February 2018.

First Payment Date means the Payment Date falling in March 2018.

First Purchase Date means 21February 2018.

First Selection Date means 7 February 2018.

Fitch means Fitch Ratings Limited and their subsidiaries and any successor thereto.

Foreclosure Proceedings means any court proceedings brought against a Debtor of a Receivable for the amounts outstanding under the relevant Auto Loan, together with the relevant interest and expenses.

General Reserve Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

General Reserve Advance means the advance made under the General Reserve Subordinated Loan Agreement.

General Reserve Decrease Amount means, on any Payment Date, the positive difference (if any) between the General Reserve Required Amount, as calculated on the Calculation Date preceding the previous Payment Date and the General Reserve Required Amount, as calculated on the Calculation Date preceding such Payment Date.

General Reserve Final Utilisation Date means the earlier of (i) the Payment Date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, (ii) the Payment Date on which the aggregate Outstanding Balance of all Perfoming Receivables is reduced to zero, and (iii) the Legal Final Maturity Date.

General Reserve Interest Amount means, on each Settlement Date, an amount equal to the interest component of any Eligible Investments purchased from amounts standing to the credit of the General

Reserve Account and any interest received on amounts standing to the credit of the General Reserve Account since the last Payment Date.

General Reserve Loan Facility has the meaning ascribed to such term in the General Reserve Subordinated Loan Agreement.

General Reserve Repayment Amount means, as calculated in respect of on any Payment Date, the lesser of (i) the General Reserve Decrease Amount and (ii) the outstanding of the General Reserve Advance.

General Reserve Replenishment Amount means the amount to be transferred to the General Reserve Account, so that the amount standing to the credit of the General Reserve Account shall be equal to the General Reserve Required amount applicable on that Payment Date.

General Reserve Required Amount means:

(a) on the Issue Date, Euro 7,420,000;

(b) on any Calculation Date during the Revolving Period, 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes;

(c) on any Calculation Date during the Amortisation Period, the lesser of:

  (i) the General Reserve Required Amount determined on the last Calculation Date of the Revolving Period; and

  (ii) the greater of (x) 1% of the Principal Amount Outstanding of the Class A Notes and the Class B Notes and (y) an amount equal to Euro 500,000;

(d) on the General Reserve Final Utilisation Date, zero.

General Reserve Subordinated Loan Agreement means the general reserve subordinated loan agreement entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the General Reserve Subordinated Loan Provider.

General Reserve Subordinated Loan Provider means BPSA, as Seller.

Global Portfolio Limits means the global portfolio limits set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 3 (*Global Portfolio Limits*) of the Master Receivables Transfer Agreement.

Guarantor means each person who has granted a related security or which assumed the obligations of a Debtor arising from an Auto Loan Contract.

Implementing Regulations means any rules, regulations and guidelines issued by the Bank of Italy or any other public authority and which implement the Securitisation Law, as amended, supplemented and integrated from time to time.

Individual Interest Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the amount of interest (calculated at the applicable Contractual Interest Rate) accrued and not yet due in respect of each such Receivable as of the Selection Date (included) immediately preceding such Purchase Date.

Individual Principal Component Purchase Price means, with respect to each Purchased Receivable transferred on a Purchase Date, the Outstanding Balance of such Receivable as at the Selection Date (included) immediately preceding such Purchase Date.

Individual Purchase Price means the purchase price of each Purchased Receivable.

Information Date means the date falling no later than 5 (five) Business Days following each Determination Date.

Initial Receivables means the Receivables to be assigned by the Seller to the Issuer on the First Purchase Date and identified in the first Transfer Offer.

Insolvency Event means in relation to a person any of the following:

(a) *Inability to pay debts*: such person:

(i) suspends payment or applies officially for suspension of payments of its debts generally or is unable or admits its inability to pay its debts generally as they fall due; or

(ii) proposes or enters into any composition or other arrangement for the benefit of its creditors generally or commences negotiations with one or more of its creditors with a view to rescheduling all or a substantial part of its financial indebtedness, including in the framework a "*piano attestato*" for the effects of article 67, paragraph 3 of the Italian Insolvency Act; or

(iii) has proceedings commenced against it with a view to the readjustment or rescheduling of any of its financial indebtedness which it would not otherwise be able to pay as it fell due, or is granted by a competent court or for the effect of statutory provisions, a moratorium in respect of all or a substantial part of its financial indebtedness; or

(b) *Insolvency proceedings*: such person:

(i) is adjudicated or found insolvent; or

(ii) has an order made against it by any competent court or passes a resolution for its winding-up or dissolution or for the appointment of a liquidator, administrator, trustee, receiver, administrative receiver or similar officer in respect of it or the whole or any substantial part of its assets; or

(iii) *Analogous proceedings*: any event occurs in relation to such person which under the laws of any jurisdiction has a similar or analogous effect to any of the events mentioned in paragraphs (a) or (b) above.

Insolvency Proceedings means bankruptcy (*fallimento*) or any other insolvency (*procedura concorsuale*) in Italy or analogous proceedings in any jurisdiction (as the case may be), including, but not limited to, any reorganisation measure (*procedura di risanamento*) or winding-up proceedings (*procedura di liquidazione*), of any nature, court settlement with creditors in pre-bankruptcy proceedings (*concordato preventivo*), out-of-court settlements with creditors (*accordi di ristrutturazione dei debiti* and *piani di risanamento*), extraordinary administration (*amministrazione straordinaria*, including *amministrazione straordinaria delle grandi imprese in stato di insolvenza*), compulsory administrative liquidation (*liquidazione coatta amministrativa*) or similar proceedings in other jurisdictions.

Insolvent means a person which is subject to an Insolvency Event.

Instalment Due Date means, with respect to any Receivable, the date on which payment of principal and interest are due and payable under the relevant Auto Loan Contract.

Instalment means, in respect of any Auto Loan Contract, the amounts of each of the instalments to be made by the Debtor on each date on which such instalment has to be paid under that Auto Loan Contract.

Insurance Company means each of the insurance companies granting an Insurance Policy.

Insurance Policy means any insurance policy entered into by the Debtor in relation to a Purchased Receivable and/or an Auto Loan Contract.

Intercreditor Agreement means the intercreditor agreement entered into on or prior the Issue Date between the Issuer, the Representative of the Noteholders and the other parties to the Transaction Documents.

Interest Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Interest Amount has the meaning ascribed to such term in Condition 5.3 (*Right to Interest - Calculation of Interest Amount, Aggregate Interest Amount and Variable Return*).

Interest Component Purchase Price means, in respect of the Initial Receivables, the sum of the Individual Interest Component Purchase Price of each Initial Receivable and in respect of the Additional Receivables, the sum of the Individual Interest Component Purchase Price of each Additional Receivable.

Interest Determination Date has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate*).

Interest Period has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*), it being understood that the first Interest Period shall commence on the Issue Date (included) and shall end on the Payment Date falling in March 2018.

Interest Priority of Payments has the meaning ascribed to such term in Condition 4.1 (*Interest Priority of Payments during the Revolving Period and the Amortisation Period*).

Interest Rate has the meaning ascribed to such term in Condition 5.1 (*Right to Interest - Right to interest, Payment Dates and Interest Periods*).

Investor Report means the report required to be prepared and delivered by the Calculation Agent on a monthly basis pursuant to the Cash Allocation, Management and Payment Agreement in the form set out in Schedule 2 (*Form of Investor Report*) of the Cash Allocation, Management and Payment Agreement.

Issue Date means the date of the issuance of the Notes.

Issuer Accounts means the accounts opened in the name of the Issuer in the context of the Securitisation.

Issuer means Auto ABS Italian Loans 2018-1 S.r.l., a company incorporated under the laws of Italy as a *società a responsabilità limitata* with sole quotaholder, whose registered office is at Via V. Alfieri, 1, 31015 Conegliano (TV), Italy, quota capital of euro 10,000.00, fully paid up, registered in the Register of Enterprises of Treviso-Belluno with Tax and VAT registration number 04906260262.

Issuer Secured Creditors means the Noteholders, the Representative of the Noteholders, the Calculation Agent, the Cash Manager, the Seller, the Servicer, the Paying Agent, the Account Banks, the Corporate Servicer, the Stichting Corporate Servicer, the General Reserve Subordinated Loan Provider, the Commingling Reserve Subordinated Loan Provider, the Swap Counterparty and the Notes Subscribers.

Issuer Security means the Security Interests created or purported to be created under the Deed of Charge, the Spanish Pledge Agreement and any additional Spanish pledge agreement entered into in accordance with

the Intercreditor Agreement in favour of the Representative of the Noteholders for the benefit of the Issuer Secured Creditors.

Issuer Tax Event has the meaning ascribed to such term in Condition 6.3 (*Redemption, Purchase and Cancellation - Redemption for Issuer Tax Event*).

Italian Account Bank means the entity appointed from time to time as Italian account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, BNP Paribas Securities Services, Milan Branch.

Italian Banking Act means Italian Legislative Decree No. 385 of 1 September 1993, as amended and supplemented from time to time.

Italian Civil Code means Italian Royal Decree No. 262 of 16 March 1942, as amended and supplemented from time to time.

Italian Data Protection Authority means the *Garante per la protezione dei dati personali*.

Italian Factoring Law means Italian law no. 52 of 21 February 1991, as amended and supplemented from time to time.

Italian Financial Act means Italian Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time.

Italian Insolvency Act means Italian Royal Decree No. 267 of 16 March 1942, as amended and supplemented from time to time.

Legal Final Maturity Date means the legal final maturity date of the Notes, being 27 January 2032.

Master Receivables Transfer Agreement means the master receivables transfer agreement entered into on or prior to the Issue Date between the Issuer, the Seller, the Representative of the Noteholders and the Calculation Agent.

Material Adverse Effect means any event or circumstance or series of events or circumstances which is, or could reasonably be expected to be, materially adverse to:

(a) the business, operations, or financial condition of the Seller or the Servicer insofar as it relates to the ability of the Seller or the Servicer to perform its obligations under any Transaction Document to which it is a party;

(b) the legality, validity or enforceability of any Transaction Document to which the Seller or the Servicer is a party;

(c) the collectability of more than 5% of the Performing Receivables.

Maximum Purchase Amount means , in respect of any Payment Date during the Revolving Period, an amount calculated as follows: (i) the Principal Amount Outstanding, as at the immediately preceding Calculation Date, of the Notes; minus (ii) the Outstanding Balance, as at the immediately preceding Determination Date, of all Performing Receivables comprised in the Portfolio.

Monte Titoli Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Monte Titoli and includes depository banks appointed by Clearstream, Luxembourg and Euroclear.

Monte Titoli means Monte Titoli S.p.A..

Monthly Commingling Withdrawal Amount means, on each Settlement Date, a drawing from the Commingling Reserve Account to be applied as Available Collections, if and to the extent the Servicer, during the immediately Collection Period, has failed to transfer to the Issuer any Collections received by the Servicer during (or with respect to) such Collection Period.

Monthly Prepayment Rate means the ratio of:

(a) the aggregate Outstanding Balance of the Performing Receivables which have been prepaid, as recorded during such Collection Period; and

(b) the aggregate of the Outstanding Balance of the Performing Receivables on the Determination Date of the immediately preceding Collection Period in respect of such Performing Receivables and of such Collection Period.

Monthly Scheduled Collection means, in respect of any Collection Period, the aggregate amount of Instalments of all Performing Receivables to be paid during such Collection Period.

Monthly Servicing Report means the report required to be prepared and delivered by the Servicer on a monthly basis pursuant to the Servicing Agreement in the form set out in Schedule 3 (*Form of Monthly Servicing Report*) of the Servicing Agreement.

Moody's means Moody's Investors Service, Inc..

Most Senior Class of Notes means:

(a) if any Class A Notes are outstanding, the Class A Notes;

(b) if any Class B Notes are outstanding and no Class A Notes are outstanding, the Class B Notes.

Net Swap Amounts means the net payments made to or from the Issuer in accordance with the terms of the Swap Agreement, disregarding any amount representing Swap Collateral and any Swap Tax Credit, Swap Termination Amount or Swap Replacement Premium.

New Car means (i) any car financed under the relevant Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is the first purchaser or (ii) a Demonstration Car.

Non-Conformity Notice means the notice by which it is communicated that a Receivable is an Affected Receivable.

Non-Conformity Repurchase Date has the meaning ascribed to such term in clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Conformity Rescission Amount means any amount to be paid by the Seller to the Issuer in respect of an Affected Receivable in accordance with clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement.

Non-Permitted Renegotiation means any amendment made or agreed by the Servicer in relation to the Auto Loan Contracts which is not a Permitted Renegotiation.

Non-Permitted Renegotiation Repurchase Date means the date as specified in clause 13 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement.

Noteholder means, at any time, the holder of any Note.

Notes means the Class A Notes and the Class B Notes.

Notes Subscriber means any subscriber of the Notes on the Issue Date.

Notification Event means the occurrence of a Servicer Termination Event.

Obligor means any Debtor and/or Guarantor.

Offer File has the meaning ascribed to such term in clause 4.2 (*Offer of Receivables*) of the Master Receivables Transfer Agreement.

Official Gazette Notice of Assignment has the meaning ascribed to such term in clause 6.2 (*Transfer Formalities*) of the Master Receivables Transfer Agreement.

Optional Supplementary Services means the optional services which the Seller may have granted to the Debtors in connection with the relevant Auto Loan Contract.

Other Issuer Secured Creditors means the Issuer Secured Creditors other than the Noteholders.

Other Rights has the meaning ascribed to such term in clause 6.3 (*Assignment of the Other Rights and related undertakings by the Seller*) of the Master Receivables Transfer Agreement.

Outstanding Balance means, in respect of a Purchased Receivable and on any date, the remaining amount of principal due and payable by the relevant Debtor from and including such date in accordance with the applicable amortisation schedule of such Purchased Receivable on such date.

Paying Agent means any entity appointed as such from time to time as paying agent by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement.

Payment Business Day means a day which is a TARGET2 Business Day other than (i) a Saturday, (ii) a Sunday or (iii) a public holiday in Milan (Italy), in London (United Kingdom), in Luxembourg or in Paris (France).

Payment Date means, in respect of any principal and/or interest payment in respect of the Notes, the 27th day of each month or the following Payment Business Day if that day is not a Payment Business Day, except where this should fall in the next calendar month, in which case it shall fall on the immediately preceding Payment Business Day. The first Payment Date will fall in March 2018.

Performing Receivable means any Purchased Receivable which is not a Defaulted Receivable.

Period of Effectiveness means, when utilised under the Servicing Agreement, the period starting on the date of execution of the Servicing Agreement and ending on the Servicer Termination Date.

Permitted Renegotiation means any of the following amendments to the Auto Loan Contract which the Servicer will be authorised to agree or make, provided that the same are made in accordance with and subject to the Servicing Agreement:

(a) a modification of the Instalment Due Date of the relevant Auto Loan Contract such that the modified Instalment Due Date falls within the same calendar month;

(b) any amendment in view to correct a manifest error during the life of the Auto Loan Contract or something that was not properly done at the time of origination of the Auto Loan Contract;

(c) any amendment which is of a formal, minor or technical nature;

(d) any amendment required by law or to reflect any guidance or pronouncement issued by any competent administrative, regulatory or judicial authority.

Portfolio means the Purchased Receivables and all other assets and rights related to such Purchased Receivables purported to be transferred, assigned or granted (including for that avoidance of doubt) the Ancillary Rights) to the Issuer pursuant to the Master Receivables Transfer Agreement and any Transfer Agreement.

Portfolio Performance Trigger means any of the following events:

(a) the Average Delinquency Ratio above 7.65%;

(b) the 3m Default Ratio is above 0.55%; and

(c) the occurrence of a Principal Deficiency Shortfall.

Post-Enforcement Period means the period from and including the first Payment Date falling on or after the date on which a Trigger Event Notice has been served and ending on the earlier of:

(a) the date on which the Principal Amount Outstanding of the Notes of all Classes is equal to zero; and

(b) the Legal Final Maturity Date.

Post-Enforcement Priority of Payments has the meaning ascribed to such term in Condition 4.4 (*Post-Enforcement Priority of Payments*).

Prepayment means any prepayment, made in whole or in part (including any prepayment indemnities), by any Obligor in respect of a Performing Receivable subject to the applicable provisions of the Auto Loan Contracts.

Principal Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Italian Account Bank, and any replacement thereof.

Principal Amount Outstanding means, in respect of a Note on any date, the principal amount of such Note upon issue, *minus* the aggregate amount of all Principal Payments in respect of that Note which have become due and payable (and which have actually been paid) on or prior to that date.

Principal Component Purchase Price means, in respect of any Receivables, the sum of the Individual Principal Component Purchase Price of each Receivable comprised in such Receivables.

Principal Deficiency Amount means:

(a) on the Issue Date, zero;

(b) on any Payment Date, an amount equal to the aggregate Outstanding Balance of all Purchased Receivables which became Defaulted Receivables during the Collection Period immediately preceding such Payment Date, *plus* any Available Principal Amount which has been utilised in accordance with item (a) (*first*) of the Principal Priority of Payments on any preceding Payment Date and which has not been transferred to the credit of the Principal Account on any Payment Date thereafter.

Principal Deficiency Shortfall means the event which occurs when, on a Payment Date during the Revolving Period or the Amortisation Period, the amount transferred from the Interest Account to the Principal Account in respect of principal deficiencies is less than the Principal Deficiency Amount.

Principal Payment has the meaning ascribed to such term in Condition 6.2 (*Redemption, Purchase and Cancellation - Mandatory pro rata redemption in whole or in part*).

Principal Priority of Payments has the meaning ascribed to such term in Condition 4.2 (*Principal Priority of Payments during the Revolving Period and the Amortisation Period*).

Priority of Payments means the relevant priority of payments indicated in the Conditions.

Private Debtor means each Debtor which is an individual (*persona fisica*) or a commercial debtor (*ditta individuale*) purchasing the relevant Car for private purposes.

Prospectus means this document.

Province means the Italian province where the Debtor is resident or, in the case of a company, has its registered office.

Purchase Date means the First Purchase Date and/or any Subsequent Purchase Date (as relevant).

Purchase Price means on any Purchase Date and in respect of each Purchased Receivable, the sum of (a) the Individual Interest Component Purchase Price and (b) the Individual Principal Component Purchase Price.

Purchased Receivable means a Receivable which has been purchased by the Issuer pursuant to the Master Receivables Transfer Agreement and (a) which remains outstanding and (b) which has not been repurchased by the Seller in accordance with the provisions of the Master Receivables Transfer Agreement and/or the Servicing Agreement.

Quota means the issued share capital of the Issuer, being, as at the Issue Date, equal Euro 10,000.

Quotaholder means the holder of the Quota, being, as at the Issue Date, Stichting Passito.

Quotaholder's Agreement means the quotaholder's agreement entered into on or about the date hereof between the Issuer, the Quotaholder and the Representative of the Noteholders.

Rating Agencies means Fitch and DBRS.

Receivable means all rights and claims of the Seller now existing or arising at any time in the future, under or in connection with an Auto Loan Contract, including, without limitation:

(a) all rights and claims in relation to the repayment of principal outstanding under such Auto Loan Contract;

(b) all rights and claims in relation to the payment of all interest (including default interest) under such Auto Loan Contract; and

(c) all the relevant Ancillary Rights.

Receivables Eligibility Criteria means the eligibility criteria set out in Schedule 3 (*Eligibility Criteria and Global Portfolio Limits*), Part 2 (*Receivables Eligibility Criteria*) of the Master Receivables Transfer Agreement.

Reference Banks means 3 (three) primary banks in the Euro-zone inter-bank market selected from time to time by the Issuer with the prior written consent of the Representative of the Noteholders.

Regulation 22 February 2008 means the resolution issued by the Bank of Italy and CONSOB on 22 February 2008, as amended and supplemented from time to time.

Relevant Minimum Rating means at least two of the following: long-term unsecured, unsubordinated and unguaranteed debt ratings of at least BB- by S&P, BB by Fitch and Ba2 by Moody's.

Representative of the Noteholders means the entity appointed from time to time as representative of the noteholders in the context of the Securitisation.

Repurchase Amount means, in relation to Purchased Receivables to be retransferred by the Issuer to the Seller in the circumstances provided for under clause 13 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement, the aggregate of the Repurchase Price of such Receivables as of the relevant Repurchase Determination Date, together with the total of all costs and expenses reasonably incurred by the Issuer in relation to the retransfer of the Purchased Receivables.

Repurchase Determination Date means the Determination Date immediately preceding the relevant Non-Permitted Renegotiation Repurchase Date (in the circumstances indicated under clause 13 (*Repurchase in case of Non-Permitted Renegotiations*) of the Master Receivables Transfer Agreement).

Repurchase Price Interest Component means an amount equal to the difference between the relevant Repurchase Price and the relevant Repurchase Price Principal Component.

Repurchase Price means, in relation to any Purchased Receivable, the price to be paid by the Seller to the Issuer for the retransfer of that Receivable, being:

(a) for a Performing Receivable, the sum of:

  (i) its Outstanding Balance, as of the relevant Repurchase Determination Date,

  (ii) any interest accrued but unpaid as of such Repurchase Determination Date; and

  (iii) any due but unpaid balance and other ancillary amounts in respect of such Purchased Receivable as of such Repurchase Determination Date; and

(b) for a Defaulted Receivable, its Defaulted Receivables Repurchase Price.

Repurchase Price Principal Component means, in relation to any Purchased Receivable, the principal component of the price to be paid by the Seller for the retransfer of that Receivable, being:

(a) for a Performing Receivable, its Outstanding Balance, as of the relevant Repurchase Determination Date; and

(b) for a Defaulted Receivable that has become a Defaulted Receivable since the Determination Date immediately prior to the relevant date of repurchase until the Repurchase Determination Date immediately preceding such date, the lower of its Defaulted Receivables Repurchase Price and its Defaulted Amount; and

(c) for a Defaulted Receivable that has become Defaulted Receivables prior to the Determination Date immediately prior to the relevant Repurchase Date, zero.

Required Amount means, as the case may be, the General Reserve Required Amount or the Commingling Reserve Required Amount.

Retail Customer means any private customers, all small, medium or larger companies except:

(a) any car dealers;

(b) any company belonging to a multinational group;

(c) any company for which aggregate financings provided by BPSA exceed a fixed ceiling of Euro 100,000;

(d) any governments, related public entities or local authorities;

(e) banks or investment firms.

Retention Amount means (a) with reference to the Issue Date, an amount equal to Euro 15,000 and (b) with reference to each Payment Date, an amount equal to Euro 20,000.

Revolving Period means the period from the Issue Date to (but excluding) the earlier of:

(a) the Scheduled Revolving Period End Date;

(b) the date on which an Amortisation Event occurs;

(c) the date on which an Accelerated Amortisation Event occurs; and

(d) the date on which a Trigger Event occurs.

Rules means the rules of the organisation of Noteholders set out in Schedule 1 of the Conditions.

S&P means Standard and Poor's Rating Services, a division of the McGraw Hill Companies.

SCF means Santander Consumer Finance S.A., a company incorporated under the laws of Spain as a *sociedad anónima* whose registered office is at Madrid, Avda. de Cantanbría, s/n, Edificio 4 Pinar, 28660 Boadilla del Monte, Madrid y CIF:A-28122570, Spain, quota capital of euro 5.338.638.516, registered at the Central Bank of Spain under number 8.236.

Scheduled Principal Payment means, in relation to each Determination Date and each Collection Period ending on such Determination Date, the scheduled principal payment as of the Instalment Due Date falling during such Collection Period, in accordance with the Amortisation Schedule.

Scheduled Revolving Period End Date means the Business Day immediately following the Payment Date falling in August 2019.

Screen Rate has the meaning ascribed to such term in Condition 5.2 (*Right to Interest - Interest Rate*).

Securities Account means the account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Securitisation Assets has the meaning ascribed to such term in Condition 2 (*Status, segregation and ranking*).

Securitisation Law means Law No. 130 of 30 April 1999 as published in the Italian Official Gazette No. 111 of 14 May 1999 (*legge sulla cartolarizzazione dei crediti*) and the relevant Implementing Regulations, as amended and supplemented from time to time.

Securitisation means the securitisation of the Receivables effected by the Issuer through the issuance of the Notes.

Security Interest means any mortgage, charge, pledge, lien, encumbrance, 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 and including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

Selection Date means the First Selection Date or any Subsequent Selection Date, as applicable.

Seller means BPSA.

Seller Event of Default means any of the following events:

(a) the Seller fails to make any payment, transfer or deposit when due as provided under the Transaction Documents and such failure remains unremedied for three Business Days;

(b) the Seller fails to perform or observe any term, covenant or agreement contained in the Transaction Documents and such failure, if capable of remedy, is not remedied within five Business Days after receipt by the Seller of a notice by the Issuer or the Representative of the Noteholders specifying such failure;

(c) any of the representations and warranties, certification or statement made by the Seller in any Transaction Document (other than in respect of the compliance of any Purchased Receivables with any Eligibility Criteria, in respect of which clause 12 (*Failure to conform and remedies*) of the Master Receivables Transfer Agreement shall apply) proves to be materially (other than to the extent that any representation warranty, certification or statement made by the Seller already contains any materiality qualifier) incorrect when made or deemed to be made and such breach, if capable of remedy, remains unremedied for ten Business Days after the earlier of the Seller (i) having become aware of such breach or (ii) having received notice from any Transaction Party specifying such failure;

(d) any financial indebtedness of BPSA (i) is not paid when due or within any applicable grace period in any agreement, document or instrument relating to that financial indebtedness or (ii) becomes due and payable, as a result of an event of default (howsoever described) which has not been remedied, and the aggregate of all such financial indebtedness in paragraphs (i) and (ii) above exceeds €30,000,000 (or its equivalent from time to time in other currencies);

(e) a Material Adverse Effect in relation to the Seller has occurred and is continuing; and

(f) an Insolvency Event occurs in relation to the Seller.

Servicer Collection Account Bank means Intesa Sanpaolo S.p.A..

Servicer Collection Account means the new bank account opened by the Seller with the Servicer Collection Account Bank which is a segregated account (*conto corrente segregato*) for the purposes of article 3, paragraph 2-*ter* of the Securitisation Law.

Servicer means the person appointed from time to time as servicer by the Issuer under the terms of the Servicing Agreement being, as at the Issue Date, BPSA.

Servicer Postal Account has the meaning ascribed to such term in clause 5.2 (*Payment through postal bulletins (bollettini postali)*) of the Servicing Agreement.

Servicer Termination Date means the earlier of (i) the date on which the Notes have been repaid or cancelled in full and (ii) the date on which the cessation of the appointment of the Servicer has become effective in accordance with clause 14 (*Termination of Appointment and Substitution of the Servicer*) of the Servicing Agreement.

Servicer Termination Event means each of the events set out under Schedule 5 (*Servicer Termination Events*) of the Servicing Agreement, following the occurrence of which, *inter alia*, the Issuer will have the right to terminate the Servicer's appointment.

Servicing Agreement means the servicing agreement entered into on the date hereof between the Issuer and the Servicer.

Servicing Fees means the fees to be paid by the Issuer to the Servicer pursuant to the provisions of the Servicing Agreement. The Servicing Fee shall be equal to 0.09 per cent. of the aggregate Outstanding Balance of the all Performing Receivables as at the beginning of the relevant Collection Period, plus any VAT where applicable.

Servicing Procedures means the servicing procedures set out in the Servicing Agreement.

Settlement Date means the date which is one Business Day before a Payment Date.

Solvency II Regulation means Regulation (EU) no. 35/2015 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (as amended, supplemented and/or replaced from time to time).

Spanish Account Bank means the entity appointed from time to time as Spanish account bank by the Issuer pursuant to the Cash Allocation, Management and Payment Agreement, being, as at the Issue Date, Banco Santander, S.A..

Spanish Pledge Agreement means the Spanish pledge agreement to be entered into on or about the Issue Date between the Issuer as pledgor, the Spanish Account Bank as account bank and the Representative of the Noteholders representing the Noteholders and the Other Issuer Secured Creditors as secured parties.

Specified Event means, with respect to the rights of the Issuer under a Transaction Document, the combination of:

(a) the Issuer's failure to exercise or enforce any of the rights, entitlements or remedies, to exercise any discretion, authorities or powers, to give any direction or make any determination which may be available to the Issuer under such Transaction Document; and

(b) the expiry of 10 (ten) days after the date on which the Representative of the Noteholders shall have given notice to the Issuer requesting the Issuer to exercise or enforce any such rights, entitlements or remedies, to exercise any such discretions, authorities or powers, to give any such direction or to make any such determination.

Standard Loan Contract means an Auto Loan Contract without a higher Final Instalment.

Stichting Corporate Services Agreement means the stichting corporate services agreement entered into on or about the Issue Date between the Issuer, the Quotaholder and the Stichting Corporate Servicer.

Stichting Corporate Servicer means Wilmington Trust SP Services (London) Limited, or any other entity from time to time acting as Stichting Corporate Servicer pursuant to the Stichting Corporate Services Agreement.

Stock Exchange means the Luxembourg Stock Exchange.

Subordinated Loan Agreements means each of the Commingling Reserve Subordinated Loan Agreement and the General Reserve Subordinated Loan Agreement.

Subordinated Loan Interest Amount means each of the General Reserve Interest Amount and the Commingling Reserve Interest Amount.

Subordinated Loan Providers means each of the Commingling Reserve Subordinated Loan Provider and the General Reserve Subordinated Loan Provider.

Subscription Agreement means any subscription agreement relating to the Notes entered into on or prior to the Issue Date between, *inter alios*, the Issuer and the relevant Notes Subscribers.

Subsequent Purchase Date means the day falling one Business Day after the Subsequent Selection Date.

Subsequent Selection Date means the day falling no later than 4 (four) Business Days after the Information Date.

Subsidised Interest Balance means, in respect of any Receivable:

(a) on any Purchase Date, an amount corresponding to the aggregate of all Subsidised Interest Instalment Amounts relating to the Instalment Due Dates falling in respect of such Receivable after the immediately preceding Selection Date;

(b) in respect of any Instalment Due Date following the Purchase Date on which that Receivable was purchased by the Issuer, an amount equal to the difference between:

(i) the Subsidised Interest Balance as defined in (a) below, relating to such Receivable as at the relevant Purchase Date; and

(ii) the sum of all Subsidised Interest Instalment Amounts relating to such Receivable paid out of the Additional Interest Account to the Issuer in accordance with clause 9 (Subsidised Amounts) of the Master Receivables Transfer Agreement.

Subsidised Interest Instalment Amount means, in respect of any Receivable in relation to which the Seller has entered into an Auto Loan Contract Subsidised Interest Arrangement, on any Instalment Due Date, an amount being determined as follows:

Subsidised Interest Balance* MIAAR,

where:

(a) in case the Contractual Interest Rate is higher than zero:

MIAAR is the Monthly Interest Amounts Amortisation Ratio as at an Instalment Due Date and is equal to: INEHR/ [(Instalment paid by the Debtor * number of remaining Instalments) – Outstanding Balance]; and

INEHR is the interest component of the Instalment and is equal to: (Contractual Interest Rate *1/12) * Outstanding Balance;

(b) in case the Contractual Interest Rate is zero:

MIAAR is the Monthly Interest Amounts Amortisation Ratio as at an Instalment Due Date and is equal to: 2/ (number of remaining Instalments + 1);

and where, in both cases:

(a) **Outstanding Balance** is the Outstanding Balance of each Receivable at the beginning of each Interest Period; and

(b) **Effective Interest Rate ("EIR")** is equal to: [INEHR + (Subsidised Interest Balance * MIAAR)] * 1200 / Outstanding Balance.

Successor Servicer has the meaning ascribed to such term in clause 14.4 (*Successor Servicer*) of the Servicing Agreement.

Swap Agreement means the 1992 ISDA Master Agreement (Multicurrency-Cross Border) and Schedule thereto, as published by the International Swaps and Derivatives Association, Inc., and as supplemented by a 1995 Credit Support Annex (Bilateral Form-Transfer), together with the confirmation evidencing the Swap Transaction, which shall be entered into between the Issuer and the Swap Counterparty on or about the Issue Date and any replacement swap agreement from time to time.

Swap Cash Collateral Account means the Euro-denominated account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Swap Collateral Account Priority of Payments means the priority of payments set out in Condition 4.5(b) (*Payments to Connected Third Party Creditors and Swap Collateral Account Priority of Payments*), pursuant to which amounts standing to the credit of each Swap Collateral Account will be applied.

Swap Collateral Accounts means the Swap Cash Collateral Account and the Swap Securities Collateral Account.

Swap Collateral means any "Eligible Credit Support" (as defined in the Swap Agreement) delivered by the Swap Counterparty pursuant to the Swap Agreement.

Swap Counterparty means the entity which shall enter into a Swap Agreement with the Issuer on or about the Issue Date and any replacement swap counterparty from time to time.

Swap Counterparty Rating Event means an "Additional Termination Event" arising as a result of the occurrence of "DBRS First Trigger Rating Event", a "DBRS Second Trigger Rating Event" or a "Fitch Ratings Event", each as defined in the Swap Agreement.

Swap Replacement Premium means any amount payable to the Issuer by a replacement swap counterparty, or by a replacement swap counterparty to the Issuer, in consideration of the entry into a replacement swap agreement.

Swap Securities Collateral Account means the account in the name of the Issuer designated as such and held with the Spanish Account Bank, and any replacement thereof.

Swap Tax Credit has the meaning ascribed to the term "Tax Credit" in the Swap Agreement.

Swap Termination Amount means the amount payable by the Issuer to the relevant Swap Counterparty, or by the relevant Swap Counterparty to the Issuer, upon termination of one or more transactions under the Swap Agreement, excluding any due but unpaid Net Swap Amounts owing to such Swap Counterparty thereunder.

Target2 Business Day means a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System is open.

Tax includes all present and future taxes, levies, imposts, duties, deductions and withholdings and any fees and charges of a similar nature wheresoever imposed, including, without limitation, VAT or other tax in respect of added value and any transfer, gross receipts, business, excise, sales, use, occupation, franchise, personal or real property or other tax, together with all penalties, charges, fines and/or interest relating to any of the foregoing, and **Taxes** shall be constructed accordingly.

Traceability Law has the meaning ascribed to such term in clause 3.1 (*Appointment and duties of the Servicer*) of the Servicing Agreement.

Transaction Documents means the agreements entered into or which will be entered into in the context of the Securitisation.

Transaction Party means any party to the Transaction Documents.

Transfer Acceptance means any transfer acceptance executed by the Issuer in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 2 (*Form of Transfer Acceptance*) of the Master Receivables Transfer Agreement.

Transfer Agreement means each transfer agreement entered into between the Seller and the Issuer in connection with the sale of Receivables, comprising the relevant Transfer Offer and the relevant Transfer Acceptance.

Transfer Offer means any transfer offer executed by the Seller in accordance with the terms of the Master Receivables Transfer Agreement, substantially in the form set out in Schedule 1 (*Form of Transfer Offer*) of the Master Receivables Transfer Agreement.

Trigger Event means any of the events set out under Condition 10 (*Trigger Events*).

Trigger Event Notice means the notice which the Representative of Noteholders shall (or may, as the case may be) deliver upon the occurrence of a Trigger Event, as provided in the Conditions.

Used Car means any car financed under an Auto Loan Contract, sold by a Car Dealer and purchased by a Debtor who is not the first purchaser.

Utilisation Request means a request delivered by the Issuer to the Commingling Reserve Subordinated Loan Provider requesting a Commingling Reserve Advance and in the form set out in Schedule 1 (*Utilisation Request*) of the Commingling Reserve Subordinated Loan Agreement.

Variable Return means, in respect of the Class B Notes on any Payment Date:

(a) in case of application of the Interest Priority of Payments, the Available Interest Amounts after payment or provision for all items of the Interest Priority of Payments except item (r) (*eighteenth*); or

(b) in case of application of the Accelerated Amortisation Period Priority of Payments, the Available Distribution Amounts after payment or provision for all items of the Accelerated Amortisation Period Priority of Payments except item (r) (*eighteenth*);

(c) in case of application of the Post-Enforcement Priority of Payments, the amounts available to the Issuer in accordance with Condition 4.4 (*Order of Priority – Post-Enforcement Priority of Payments*) after payment or provision for all items of the Post-Enforcement Priority of Payments except item (q) (*seventeenth*).

Winding-Up means a procedure of dissolution (*scioglimento*) of a company, as provided for under Article 2484 of the Italian Civil Code.

GENERAL INFORMATION

1. On the Issue Date, the Issuer will have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes, including the authorisation of the sole director of the Issuer and the authorisation of the Quotaholder.

2. Application has been made to the *Commission de surveillance du secteur financier* (**CSSF**), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC, as amended, including Directive 2010/73/EU and relevant implementing measures in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Class A Notes to be admitted to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "Bourse de Luxembourg", which is a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU. The listing of the Class A Notes is expected to be granted on or prior to the Issue Date.

3. The Class A Notes have been accepted for clearance through Monte Titoli, Euroclear and Clearstream with the following ISIN and Common Code:

	Class A Notes
ISIN Code	IT0005325540
Common Code	178264214

4. The Class B Notes have been accepted for clearance through Monte Titoli and the ISIN Code is IT0005325557.

5. As from 20 October 2017 (being the date of its incorporation of the Issuer), there has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the trading or financial position of the Issuer.

6. The Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had during the twelve months preceding the date of this Prospectus, a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened.

7. Save as disclosed in this Prospectus, as at the date of this Prospectus, the Issuer has no outstanding loan capital, borrowings, Indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.

8. The information set out in the sections headed "*The Portfolio*", "*The Seller, the Servicer, the Cash Manager, the Class B Notes Subscriber and the Subordinated Loan Providers*" and "*Underwriting and Servicing Procedures*" has been compiled by reference to information provided by the Seller.

9. The information regarding BNP Paribas Securities Services, Milan Branch set out in the section headed "*The Italian Account bank and Paying Agent*" has been compiled by reference to information provided by BNP Paribas Securities Services, Milan Branch.

10. The information regarding ING Bank N.V. set out in the section headed "*The Swap Counterparty*" has been compiled by reference to information provided by ING Bank N.V..

11. The estimated annual fees and expenses payable by the Issuer in connection with (i) the transaction described herein amount to approximately Euro 110,800 (VAT excluded), excluding the custody fee (if any) and the Servicing Fees payable in connection with the Eligible Investments and, in particular, (ii) the admission of the Notes to trading amount to approximately Euro 17,000 (plus VAT, if due), payable on the Issue Date.

12. Copies of this Prospectus and the following documents will be available, in physical form, for inspection, and in the case of the reports referred to in paragraph (b) below for collection, during usual office hours on any weekday at the principal office of the Corporate Servicer, until the Legal Final Maturity Date:

    (a) the by-laws (*statuto*) and the deed of incorporation (*atto costitutivo*) of the Issuer; and

    (b) copies of each Investor Report, the first of which will be available no later than the 5th Business Day following the First Payment Date (the Investor Report shall constitute post-issuance transaction information regarding the Notes).

    The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

13. Any website (or the contents thereof) referred to in this Prospectus does not form part of this Prospectus as approved by the Luxembourg Stock Exchange.

14. Italian company law combined with the holding structure of the Issuer, covenants made by the Issuer and the Quotaholder in the Transaction Documents and the role of the Representative of the Noteholders are together intended to prevent any abuse of control of the Issuer.

15. There are no restrictions on the Seller acquiring the Notes and/or financing to or for third parties. Consequently, conflicts of interest may exist or may arise as a result of the Seller having different roles in this transaction and/or carrying out the other transactions for third parties.

16. Any foreign language text included within this Prospectus is for convenience purposes only and does not form part of this Prospectus.

17. BNP Paribas Securities Services, Luxembourg Branch is acting solely in its capacity as listing agent for the Issuer in connection with the Class A Notes and is not itself seeking an admission of the Class A Notes to the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market "Bourse de Luxembourg".

18. The credit ratings included or referred to in this Prospectus have been issued by DBRS, Fitch, Moody's or S&P, each of which is established in the European Union and each of which is registered under the CRA Regulation and is included, as of the date of this Prospectus, in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs (for the avoidance of doubt, such website does not constitute part of this Prospectus).

19. The Issuer (after liaising with the Servicer) undertakes:

    (i) prior to the Issue Date, to make available such information as is required to enable actual or prospective Noteholders or third party contractors to build a cash flow model setting out the transaction cash flows; and

(ii) from the Issue Date until redemption in full of the Class A Notes, to make available loan-level data, detailed summary statistics and performance information in respect of the Purchased Receivables to actual or prospective Noteholders and firms that generally provide services to investors, which, as at the Issue Date, is expected to be through the European DataWarehouse and make available updates to such information on a periodic basis.

20. The Issuer (after liaising with the Servicer) undertakes to make available to the holders of the Class A Notes until the date the last Class A Note is redeemed in full a cash flow model either directly or indirectly through one or more entities who provide such cash flow models to investors generally.

21. Pursuant to the Cash Allocation, Management and Payments Agreement, the Calculation Agent is specifically in charge of preparing an Investor Report on the basis of the last information received by the other Transaction Parties. It will be made available by the Paying Agent on its web site. The Investor Report will provide the relevant information to investors including data with regard to the portfolio of the outstanding Purchased Receivables as well as the related information with regards to the payments to be made on the following Payment Date under the Notes and an overview of the retention of the material net economic interest by the Seller (in compliance with article 405 of the CRR). In addition, the Issuer shall disclose in the first Investor Report following the Issue Date, the amount of Notes which are:

(i) privately-placed with investors which are not the Seller or part of the Seller's group;

(ii) retained by the Seller or by a member of the Seller's group; and

(iii) publicly-placed with investors which are not in the Seller's group.

The Issuer shall also disclose (to the extent possible), in relation to any amount initially retained by a member of the Seller's group, but subsequently placed with investors which are not in the Seller's group, such placement in the next Investor Report.

Each Investor Report will contain a glossary of the defined terms used.

The Calculation Agent will ensure that copies of the Investor Reports are made available, on each Calculation Date, to the holders of the Class A Notes (and prospective holders of the Class A Notes, subject to the consent of the Seller and the Servicer) on the website of the Stock Exchange (www.bourse.lu) and for collection from its office during usual office hours on any weekday and in compliance with any requirements in the Conditions.

22. The Issuer undertakes that from the Issue Date until the date the last Class A Note is redeemed in full, the Investor Reports will be made available, on each Calculation Date, to investors, potential investors and firms that generally provide services to the investors on the website of the Stock Exchange (www.bourse.lu) and will be updated on a periodic basis.

ISSUER

Auto ABS Italian Loans 2018-1 S.r.l.
Via Vittorio Alfieri No. 1
Conegliano (Treviso)
Italy

SELLER, SERVICER, CLASS B NOTES SUBSCRIBER, CASH MANAGER, GENERAL RESERVE SUBORDINATED LOAN PROVIDER AND COMMINGLING RESERVE SUBORDINATED LOAN PROVIDER

Banca PSA Italia S.p.A.
Via Gallarate No. 199
20151 Milan
Italy

CORPORATE SERVICER

Securitisation Services S.p.A.
Via Vittorio Alfieri No. 1
Conegliano (Treviso)
Italy

CALCULATION AGENT

BNP Paribas Securities Services S.C.A.
3 rue d'Antin
75002 Paris
France

SPANISH ACCOUNT BANK

Banco Santander, S.A.
Ciudad Grupo Santander
Avenida de Cantabria, S/N
28660 Boadilla del Monte (Madrid)
Spain

ITALIAN ACCOUNT BANK AND PAYING AGENT

BNP Paribas Securities Services, Milan Branch
Piazza Lina Bo Bardi 3
20124 Milan
Italy

SERVICER COLLECTION ACCOUNT BANK

Intesa Sanpaolo S.p.A.
Piazza San Carlo 156
10121 Turin
Italy

SWAP COUNTERPARTY

ING Bank N.V.
Bijlmerplein 880
1102 MG Amsterdam
The Netherlands

STICHTING CORPORATE SERVICER

Wilmington Trust SP Services (London) Limited Third Floor, 1 King's Arms Yard
London EC2R 7AF
United Kingdom

REPRESENTATIVE OF THE NOTEHOLDERS

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Third Floor, 1 King's Arms Yard
London EC2R 7AF
United Kingdom

QUOTAHOLDER

Stichting Passito
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The Netherlands

ARRANGER

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20121 Milan
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Clifford Chance
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20121 Milan
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